

Code Administrator Meeting Summary

CMP316 - Workgroup 12 - TNUoS Arrangements for Co-located Generation Sites

Date: 22/11/2023

Contact Details

Chair: Deborah Spencer, ESO Code Administrator deborah.spencer@nationalgrideso.com

Proposer: Martin Cahill, ESO martin.cahill@nationalgrideso.com

The Chair advised the group of the objectives and shared the timeline.

CMP316 History

The Proposer detailed how the DFMR had been submitted to the November 2022 CUSC Panel. Members of the Panel concluded the Workgroup should be reformed to address outstanding issues raised during the Code Administrator Consultation. These included updating the legal text for WACM 1 to reflect the intention of the alternative and update the worked example for WACM 1 to ensure it can be fully understood by industry. Panel agreed to delay the recommendation vote on CMP397 (CMP316 consequential modification) until the DFMR is re-presented to Panel.

The Proposer outlined the key differences between legal text and intention of WACM 1 as follows:

- Main difference was in the calculation of Year Round Not Shared Charge.
- Intention of this was to use an effective ALF of 1 for Intermittent and Conventional Low Carbon to reflect the way the charge is applied for single technology sites.
- Previous legal text treated YRS and YRNS in the same way with only showing Peak as a difference in the calculation.

The following changes were proposed:

- Calculate Peak, Year Round Not Shared and Year Round Shared charges separately.
- Introduce:
 - EALF (Effective ALF) for the Year Round Not Shared Component which is 1 for Conventional Carbon and the same as ALF for other technology types.
 - Multiply EALF by technology capacity to give MTPSECS (Multi Technology Power Station's Effective Capacity Scaled)
 - $MTPSECS \times \text{Tariff} = \text{Year Round Not Shared Charge}$

Examples Review

Original Solution

The Proposer talked through the Original solution describing how ALFs are used to calculate a tariff for each technology type, these tariffs are then applied by multiplying against a scaled capacity for each generation type noting the scaled capacities must equal the total power station capacity.

The Proposer presented a table to demonstrate how the charge for a Multi Technology Power Station would be calculated and explained that it would be a summation of all individual technology liabilities as calculated using MTPSTEC.

A Workgroup member agreed this example was much clearer suggesting adding a 'total row' to the table would add further clarification. The Proposer agreed and would also repeat this on the WACM 1 table.

Another Workgroup member questioned if there was a limit on what the total combination of technology could be or is it as assessment done by the ESO on application. The Proposer and another member confirmed there were no maximum or minimum limits.

WACM 1 Solution

It was explained to Workgroup members how peak charge uses slightly different scaled capacity which is zero for intermittent generation units (reflecting that for usual tariffs intermittent generation doesn't have a peak charge) and is also capped at the maximum capacity for each technology. Year Round not shared uses a different ALF which is 1 unless the generation type is conventional carbon.

The Proposer explained the changes have been made to reflect the intention of the WACM as previously the same scale capacity was used for Year Round shared and Year Round Not shared charge but making these changes has introduced another different component for the Year Round Not shared charge. Two Workgroup members agreed treating them separately would take into account how the site might use the system in those peak times.

The Proposer described how the charge for each component would be calculated explaining the 'Effective ALF' (EALF) as the new concept being introduced which was not included in the previous DFMR. This would be used in the charging calculation for a Multi Technology Power Station as a secondary Annual Load Factor. The EALF would equal 1 for intermittent or Conventional Low Carbon technology types but for all other technology types EALF would be equal to the usual ALF.

One Workgroup member asked the Proposer to clarify how non-intermittent technology types are calculated. It was confirmed they are calculated by taking the annual exporting number for that technology type and then dividing that as you would for a normal ALF across the number of hours in the year and for the EALF the calculation it would be the same except if you have intermittent or Conventional Low Carbon generation type then you just treat it as one regardless.

