

Code Administrator Meeting Summary

Meeting name: CMP368 & CMP369 Workgroup 2

Date: 26 May 2021

Contact Details

Chair: Jennifer Groome

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Proposer: James Stone

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Key areas of discussion

- The Chair advised the Workgroup of their position on the modification timeline and expressed the progress that needed to be made in order to meet their planned date to publish the Workgroup Consultation.
- The Workgroup shared updates on the actions taken at the last meeting – see the actions table below. Most of the actions were covered by slides presented by the Proposer:
 - 2020/21 Generation Revenue Breakdown
 - BCA with pre-approved works that are classed as enabling works
 - An example of works that are “planned together”
 - Commentary added to slides showing various scenarios of when assets are Non-Pre-Existing Assets (NPEAs) or Pre-Existing Assets (PEAs).
- Since the last Workgroup, a Workgroup member had taken an action to create a list of the high-level concepts for discussion and clarification. These were presented to the Workgroup with the Proposer’s input of their understanding of these concepts. The list will be shared with the Workgroup for review and further input.
- The Proposer presented the Business Rules for the Original solution and potential Alternative.
- No further Alternatives were discussed, though it was mentioned that there could be Alternatives based on different definitions.
- The Proposer presented some additional NPEA/PEA scenarios and an additional modelling challenge.
- The Proposer has identified a dataset referring to Generation Connections Volume Driver within the RIIO-2 Price Control Financial Models, which could be used as a proxy for NPEA for onshore circuits where NPEA/PEA is not clear as indicates where TO investment is being made for the purpose of connecting a generator. The Workgroup was asked to look at the dataset and consider this option in advance of the next Workgroup.

- The Chair presented a draft structure of the Workgroup Considerations section of the Workgroup Consultation and asked for feedback from the Workgroup. The Workgroup had no feedback on the draft structure.
- The Chair recapped the modification timeline. The draft Workgroup Consultation will be shared for review in advance of the next Workgroup meeting on 3 June 2021. The updated draft will then be shared on 7 June. A short placeholder meeting will be booked for the afternoon on 8 June to discuss any comments on the consultation by exception.
- The Chair recapped the actions taken at the meeting, which are summarised in the table below.

Open Actions

| Action Number | Workgroup raised | Owner | Action | Comment | Due by | Status |
|---------------|------------------|----------|---|--|--------|--------|
| 5 | WG1 | JT | Provide wording on their view on firm and non-firm effects - slide 10. | | WG2 | Open |
| 6 | WG1 | JW/JZ | ESO to consider whether local charges to generators that are associated with assets built after their connection should be within the connection exclusion or not. | Are WW ever charged through local charges? | WG2 | Open |
| 10 | Post WG1 | GG/JZ/JS | Response to the 3 points in GG's email. Net or gross station demand charges Clarify calculation of eligible TNUoS Generation Revenue 2020/21 Proposal in regard to re-evaluation of assets | Proposal in regard to re-evaluation of assets - still open | WG2 | Open |
| 11 | Post WG1 | JT/GG | Examples of where the CMA decision provides a legal interpretation of the ITC Regulation which is different from the interpretation being used by Ofgem. | | WG2 | Open |
| 12 | WG2 | JZ/JS | Mock up template to show how the moving parts in the calculations work to show the net effects | | WG3 | Open |
| 13 | WG2 | JZ/JS | Look at previous CMPs regards capital contributions. WW or asset built for generator connection - check what has been discussed in the past. | | WG3 | Open |
| 14 | WG2 | JZ/JS | Quantify the concept of conditional resource related to the implementation | | WG3 | Open |
| 15 | WG2 | All | To think about the conditions in which the BCA may change or the legal entity may change at a site, and how that should be treated. | | WG3 | Open |
| 16 | WG2 | HH | Consider Agreements to Vary impacts definition of pre-existing system ahead of further discussion by the workgroup | | WG3 | Open |
| 17 | WG2 | JZ/JW | Circulate the relevant RIIO document regards slide 10 | | WG3 | Open |

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| 18 | WG2 | All | To consider whether to use the dataset within the RIIO2 Price Control Financial Models as a proxy | WG3 | Open |
| 19 | WG2 | JT | To consider how interconnectedness might relate to local charges. | WG3 | Open |
| 20 | WG2 | All | Workgroup to review/add to the questions/answer document ahead of next Workgroup | WG3 | Open |

Closed Actions

| Action Number | Workgroup raised | Owner | Action | Comment | Due by | Status |
|---------------|------------------|----------|---|--|--------|--------|
| 1 | WG1 | JZ | Provide a breakdown of the inputs to the current compliance calculation compared to those proposed. | | WG2 | Closed |
| 2 | WG1 | JW | Check the relevant legislation to clarify the definitions "producer" and "generator" (storage?). | No definition held within 838/2010. Workgroup comfortable that a producer and generator is the same, and storage that generates electricity is a generator. Include refs in WG report. LJ to forward the refs. | WG2 | Closed |
| 3 | WG1 | JZ | Confirm whether there are BCAs with pre-approved works that are classed as enabling works that can link to local charges. (Split between "planned together" and not). Confirm ESO proposal for how these should be treated. | | WG2 | Closed |
| 4 | WG1 | JW/JZ/PJ | Write up the pros and cons of both points on slide 10. PJ to feed in. | | WG2 | Closed |
| 7 | WG1 | JW/JZ | Provide an example with numbers - slide 10. | | WG2 | Closed |
| 8 | WG1 | JZ | Update slide 14 with commentary (various additional scenarios) and share with Workgroup in advance of next meeting | Scenarios to be revisited at next workgroup | WG2 | Closed |
| 9 | WG1 | LJ | Bullet point the high-level concepts, for discussion and clarification at the next Workgroup. | | WG2 | Closed |

Next steps

- The next Workgroup meeting is on 3 June 2021.

For further information, please contact Jennifer Groome.