

Code Administrator Meeting Summary

Meeting name: CMP288 Workgroup 15 (Post send back)

Date: 04/12/2023

Contact Details

Chair: Lurrentia Walker (Lurrentia.Walker@nationalgrideso.com)

Proposer: Paul Mott (Paul.Mott1@nationalgrideso.com)

Key areas of discussion

The Chair opened the meeting and invited introductions from the group, including new members of the group attending for wider Transmission Owner (TO) representation.

Objectives & timeline

The Chair outlined the agenda points to be covered and shared the proposed timeline for the post-send back phase (three Workgroups prior to Workgroup Consultation, two Workgroups prior to Code Administrator Consultation and submission to the Authority in early August - see the meeting slides for reference).

A Workgroup member raised that the timeline could be ambitious if previously unsolved issues needed a solution. Other workgroup members agreed noting that Ofgem's send back letter covered areas that were raised throughout years of previous workgroup meetings and yet remained unresolved suggesting that significant time would be required to work through them. The timeline was revisited at the end of the meeting where it was agreed to leave it as it stands currently, with the caveat to review progress at the next Workgroup meeting to gauge whether extra Workgroups are required.

Workgroup discussions

Review CMP288 send back letter

The Chair shared the send-back letter from the Authority from 14 September 2023 and the Authority representative was invited to offer a summary of the five key points raised within it.

The Authority representative summarized that greater clarity was needed in the Final Modification Report and solution documentation to reassure them that every effort was being made to reduce customer confusion, and disputes, related to the delay charges. Some highlighted areas where the need for clarity on definitions of these charges and how inconsistent charging methodologies across TOs could be addressed. One Workgroup Member raised that considering the information required to avoid disputes would be a good test to gauge the transparency required to be provided by the System Operator/TOs.

A Workgroup member (who had discussed the send back letter along with the Proposer and the Authority representative) presented thoughts and questions on each point from the letter to gather the Workgroup's views on how to progress.

Point 1 from the send back letter (Proposed categories of charges: definitions and scope):

It was discussed that more detail and specificity was required in defining additional charges incurred by TOs or developers, however a challenge for the Workgroup would be to do this when individual projects, and the costs/cost categories incurred by TO if a project delays or ask for early backfeed, can vary a good deal between projects.

The Workgroup discussed the use of the CUSC legal text, guidance notes, the STC, illustrative examples, online charging calculators, TO charging statements and worked examples as different means by which to demonstrate possible delay charge costs. It was supported that supporting data should be available to justify charges and prevent/resolve disputes.

The Workgroup acknowledged that this information would best sit in the CUSC where possible rather than the Final Modification Report which future parties may not consult. It was also acknowledged that the ESO and TO methodologies are not aligned so this would need to be addressed in any explanations.

The Workgroup agreed that illustrating magnitudes of costs would be challenging due to the individual nature of each project, but a level of information should be easily available to parties for awareness of possible costs (and to validate/invalidate any disputes). A Workgroup member suggested that confidential information could be offered to the Authority as to the scale of costs (although this would not be publicly available). Later in the meeting another Workgroup member posed that a detailed explanation of charging calculations should feature in the solution (i.e., a non-project specific indication as is done with cancellation charges in the CUSC, or details from TO charging statements). This was challenged as being too exhaustive if featured in the CUSC. A Workgroup member took an action to visualize a solution for the next Workgroup to allay concerns about what a sufficient level of detail and guidance could be. If not agreed, a WACM was suggested as a possible route to consider the options.

It was also noted that 'one-off works' charges would need to be considered in explanations as they sit outside the methodology used for other charges.

It was agreed that the TO members of the Workgroup would meet to discuss cost definitions/categorizations and how they may be reflected in the legal text.

Point 2 of the send back letter: Reinforcement works assessment

It was discussed that in light of the progressive implementation of a related modification (CMP376: Inclusion of Queue Management process within the CUSC), risks for costs relating to reinforcement works were likely to diminish over time. It was noted that the Workgroup should consider adding clarity on these situations and how the methodology interacts with Queue Management.

Point 3 of the send back letter: Consistent application across TOs

It was agreed that TOs will convene outside of the Workgroup to align on their one-off costs and what can be classed as due/undue costs but acknowledged that the Price Control will inevitably lead to different cost profiles across the TOs.

A Workgroup member noted that NGET's Price Control performance measures incorporated both infrastructure and connection delay costs, which measures for other TOs may not, so this would need to be considered.

Noting that the Authority do not feel that there should be undue regional differences, TOs are to consider whether one TO's methodology takes precedence over others for the final solution and how to explain differences that arise due to differences between TOs' Price Controls.