A Workgroup member questioned what is measured at the child station if the wind output goes into a battery. It was clarified that it measures the output at each child station separately so it will measure once the battery exports and once again when the wind exports the grid. This is the most reflective of what would be paid if they were separate stations. It was felt by Workgroup members this should be clarified and clearly outlined in the DFMR.

The Proposer described the new section as to how to calculate the effective scaled capacity by multiplying the maximum capacity of the technology type by the Effective ALF. The formula for the MTPSECS (Multi Technology Power Station Effective Capacity Scaled) calculation was shared with members. One Workgroup member felt worked examples would help to understand the information. Members were shown an example of the equation with numbers to illustrate the multi-step application of the calculation.

A member questioned what the 'min' meant at the start of the brackets on the calculation. It was explained that this is adding up the capacity of each technology type exceeds the site tech or not and that depends on whether you need to scale it. The member questioned the position of the comma in the calculation. Another member explained this was done in line with convention used in the CUSC.

A Workgroup member pointed out that all the examples were dealing with positive tariffs and the Workgroup should work through an example of how it works if there is a negative tariff. The Proposer of WACM 1 agreed to produce an example but felt input would be required from Workgroup members. The Workgroup agreed it is not a simple addition to the legal text but rather a significant development of the WACM solution and would require another Workgroup.

Legal Text Review

The Proposer talked the Workgroup through legal text changes.

14.15.7

Updated to reflect additional acronyms and added in the new term for Effective Scale Capacity.

14.15.8

Minor typographical amendments e.g., capital letters.

14.15.102

Annual factors currently in the CUSC do not refer to single or multi technology sites but this is now introduced into the legal text along with the calculation.

14.15.104

Statement introduced to explain the secondary Annual Load Factor ‘Effective Alf’ (EALF)

14.18.7

- MTPSECS (Multi Technology Power Station Effective Capacity Scaled) section introduced to calculate the Year Round Not Shared Element of the generation charge.
- Statement of how the charge for a Multi Technology Power Station will be calculated.
- A repeated statement of how the Total Charge for a technology type is calculated.

The Chair questioned if members required more time to review the legal text. One Workgroup member said they would prefer to wait for the amendments to be made leading on from discussions had in the Workgroup today regarding negative tariffs.

Timeline

The Chair confirmed this would be updated once the next Workgroup date has been agreed.

Next Steps

- Chair to confirm the date of the next Workgroup meeting.
- Circulate the spreadsheet to allow members to input their own number into the calculation.
- Review legal text after amendments made regarding negative tariffs.

Actions

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG12	MC	Add a ‘total row’ to the Multi Technology Power Station calculation table on the Original and WACM1	NA	WG2	Open
2	WG12	MC/LJ/GC	Clarify/make more explicit what is measured at each child station and outline in the DFMR	NA	WG2	Open
3	WG12	MC	Update the typo in the Effective Alf section of the legal text	NA	WG2	Open
4	WG12	MC	Tidy and share the spreadsheet to enable members to put in their own numbers into the calculation	NA	WG2	Open
5	WG12	GM	Provide a worked example of how the calculation would work with a negative tariff with support from MC and LJ	NA	WG2	Open

6	WG12	MC	Update legal text to include negative tariffs	NA	WG2	Open
---	------	----	---	----	-----	------

Attendees

Name	Initial	Company	Role
Deborah Spencer	DB	Code Administrator, ESO	Chair
Claire Goult	CG	Code Administrator, ESO	Tec Sec
Martin Cahill	MC	ESO	Proposer
George Douthwaite	GD	ITPEnergised	Observer
Grace March	GM	Sembcorp	Workgroup Member
Joe Colebrook	JC	Innova Capital Limited	Workgroup Member
Kyran Hanks	KH	Waterswye	Observer
Lauren Jauss	LJ	RWE	Workgroup Member
Ryan Ward	RW	Scottish Power Renewables	Workgroup Member
Simon Wragg	SW	Innova Capital Limited	Alternate
Sinan Kufeoglu	SK	Ofgem	Authority Rep