

# Code Administrator Meeting Summary

## CMP402 - Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements – Workgroup 12

Date: 08/12/2023

### Contact Details

Chair: Claire Goult, ESO [claire.goult@nationalgrideso.com](mailto:claire.goult@nationalgrideso.com)

Proposer: Nitin Prajapati, ESO [nitin.prajapati@nationalgrideso.com](mailto:nitin.prajapati@nationalgrideso.com)

### Key areas of discussion

The agenda was shared by the Chair with details of the anticipated discussion for the Workgroup.

#### Modification Update

The Chair shared details of the decision to have a second Workgroup Consultation to reflect the new solution and methodology pre-trigger date fixed demand value.

#### Timeline Update

The Chair shared the updated timeline for the modification, highlighting the extended length of the second Workgroup Consultation to 20 days due to the Christmas period.

#### Rationale for Solution and Analysis

The Proposer gave a presentation on the rationale behind the new solution and corresponding analysis.

A Workgroup member asked about the rationale of the 33%/67% (Developer/Customer) value prior to Final Investment Date (FID) and the post trigger date value 67%/33% (Developer/Customer). The Proposer explained that consideration of the Global Asset Reuse Factor (GARF) was the rationale behind the values. A Workgroup member asked for the history behind this to be brought out in the consultation document, as some of this history may have been lost in the Workgroup discussions.

The Ofgem Representative asked if liabilities are attributed works or wider works. The Proposer clarified, although using the same methodology, they are attributable. The Ofgem Representative asked if the rationale for using the GARF is still applicable if for attributable. The Proposer explained that if the later user and a new user comes in, this is where the reuse factor applies.

The Ofgem Representative asked the Proposer for more detail behind the rationale of doubling the liabilities from £1/kW, £2/kW and £3/kW to £2/kW, £4/kW, and £6/kW. The Representative questioned if it is a fact that the CAPEX of Offshore projects is double compared to a similar Onshore project and stated it is required to be proportionate across both Onshore and Offshore in terms of User Commitment. The Proposer agreed to develop this and present analysis covering this point at a future Workgroup. Members discussed and agreed to delay the second Workgroup Consultation if the analysis was not available before the next meeting.

The Ofgem Representative commented the end consumer values given in the analysis were quite high, and again requested a comparison with Onshore. The Proposer agreed to combine this with the above request and present at a future Workgroup meeting. The Proposer highlighted to the

Workgroup a slight difference between Onshore and Offshore with a distortion between the risk profiles. Typically, Onshore triggered Transmission works benefit more users whereas Offshore triggered Transmission works benefit only one user. This means Onshore liabilities are split and if one user terminates there are other users in place.

### Next Steps

Review second Workgroup Consultation dates.

### Actions

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
13	WG11	Proposer	To give justification around figures used in the legal text, 67% and 2,4,6 thousand per MW		WG12	Closed
14	WG11	Alternative Proposer	Update wording to clarify where the LARF feeds into user commitment as they have advised that the ORAF will be fed into early-stage cost assessment		WG12	Closed
15	WG11	Alternative Proposer	To update Objectives as discussed with WG member		WG12	Closed
16	WG11	Original and Alternative Proposers	Share clear solutions with clear analysis. How each solution works currently, what they do and how customers are affected, also consider, and share the risks to consumers		WG12	Closed
17	WG12	Proposer	Analysis to explain rationale behind the numbers when comparing Onshore and Offshore and end consumer values		WG13	Open
18	WG12	Alternative Proposer	Update the Workgroup on Alternative proposal		WG13	Open

### Attendees

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, ESO	Chair
Andrew Hemus	AH	Code Administrator, ESO	Tec Sec
David Witherspoon	DW	ESO	Proposer
Nitin Prajapati	NP	ESO	Proposer
Claire Hynes	CH	RWE Renewables Ltd	Workgroup Member
Damian Clough	DC	SSE Generation	Workgroup Member

Lucas Murillo	LM	Scottish Power	Workgroup Member Alternate
Matthew Paige Stimson	MPS	NGET	Workgroup Member
Øyvind Bergvoll	OB	Equinor New Energy Ltd	Workgroup Member
Shannon Murphy	SM	Ofgem	Authority Representative