

Code Administrator Meeting Summary

Meeting name - CMP398 Workgroup 1

Date: 03 November 2022

Contact Details

Chair: Banke John–Okwesa: Banke.JohnOkwesa@nationalgrideso.com

Proposer: Garth Graham: garth.graham@sse.com

Key areas of discussion

- The aim of this meeting was to go through the Modification Process, remind parties of their responsibilities, review and agree the Terms of Reference and timeline, review cross code impacts, and also review any required analysis.
 - The Chair explained the Modification Process and Workgroup's roles and responsibilities.
 - The Proposer explained that CMP398 proposes to introduce a codified cost recovery mechanism to prevent the affected parties being commercially disadvantaged by the implementation of the new obligations.
 - The Proposer clarified to the workgroup that CMP398 is not looking to change the obligations on CUSC Parties regarding the 72 hours resilience period as stated in GC0156 and delivered a presentation covering:
 - Background of CMP398;
 - Claims Principles, costs that will be borne by CUSC Parties as set out in GC0156 and to be recovered via BSUoS (based on article 8 of ERNC). The ESO rep noted that at present, under today's baseline approach, the underlying costs that drive BSUoS are passed on as BSUoS charges more or less as they are incurred. Supposing CMP361 or one of its variants is passed, the ESO there would be some degree of fixing by the ESO of a flat forecast BSUoS charge.
 - Items to be claimed for, seeking to cover items on the list for CAPEX shared with the ESRS Workgroups to include; procurement, construction, training and recruiting of staff, identify costed solutions, design an on site solution to that Grid Code approved obligation and ongoing annual OPEX Costs;
 - In terms of the Process, the proposed approach is to follow the process principles already set out in the BSC (which Ofgem and BEIS had approved) for generators to make ex post claims under the Fuel Security Code. The intension is that the CUSC Panel will appoint committee of independent experts (no CUSC Parties, or ESO, on the committee, Ofgem can observe) to assess claims.
 - A Workgroup member felt that including the ESO in the claims committee might be more reasonable but, the Proposer's rationale against this is to prevent issues of commercial confidentiality and conflict of interest.
Claims submitted directly to the committee. Claims include all requisite information/justification needed by committee (who can ask for further information if needed)
 - The approach for payments would be that claims for CAPEX costs incurred or requests for pre-approved expenditure assessed by the committee to be reasonable, efficient, and proportionate shall be paid by the ESO within one month of the claim or pre-approved expenditure request. For OPEX, claims committee to set out, after consultation with stakeholders, an annual allowance(inflated); which will be based on technology types/types of claimants and asset for size; costs for staff; ongoing training; fuel etc
 - The ESO's Representative raised concerns around the proposed costs and claims process as follows:
 - Not in support of the ESO having no role around the appointment of this Panel, nor its meetings. The Proposer's response was the suggestion that the President of the Chartered Institute of Arbitrators could be asked to appoint the members of the claims assessment panel, instead of the CUSC panel making the appointment as per the first draft of the proposal.
 - It was not clear who would arrange the claims panel's meetings or keep an eye on productivity.
 - The Workgroup had some discussions around the approach set out by the proposer on the claims, process, payments and agreed that this approach seemed reasonable.
 - The Workgroup reviewed and agreed the Terms of Reference. They also agreed to look at section (g) of BSC and see how to reflect that to CUSC (this looks to cover the scope and remit to assess claims)
-

Actions

Action number	Owner	Action	Comment	Due by	Status
1	Workgroup	To review Section (g) of the BSC and reflect that to CUSC ahead of next workgroup meeting.	This will be covered in section d of the Terms of Reference	06/12/2022	Open
2	Banke/Sally	Circulate Proforma to workgroup for suggestions of potential consultation questions & Resilience Survey results from SA	To review and send to Code admin	18/11/2022	Open
3	Garth	Circulate notes to address RL's questions	Workgroup to review and provide feedback on Garth's email on the wording	06/12/2022	Propose to Close

Next Steps

- The Chair confirmed that the next meeting will be held on 06 December 2022. At this meeting, the Workgroup will finalise consultation documents and decide the possibility of moving the consultation forward if the objectives of meeting 3 scheduled 10 January 2023 are fully covered at the next meeting.
- The Chair and SM will endeavour to share with the Workgroup a draft workgroup consultation report for comments by 29 November 2022.

Attendees

Name	Company	Role
Banke John-Okwesa	National Grid ESO-Code Administrator	Chair
Sally Musaka	National Grid ESO- Code Administrator	Technical Secretary
Paul Mott	National Grid ESO	ESO Representative
Garth Graham	SSE	Proposer
Sean Gauton	Uniperenergy	Workgroup Member
Paul Youngman	Drax	Workgroup Member
Karl Marylon	Drax	Workgroup Member Alternate
Robert Longden	Eneco Energy Trader BV	Workgroup Member
Priyanka Mohapatra/Joseph Dunn	Scottish Power Renewables	Workgroup Member
Neha Gupta	National Grid ESO	Observer

Sade Adenola	National Grid ESO	Observer
Kwaku N	National Grid ESO	Observer
Alice Taylor	National Grid ESO	Observer
Llewellyn Hoenselaar	National Grid ESO	Observer