

CMP402 - Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements

29 March 2023

Online Meeting via Teams

WELCOME





Objectives

Jess Rivalland- National Grid ESO Code Administrator

Options

Option	Pros	Cons
Solution based on capacity of assets	<ul style="list-style-type: none"> • This would follow current User Commitment principles which allows a sharing factor to be applied meaning liabilities are also shared with other Users. • It could provide clarity to developers as to what percentage liability they could be liable for ahead of the Early-Stage Cost Assessment being completed 	
Local Asset Reuse Factor (LARF) could be applied	<ul style="list-style-type: none"> • This would follow current User Commitment principles which allows the principle that the asset could be reusable meaning liabilities are reduced. 	<ul style="list-style-type: none"> • Currently the LARF is provided by Transmission Owners and therefore would need to determine how and who would determine the LARF. • It can be questioned how reusable HVDC assets offshore are and therefore the timing could / would need to be considered.
Capping elements aligned to typical FID	<ul style="list-style-type: none"> • This would provide certainty to the later developer 	<ul style="list-style-type: none"> • It could result in more risk being passed onto consumers
AI costs liabilities to be calculated on case by case basis	<ul style="list-style-type: none"> • This could be deemed a fair approach as certainly as is the case with Early Opportunity projects, each project may be slightly different in approach. 	<ul style="list-style-type: none"> • Would not necessarily provide certainty and clarity for the later developer ahead of FID • Potentially could set precedent for future projects



Next Steps and AOB

Jess Rivalland - National Grid ESO Code Administrator