

Code Administrator Meeting Summary

Meeting name: CMP286 and 287 Workgroup 11

Date: 18 May 2022

Contact Details

Chair: Paul J Mullen

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Key areas of discussion

- CMP286/CMP287 seeks to improve TNUoS predictability through increased notice of the Target Revenue (CMP286) and inputs (CMP287) used in the TNUoS Tariff Setting Process and proposes to fix the Target Revenue and certain inputs 15 months ahead of TNUoS tariffs going live.
- The purpose of this Workgroup was to review the Workgroup Consultation responses. In summary, responses from the Supplier respondents were supportive of the change and argued that this will lead to reduced risk premia whilst the ESO and the Transmission Owners argued the case for change was not proven and one of the Transmission Owner representatives showed high-level analysis (with the full analysis to be shared with Workgroup) of the impact of moving the forecasting risk from Suppliers to Transmission Owners.
- There is one potential alternative, which is as per the Original except not fixing the “ESO pass-through” costs (~£50m) 15 months ahead of TNUoS tariffs going live.
- The Workgroup noted there would need to be licence changes if the change was approved by the Workgroup and agreed it was important to get clarity from Ofgem on the process/timings for such licence changes and whether or not Implementation during the Price Control period was feasible.
- Workgroup agreed that a further Workgroup was needed before the Workgroup Report could be presented to Panel predominantly as more clarification needed on the Transmission

Owner impacts and the licence changes (**Post Meeting Note: May 2022 Panel agreed to a delay for Workgroup Report to be presented to them from June 2022 to July 2022 Panel**)

Actions

Action Number	Action	Owner	Due by	Status
1	Identify STC / STCPs impacts	Richard Woodward, Victoria Macleod and Nicola White	10 June 2022	TO/ESO meeting 18 May. Next meeting 6 June. Code mapping is progressing
2	Share draft of legal text with Workgroup	Nicola White	18 May 2022	To be circulated to Workgroup w/c 6 June
3	Confirm process and timeline for licence changes and price control impacts (including bringing in this change within the current Price Control period)	Shannon Murray/Andy Malley	10 June 2022	Chair has sought clarification from Ofgem
4	Share Transmission Owner analysis with Workgroup	Richard Woodward	10 June 2022	Circulated to the workgroup on 6 June - Closed

Next Steps

The next Workgroup will be on **10 June 2022** – the focus of this is to review legal text, hold alternative vote on ESO’s potential solution and understand more on the Licence and Price Control implications.