

Code Administrator Meeting Summary

Meeting Name: CMP286/CMP287 Workgroup 7

Date: 7 December 2021

Contact Details

Chair: Paul Mullen, National Grid ESO Paul.Mullen@nationalgrideso.com

Proposer: Niall Coyle, E.ON Niall.coyle@eonenergy.com

Key areas of discussion

- CMP286/CMP287 seeks to provide certainty to inputs into the TNUoS charging methodology that market participants cannot forecast, thereby making the costs that customers pay more reflective of the final charge. Consequently, the Proposer argues that this will reduce the risk premia charged by suppliers to consumers.
- The aim of this meeting was to go through the Modification Process, remind parties of their responsibilities and to enable Workgroup Members to re-acquaint themselves with the proposal and understand what has changed since the last meeting in 2020.
- The Chair explained the Modification Process and Workgroup's roles and responsibilities. Chair also presented the terms of reference, which were agreed and the timeline, which has been revised to add an additional Workgroup prior to Workgroup Consultation.
- The Proposer set out their updated Solution and the Workgroup agreed the importance of further analysis to show the benefits to consumers (via lower risk premia) of extending the notice period of TNUoS tariffs (3 to 15 months) and the need for the Proposer to address the reasons why CMP244 was rejected¹.
- The Transmission Owner representative noted that extending the notice period would further increase their cashflow risk (especially as a longer notice period would mean less accuracy) and the Workgroup sought clarity from Ofgem on any process or price control considerations.

¹ <https://www.nationalgrideso.com/document/7911/download - CMP244> was rejected as it didn't provide conclusive evidence of wider benefits.

- The Workgroup considered the wider change landscape and developments since 2020 and noted that Ofgem had recently rejected a request from DNOs to temporarily increase the notice period from of DUoS tariffs from 3 to 15 months.

The following actions were noted:

Actions Log

Action Number	Action	Owner	Due by	Status
1	ESO and Proposer to work together and provide an update on the previously run analysis (including assumed impacts on risk premia noting Ofgem's previous decision on CMP244) at the meeting on 13 January 2022	Nicola White, Jo Zhou and Niall Coyle	13 January 2022	Open
2	Share the ESO view on the proposed solution at the meeting on 13 January 2022	Nicola White	13 January 2022	Open
3	Share draft legal text at the meeting on 13 January 2022	Nicola White	13 January 2022	Open
4	Ofgem to provide clarity on any process changes, licence changes and price control implications	Shannon Murray	Next Workgroup	Open

Next Steps:

- The next 2 Workgroups will be on **13 January 2022** and **24 February 2022** – the focus of these is to finalise solution to be consulted on, flesh out impacts, review legal text, agree alternatives and agree Workgroup Consultation questions.

Attendees

Name	Company	Role
Paul Mullen	Code Administrator National Grid ESO	Chair
Sally Musaka	Code Administrator National Grid ESO	Technical Secretary
Nicola White	National Grid ESO	Workgroup Member
Jo Zhou	National Grid ESO	Workgroup Member
Niall Coyle	E. ON	Proposer
Richard Woodward	NGET	Workgroup Member
Shannon Murray	Ofgem	Observer
Craig Pollock	SHE Transmission	Workgroup Member
Victoria Macleod	SHE Transmission	Workgroup Member Alternate
Robert Longden	Cornwall Energy	Workgroup Member
Simon Vicary	EDF Energy	Workgroup Member
Colley Andrew	SSE Generation	Workgroup Member Alternate
Paul Youngman	Drax	Workgroup Member Alternate

For further information, please contact Paul Mullen