Meeting Headline Report

TNUoS Taskforce Meeting 13

Date:	27/02/2024	Location:	Teams - online
Start:	10.00	End:	16:00

Signals sub-group

Lead: Lauren Jauss

Objective:

Share progress made so far and decide on next steps.

Outcome:

- Signals workstream to meet and agree the scope of deliverables and analysis that need to be concluded by the Taskforce before there is a case for change for Demand TNUoS and a mod can be raised.
- The demand TNUoS analysis proposed by Frontier to date is relatively detailed and may be better as part of a mod process.
- The outstanding questions that the Signals workstream have regarding demand TNUoS are likely to include - What is a useful signal for demand? Would a locational demand signal be material enough to warrant developing locational demand charges? For each of the demand TNUoS proposals made by Frontier, would it be possible to remove the demand floor without incentivising wastage of energy, and how predictable (and therefore useful) would the charges be?

Demand Generation sub-group

Lead: Grace March

Objective:

Update Taskforce members of the Demand Generation sub-groups findings and share the closure report.

Outcome:

- The Distributed Generation charging sub-group closed with the conclusion that none of the three potential options identified by Ofgem in the Access and Forward Looking Charges SCR were proportionate, as they introduced new distortions.
- Option 1b, uncapped EET for DG <1MW and TNUOS for DG 1MW is the least worst option but not suitable at the moment due to low participation in the Balancing Mechanism by DG (out of scope of the Taskforce) and application of the Limiting Regulation.

Sharing sub-group

Lead: Simon Lord

Objective:

Update Taskforce members of the Sharing sub-groups discussions and share the closure report.

Outcome:

- ESO to review the LCP/Frontier modelling confirming it took account of the current market arrangements e.g., CFD's etc.
- The Charging Futures - Storage TNUoS Subgroup will be tasked to look at the approach to including storage in the sharing calculation that splits Year round TNUoS into shared and not shared.
- ESO/Industry to consider how the co-incidence of low carbon output across multiple boundaries effects the sharing calculation given the existing methodology considers all low carbon generation to be all coincident
- ESO will consider if/how confirm TEC can/should be included in the TNUoS calculation.

Data Inputs sub-group

Lead: Christian Parsons

Objective:

Discuss Frontier analysis and set next steps.

Outcome:

- We discussed potential next steps, including ESO are planning to review the week 24 data to assess other uses in forecasting.
- We have proposed that we use this as a review of how fit for purpose the week 24 data is.
- ESO and TO's have committed to work together to improve transparency and get any changes in the code to ensure we future proof any solutions.
- There is an ask on Suppliers if they would like to be part of this conversation? What would you like to see? Via STC or direct feedback to ESO.
- ESO has committed to conduct analysis of the impact of TDR and present finding to Taskforce and Industry.

Security Factors

Lead: John Tindal

Objective:

The sub-group lead presented a needs case and suggested solutions regarding a potential modification to change the Locational Onshore Security Factor. The purpose was to discuss and obtain feedback from Taskforce members regarding the merits of the needs case, identify further considerations and next steps.

Outcome:

There was strong consensus among Taskforce members that there is currently a defect with the Security Factor which should be addressed. The current Security Factor appears to be not cost reflective, because it is too high, and is over-stating the Wider locational signals.

Next steps will include John Tindal presenting the Security Factor issue at TCMF for broader industry engagement. Also have further discussions with subject matter experts within ESO, before raising a modification.