

# Code Administrator Meeting Summary

## Meeting name: CMP411 – Workgroup Meeting 4

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Date: 08/06/2023

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### Contact Details

Chair: Claire Goult, National Grid ESO [claire.goult@nationalgrideso.com](mailto:claire.goult@nationalgrideso.com)

Proposer: Nitin Prajapati, National Grid ESO [Nitin.Prajapati@nationalgrideso.com](mailto:Nitin.Prajapati@nationalgrideso.com)

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## Key areas of discussion

### Introduction

The Chair shared the objectives and timeline with the Workgroup.

### Subject Matter Expert (SME) Presentation - Options for Inflation of the AI Cost Gap

In relation to a Workgroup member ask from the previous meeting as to how inflation would be applied, the ESO Subject Matter Expert described two methods currently used within TNUoS Tariff setting:

- Inflation in line with the OFTO's revenue
- Transmission Owner Price Index (TOPI)

The SME advised that no opinion or numbers had been included as it was important for the Workgroup to consider the principals and agree what is most appropriate rather than choosing which option was the lowest in value.

The ESO SME explained that this was not setting a tariff that needs to track the TOs revenue going forward as it is paid off by the demand residual in the first instance and therefore it is not being owed to any particular TO. It looks backwards at the amount that has already been paid off by those demand customers. The SME asked the Workgroup to consider what is the most appropriate method of paying them back rather than talking in terms of onshore/offshore inflation.

### Actions Update from Workgroup 3

The Proposer provided answers to questions raised by Workgroup members in the previous meeting.

#### 1. Consider if we can have an option to pay off AI Cost Gap in first year/one off payment?

The Proposer felt the answer to this question was yes and detailed two options which could be built into the modification.

#### 2. Can changes in TEC be accommodated and if so how does this flow through the tariff?

The Proposer described various scenarios surrounding how changes in TEC could be accommodated. A workgroup Member suggest this could be a question for the Consultation and the Proposer agreed.

### Specific Consultation Questions

The Chair shared the questions for the Workgroup to consider. After a discussion more questions were added, and the Workgroup took an action to come back with any further considerations.

**Next Steps**

The Workgroup to review the draft Workgroup Consultation.

**Actions**

For the full action log, [click here](#).

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
6	WG3	All	Review the draft Workgroup Consultation and consider wording for specific consultation questions.	NA	14/6/23	Open
7	WG3	Chair	Share updated slide pack with Workgroup	NA	12/6/23	Open

**Attendees**

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator ESO	Chair
Deborah Spencer	DS	Code Administrator ESO	Technical Sec
Nitin Prajapati	NP	ESO	Proposer
Calum Duff	CD	Thistle Wind Partners	Observer
Claire Hynes	CH	RWE	Workgroup Member
Damian Clough	DC	SSE generation	Workgroup Member
Faiva Wadawasina	FW	Bellrock/Broadshore Offshore Wind Ltd	Observer
Jessica Rivalland	JR	Code Administrator ESO	Observer
Kyran Hanks	KH	Waters Wye Association	Workgroup Member
Matthew Paige-Stimson	MPS	National Grid Electricity Transmission	Workgroup Member
Ryan Ward	RW	Scottish Power	Workgroup Member
Sarah Chleboun	SC	ESO Rep	SME