

# CMP300 Workgroup 1 – Post Send Back

**Monday 8 November 2021**

**Online Meeting via Teams**

# WELCOME



nationalgridESO



The slide features several decorative yellow lines. In the top left, there are several thin, curved lines that sweep across the upper portion of the slide. In the bottom right, there are several thick, parallel diagonal lines that extend from the bottom left towards the top right, creating a sense of movement and direction.

# Objectives and Timeline

Paul Mullen – National Grid ESO Code Administrator

# Timeline for CMP300 V1 as at 15 October 2021

Milestone	Date	Milestone	Date
Workgroup 1 – clarity from Ofgem on expectations, agree timeline, review terms of reference, which costs are covered and agree next steps	9 September 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 January 2022
Present findings to Panel – <i>not for approval</i>	26 November 2021 (Papers 18 November 2021)	Final Modification Report issued to Ofgem	7 February 2022
Code Administrator Consultation (15 Working Days)	30 November 2021 to 5pm on 7 January 2022	Ofgem decision	TBC
Draft Final Modification Report (DFMR) issued to Panel	18 January 2022	Implementation Date	10 working days after Authority Decision
Panel undertake DFMR recommendation vote	26 January 2022		

# What did Ofgem say?

Paul Mullen – National Grid ESO Code Administrator

# Ofgem's Send Back Decision – 9 July 2021

On 9 July 2021, Ofgem sent back CMP300 asking the following:

- Provide more evidence that demonstrates objective (b) would be better facilitated for CfD BMUs as a class of users
- Seek further feedback from industry and affected parties to improve the robustness of the assessment of the proposals and
- Make best endeavours to secure further supporting evidence to demonstrate the economic impact of the Proposal against the class of users that would be affected.

# What is the ask on the Workgroup?

Paul Mullen – National Grid ESO Code Administrator

# CMP300 – Governance Rules for Send-Backs and Panel Asks

8.23.12 If the **Authority** determines that the **CUSC Modification Report** is such that the **Authority** cannot properly form an opinion on the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**, or where the **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** constitutes an **EBGL Amendment** where the **Authority** requires an amendment to **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** in order to approve it, it may issue a direction to the **CUSC Modifications Panel**:

- (a) specifying the additional steps (including drafting or amending existing drafting associated with the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
- (b) requiring the **CUSC Modification Report** to be revised and to be re-submitted.

8.23.13 If a **CUSC Modification Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, (and in the case of an **EBGL Amendment** within 2 months), taking into account the complexity, importance and urgency of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**. The **CUSC Modifications Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority's** direction and shall agree an appropriate timetable for meeting its obligations. Once the **CUSC Modification Report** is revised, the **CUSC Modifications Panel** shall carry out its **CUSC Modifications Panel Recommendation Vote** again in respect of the revised **CUSC Modification Report** and re-submit it to the **Authority** in compliance with Paragraphs 8.23.4 to 8.23.6.

July 2021 Panel agreed next steps following send-back on 9 July 2021:

They **NOTED** that Ofgem are asking the Final Modification Report to be revised and resubmitted

They **AGREED** that this needs to be assessed by a Workgroup (*there is no Workgroup Consultation, or Workgroup Report and no further Workgroup Alternatives can be raised*)

They **AGREED** Workgroup's Terms of Reference

They **AGREED** (following the assessment by the Workgroup) that a Code Administrator Consultation is needed to be run before it is re-presented to Panel for Recommendation Vote



# Terms of Reference

**Paul Mullen – National Grid ESO Code Administrator**

# CMP300 – Terms of Reference

- Provide more evidence that demonstrates CUSC Objective (b) would be better facilitated for CfD Balancing Mechanism Units (BMUs) as a class of users.
  - Confirm that there is only 1 CfD BMU currently impacted; and
  - Assess whether or not any future CfD BMUs are likely to come on line in the future and assess how it can be ensured that they are not negatively impacted.
- Seek further feedback from industry and affected parties to improve the robustness of the assessment of the proposals.
- Secure further supporting evidence to demonstrate the economic impact of the Proposal against the class of users that would be affected or clearly articulate why this has not been possible.

# CMP300 – Terms of Reference – way forward

- Provide more evidence that demonstrates CUSC Objective (b) would be better facilitated for CfD Balancing Mechanism Units (BMUs) as a class of users.
  - Confirm that there is only 1 CfD BMU currently impacted; and
  - Assess whether or not any future CfD BMUs are likely to come on line in the future and assess how it can be ensured that they are not negatively impacted.

*There is only 1 CfD BMU currently impacted.*

*The key question we need to answer is what new technologies are out there that may need a CfD. To answer this, using the latest published Future Energy Scenarios to work out which technology types coming forward could be seeking a CfD in the future. To do this firstly need to strip out the non-fuel technology; then with what's left strip out those that are clearly distribution connected. This will give the list of technologies (and estimated MW) that use fuel that are likely to connect to the transmission system - this all works on the broad assumption that all these technologies will be seeking subsidy via a CfD.*

*Note that the Low Carbon Contracts Company would only have a list of current contracted CfDs so wouldn't be able to provide support for such a future look.*

*FYI, here is a [link](#) to the technology types eligible for a CfD for the next Allocation Round*

# CMP300 – Terms of Reference – way forward

- **Seek further feedback from industry and affected parties to improve the robustness of the assessment of the proposals.**

*There will be a 2<sup>nd</sup> Code Administrator Consultation run before the Draft Final Modification Report is presented to Panel – the aim would be to target the potential new technology types (that would be seeking connection to the transmission system) coming forward*



# CMP300 – Terms of Reference – way forward

- Secure further supporting evidence to demonstrate the economic impact of the Proposal against the class of users that would be affected or clearly articulate why this has not been possible.

*There will be a Code Administrator Consultation run before the Draft Final Modification Report is presented to Panel - the aim would be to target the potential new technology types (that would be seeking connection to the transmission system) coming forward*

# Next Steps

**Paul Mullen – National Grid ESO Code Administrator**