

Code Administrator Meeting Summary

CMP413 - Workgroup 9 - Rolling 10-year wider TNUoS generation tariffs.

Date: 23/10/2023

Contact Details

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

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

Timeline/Objectives

Details of the current Timeline and Objectives were shared with the group.

Actions

A slide showing outstanding actions was shared with the group.

(Action 18) ESO's representative had been asked to update the group highlighting the difference between a forecast and a projection. They talked through the points below:

We have called the 10-year publication a 'Projection' to make it clear that there are some significant differences in the methodology and data used in comparison to our 5-year forecast. Some key data that we use for our 5-year publications is not available when looking further out, and other parts of the methodology do not work for these timescales. Uncertainties include:

- Unavailability of some detailed network data
- Generation and demand background: scenarios instead of forecast
- New price control periods
- Energy policies
- New technologies and challenges
- Charging/Modelling methodology changes

In the report, generation input data is aligned with leading the way FES scenario. A sensitivity is then included which shows the impact on tariffs if we instead aligned data to falling short.

The Proposer asked about defined and non-defined methodology, if some of these things could be defined would that be sufficient to produce a forecast or are there still methodology differences.

ESO's representative responded to say if they were trying to make something more defined as a forecast it is potentially achievable, but it would be a big project. ESO would need to look at all the data inputs, including those from third parties and see what is available further out and how they could firm up some of those things.

They were hesitant to say what scenarios are used for a forecast as the whole idea of FES is that it presents a creditable range of different scenarios, and it would be difficult to just pick one.

Another member wanted to point out to the group as a long serving member in the industry they remembered ESO advising that a 5-year forecast was too difficult, so nothing is impossible. Part of the essential reason for this mod it is achieving net zero and to advise Ofgem and Government that this is hampering net zero would not be the right answer.

The ESO Representative advised that they were not saying it is impossible, the point being made was the 10-year publication as a projection was a significant piece of work. To get it to a point where they are producing something they call a 10-year forecast would again be a very big piece of work.

The Proposer asked how much of the price controls feed into the generation core part of the forecast which they are asking for, some sounded like they could be demand related. Is it possible for some of the generation ones be looked at to say a forecast can be done for these or are they done as a whole.

ESO’s representative informed the group they would need to take this away to be looked at.

(Action 17) Centrica submitted an updated version of the Alternative Request; a Workgroup members advised that within the document the proposer had put negative against all of the applicable charging objectives, which was confusing. The Chair advised they would speak to the Proposer offline to get clarification on this point.

Another member noted they were expecting Centrica to attend the meeting today to answer any questions in relation to the Alternative Request, adding they were happy for the vote to go ahead as they did not want the Timeline to be delayed.

Another member raised a concern adding their assumption was that the WACM needed to be better than the baseline but in this instance the Proposer is not say that.

The Proposer of the original was keen to go ahead with the vote adding that the Chair could make the decision to proceed.

The Chair responded advising they did not feel comfortable to proceed with the vote as members have not had a reasonable amount of time to review the Alternative and make a decision.

A Workgroup member requested that members vote based on the information to hand and asked if members would be happy to vote today. The majority of members were happy to wait for more clarity before voting.

The Chair decided that the voting would not take place today.

(Action 16) The Proposer confirmed that the action had not been completed as they were on annual leave. A discussion had taken place internally to remove the confidential sections of the analysis for Ofgem and the non-confidential section can then be shared with the Workgroup. The Proposer confirmed the analysis will be shared this week (WC 23/10/2023).

Solution Clarification/Workgroup Report

The Chair advised members there would be a break of 20 minutes to review the updated Workgroup Report.

After the break the tracked changes in the Workgroup Report were shared and the Proposer talked through the details.

AOB

The Chair shared the Terms of Reference and asked members to confirm they were confident these are covered in the Workgroup Report. The Proposer advised they thought all ToRs had been addressed.

Next Steps

- Chair to speak to Centrica and share feedback from today meeting.
- Meeting to take place between ESO and Proposer to discuss (Action 19)

Actions

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
16	WG8	Proposer	Share non-confidential analysis (previously shared with developers) with the Workgroup and confidential analysis with Ofgem to provide justification for proposed values	NA	26/10/23	Open

17	WG8	JK	Add more detail to the Alternative Request based on feedback	NA	24/10/23	Open
18	WG8	MC	To share information highlighting the difference between a forecast and a projection to give the Workgroup a clearer understanding	NA	WG9	Closed
19	WG9	MC	Look in more detail at data inputs for generation. Difference between a forecast and a projection	NA	30/10/23	Open
20	WG9	All	Feedback on Alternative Request and Draft Workgroup Report	NA	26/10/23	Open
21	WG9	Chair	Circulate feedback, Workgroup 10 papers and non-confidential analysis	NA	27/10/23	Open
22	WG9	MC	Meet with legal to consider legal text for CMP413	NA	WG10	Open

Attendees

Name	Initial	Company	Role
Binoy Dharsi	BD	EDF	Proposer
Hugh Boyle	HB	EDF	Proposer
Claire Goult	CG	Code Administrator, ESO	Chair
Deborah Spencer	DB	Code Administrator, ESO	Tec Sec
Allen Kelly	AK	Coriogenesis	Observer
Chiamaka Nwajagu	CN	Orsted Wind Power	Observer
Claire Hynes	CH	RWE	Alternate
Damian Clough	DC	SSE Generation	Workgroup Member
Giulia Licocci	GL	Ocean Winds	Observer
Grace March	GM	Sembcorp	Workgroup Member
James Cunningham	JC	Cornwall Insight	Observer
Martin Cahill	MC	ESO	Workgroup Member
Matthew Paige Stimson	MPS	NGET	Workgroup Member
Paul Jones	PJ	Uniper Energy	Workgroup Member
Robert Newton	RN	Zenobe	Observer
Ryan Ward	RW	Scottish Power Renewables	Alternate
Sarah Chleboun	SC	ESO	Alternate
Simon Vicary	SV	EDF	Alternate