

Code Administrator Meeting Summary

Meeting name: CMP413 - Workgroup 2 (Rolling 10-year wider TNUoS generation tariffs)

Date: 11/07/2023

Contact Details

Chair: Claire Goult, ESO Code Administrator claire.goult@nationalgrideso.com

Proposer: Binoy Dharsi – EDF Energy binoy.dharsi@edfenergy.com

Objectives

The Chair shared the objectives with Workgroup members.

Terms of Reference

The Chair confirmed the revised Terms of Reference had been approved by Panel on 30 June 2023.

Flow direction on the HND HVDC circuit - ESO SME

During the previous meeting, the ESO Subject Matter Expert (SME) took an action to confirm the flow direction on the HND HVDC circuit. The SME confirmed it was predominantly from North to South and informed the Workgroup this information was taken from Ofgem's decision on OTNR asset categorisation.

Revised Option 1 – treat DC circuits as if they were AC circuits

The SME shared a revised diagram for Option one explaining it was initially thought that the Lincolnshire connection node was not yet energised. However, the most recent HND report and Ofgem's ASTI decision, confirmed that Lincolnshire-Humber double circuits have brought forward from 2031 to 2030. The SME advised the group that both options to combat the HND methodology challenge (discussed in Workgroup 2) had been taken to TCMF where Option one was the preferred choice. Several Workgroup members agreed that this was also their preferred option.

Model Development to demonstrate the original proposal methodology

The Proposer shared a Forecast Example Tool with the Workgroup. An observation was made that to check the cap and collar had worked, it would require all previous year's data, the Proposer agreed this unfortunately would be a large amount of data. Another member asked the Proposer to consider making the spreadsheet more readable by using tariffs in the five-year view. Further information was also requested by the Workgroup on the impact of socialising the cap/collar breach to demand and generation users.

In the previous meeting, the Proposer stated a willingness to consider other approaches which achieved the same goal as the proposal. One Workgroup member presented their variation of the methodology explaining it was an attempt to interpret the proposal in a simple

way but the principle of keeping the forecast within range was the same. Several Workgroup members agreed this interpretation was much clearer. One member suggested expanding the example beyond Year 11 as there were concerns an unintended consequence may be a potential tariff jump after 10 years.

The Proposer suggested variations of the methodology put forward by two members of the Workgroup should be evaluated offline prior to the next Workgroup. It was agreed that the same data should be used for all examples for comparisons to be made. An action was taken to circulate the three variations in methodology to the Workgroup.

Next Steps

Workgroup members to consider the tariff methodology examples and provide feedback to the Proposer or share ideas offline to support the progression of the modification.

Actions

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
4	WG3	Chair	ToR changes to CUSC Panel	NA	WG4	Closed
5	WG3	ESO SME	Confirm the predominant flow direction on the HND HDVC circuit	NA	WG4	Closed
6	WG3	Proposer	Methodology development to demonstrate the original proposal method	NA	WG4/5	Closed
7	WG3	All	Feedback on Tariff Methodology	NA	WG4	Closed
8	WG3	Workgroup Members	Confer with proposer on Tariff Methodology	NA	WG4	Closed
9	WG4	Proposer/GM/PJ	Confer and present variations in methodologies using the same data/spreadsheets circulated to WG pre WG5	NA	WG5	Open
10	WG4	EDF/ESO	ESO/EDF to work on the financial impact of socialising the cap/collar breach to demand users	NA	WG5	Open
11	WG4	Proposer	Consider the financial impact on socialising the cap/collar breach to Generation users	NA	WG5	Open

Attendees

Name	Initial	Company	Role
Binoy Dharsi	BD	EDF	Proposer
Simon Vicary	SV	EDF	Proposer
Claire Goult	CG	Code Administrator, ESO	Chair
Deborah Spencer	DS	Code Administrator, ESO	Tech Sec
Alan Kelly	AK	Coriogenesis	Observer
Chiamaka Nwajaga	CN	Orsted Wind Power	Observer
Grace March	GM	Sembcorp	Workgroup Member
David Tooby	DT	Ofgem	Authority Representative
George Moran	GM	Centrica	Workgroup Member
Jo Zhou	JZ	ESO	Subject Matter Expert
Matthew Paige Stimson	MPS	National Grid	Workgroup Member
Martin Cahill	MC	ESO	Workgroup Member
Nick Everitt	NE	ESO	Subject Matter Expert
Simon Vicary	SV	EDF	Alternate
Tom Steward	TS	RWE	Workgroup Member
Robert Newton	RN	Zenobe	Observer
Rowan Hazell	RH	Cornwall Insights	Alternate
Ryan Ward	RW	Scottish Power	Alternate