It was agreed that a target could be to define 'principles' which could translate into consistent application and cost management, allowing for differences resulting from Price Control.

Point 4 from the send back letter: Clarity with regards to scope of application

The Workgroup agreed that better codification of language was needed in this area to ensure clarity that the methodology would be fair to existing contracts (currently at the point the modification is approved) as well as new contracts. It was noted that the methodology would not be used retrospectively on completed contracts.

Point 5 from the send back letter: Magnitude of costs: examples

The TO parties present agreed to follow-up with the ESO as to what information needed to be provided to the Authority on this (with a view to providing that information confidentially) and what information can be reasonably included in the CUSC.

In summary, it was agreed that the proposed changes were to create transparency via the CUSC for all parties (TOs, developers etc.) but with the appropriate level of detail needing to be agreed. The Authority representative agreed that overly prescriptive language wasn't necessary and that the priorities were to provide clarity on charging arrangements and to set user expectations with guidance as to cost scales (i.e. orders of magnitude).

Review of previous legal text

The proposed legal text changes for CMP288 were shared for review in light of the send back (and subsequent modifications/industry developments):

- Consider the implications of CMP376 and other connections reforms where necessary in the text.
- Charges need to be defined.
- Tenses to be reviewed in relation to the language used for incremental costs.
- Clarity given that incremental costs are those deviations from the baseline costs outlined in the customer agreement.
- Clarity needed so that TOs do not increase their liable costs ahead of disclosing that to the relevant developer, which should be kept informed before/as its potential delay charge grows in this manner

- Expansion on what 'relevant supporting information' can be put into the CUSC to be explanatory and detailed enough for Users and customers.
- Further explanation needed as to why connection assets are included in incremental costs (re: NGET Price Control provisions)
- Clarity of how Users can make enquiries about delays/earlier works without being penalized (but without obligation for a TO to accept the request or provide favorable costs to the User).
- Check for circular references with defined terms across other codes.
- Review of language used to be as informative and accessible as necessary.

Agree Terms of Reference

The Chair shared the suggested Terms of Reference to address post-send back.

There was a suggestion to specify consideration of ongoing Connections Reform initiatives and their impact on how this modification is implemented.

Discussion followed about which Term of Reference covered the explanation of charge calculations and methodologies.

The Chair is to circulate the Terms of Reference for the Workgroup to consider before them being submitted to Panel for approval.

The Chair closed the meeting and thanked everyone in attendance.

Next Steps

- RW to circulate slides covering the thoughts presented in the Workgroup.
- Circulate actions and meeting summary with the Workgroup.
- Update the Terms of Reference and share with the Workgroup for agreement at the next meeting.
- Send the agreed Terms of Reference and timeline to Panel for approval.
- TOs to meet to consider due/undue costs, align on one-off costs and consider point 5 of send back letter and what can be done re: magnitudes of costs (TOs can enquire to ESO about data required).
- The Proposer, ESO SME and NGET representative are to review changes to the legal text and the NGET representative will map how to explain charging calculations.
- Workgroup to reconvene in January.

Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG15 (post send back)	RW	TOs to meet to categorise due & undue costs, align on one-off costs (and methodologies) and how cost magnitudes are communicated to the Authority and in the solution		WG16	Open
2	WG15 (post send back)	PM	Proposer to reflect on the WG conversations with ESO SME for changes to legal text	RW offered support	WG16	Open
3	WG15 (post send back)	RW	Liaise with ESO for information needed by the Authority re: cost order of magnitude	RW offered support	WG16	Open
4	WG15 (post send back)	RW	RW to share slides covering thoughts shared in WG1	To be circulated to the WG	08 Dec	Open

Attendees

Name	Initial	Company	Role
Lurrentia Walker	LW	Code Administrator, ESO	Chair
Elana Byrne	EB	Code Administrator, ESO	Tech Sec
Paul Mott	PM	ESO	Proposer
Andy Vaudin	AV	EDF	Workgroup Member
Harriet Eckweiler	HE	SSE	Workgroup Member
Joseph Dunn	JD	Scottish Power Renewables	Workgroup Member Alternative
Klaudia Stazyk	KS	Ofgem	Authority Representative
Nicola Barberis Negra	NBN	Orsted	Workgroup Member Alternative
Richard Woodward	RW	NGET	Workgroup Member
Robert Langdon	RL	Cornwall Insight	Workgroup Member
Erin Gray	EG	SSE	Observer
Kav Patel	KP	ESO	Observer