

CMP419: Generation Zoning Methodology Review – Workgroup 4

17 January 2024

Online Meeting via Teams

WELCOME



Agenda

Topics to be discussed	Lead
Introductions	Chair
Timeline and Terms of Reference	Chair
Action Log / Proposer Update	Chair / Proposer
Cross Code Impacts	All
AOB & Next Steps	Chair

Expectations of a Workgroup Member

Contribute to the discussion

Be respectful of each other's opinions

Language and Conduct to be consistent with the values of equality and diversity

Do not share commercially sensitive information

Be prepared - Review Papers and Reports ahead of meetings

Complete actions in a timely manner

Keep to agreed scope

Your Roles

Help refine/develop the solution(s)

Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

Vote on whether the solution(s) better facilitate the Code Objectives

Workgroup Membership

Role	Name	Company
Proposer	Nitin Prajapati	National Grid ESO
Workgroup Member	Ryan Ward	Scottish Power Renewables
Workgroup Member	Paul Jones	Uniper UK Ltd
Workgroup Member	Grace March	Sembcorp Energy
Workgroup Member	Lauren Jauss	RWE Supply & Trading GmbH
Workgroup Member	Claire Hynes	RWE Renewables
Workgroup Member	Robin Dunne	Intergen
Workgroup Member	Dennis Gowland	Research Relay Ltd
Workgroup Member	Calum Duff	Thistle Wind Partners
Workgroup Member	Graz Macdonald	Waters Wye & Associates
Workgroup Member	Damian Clough	SSE Generation
Workgroup Member	Paul Youngman	Drax
Workgroup Member	Nicolas Lescal	Ocean Winds
Authority Representative	Pedro Arcain	Ofgem



Timeline and Terms of Reference

Lizzie Timmins – ESO Code Administrator

Proposed Timeline for CMP419

Milestone	Date	Milestone	Date
Modification presented to Panel	25 August 2023	Code Administrator Consultation (15 working days)	30 October 2024 to 19 November 2024
Workgroup Nominations (15 Working Days)	30 August 2023 to 20 September 2023	Draft Final Modification Report (DFMR) issued to Panel (5 working days)	05 December 2024
Workgroup 1 – Workgroup 6 To discuss the defect, analysis required and begin refining the solution	12 October 2023 08 November 2023 12 December 2023 17 January 2024 06 March 2024 16 April 2024	Panel undertake DFMR recommendation vote	13 December 2024
Workgroup Consultation (15 working days)	21 April 2024 to 10 May 2024	Final Modification Report issued to Panel to check votes recorded correctly	16 December 2024 to 20 December 2024
Workgroup 6 – Workgroup 11 To review the Workgroup Consultation responses and to finalise the solution	05 June 2024 02 July 2024 30 July 2024 03 September 2024 01 October 2024	Final Modification Report issued to Ofgem	23 December 2024
Workgroup report issued to Panel (5 working days)	17 October 2024	Ofgem decision	TBC – required by 30 September 2025
Panel sign off that Workgroup Report has met its Terms of Reference	25 October 2024	Implementation Date	01 April 2026

Terms of Reference

Workgroup	Term of Reference
a)	Consider EBR implications
b)	Consider how the implementation of a new zoning methodology, its governance and associated impact of rezoning will impact the predictability, cost reflectivity, and stability of charges.
c)	Assessing the use of ETYS boundaries and/or use of other methods to develop generation zones before considering how this may or may not increase the range of nodal prices within a generation zone.
d)	Assess the frequency of reviewing the number of generation zones, factoring in the decision from CMP324/325 and associated impacts on the stability of TNUoS charges.
e)	Consider relevant regulatory changes



Action Log / Proposer Update

Lizzie Timmins - ESO Code Administrator

Nitin Prajapati - ESO

Action Log for CMP419

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
11	WG2	NP	ESO Revenue team to attend WG4 and present analysis.	Analysis will not be available until March and will be circulated to the Workgroup when available	WG3	Open
13	WG3	PA	Confirm the Authority position around policy and workgroup work		WG4	Open
14	WG3	NP/RP	ESO to liaise with the TOs to obtain coordinates for each transmission node	See slide 11	WG4	Open
15	WG3	NP	Share list of the transmission nodes and the ETYS zone they sit in with the Workgroup	Will be provided before the next workgroup in March.	WG4	Proposed to close
16	WG3	NP	Confirm with Revenue Team that the analysis will: <ul style="list-style-type: none"> • Be inclusive of data until the end of RIIO3 • show the existing generation zone and the new generation zone as per the proposal under CMP419 for each generator (including a table similar to CMP324 on the TEC Register) • show how the reactance has been calculated for HVDC circuits • demonstrate the changes to the model required for CMP419 (to allow replication) 	See slide 12	WG4	Open
17	WG3	NP	Confirm that alongside the published analysis a copy of the transport and tariff model will be provided to WG members	See slide 13	WG4	Open
18	WG3	NP	Confirm whether it is possible to share a list of nodal prices for all generators by generation zone, or whether the ESO only have a price per ETYS zone	See slide 13	WG4	Open
19	WG3	NP	Confirm whether the methodology and assumptions being used as part of the analysis will be available to share with the Workgroup ahead of the analysis taking place	Will be provided before the next workgroup in March.	WG4	Proposed to close
20	WG3	All	Share any potential alternative requests	There are currently no potential alternative requests	09 January 2024	Proposed to close

Action Updates

Action 14 - ESO to liaise with Transmission Owners (TOs) to obtain coordinates for each transmission node

- The three TO's, National Grid Electricity Transmission (NGET), Scottish Power Energy Network (SPEN) and Scottish and Southern Electricity Networks have been contacted for the information.
- The TO's have responded and we are liaising with them obtain the information requested before we can circulate to the workgroup.

Action 15 – Share a list of the transmission nodes and the ETYS zones they sit in with the workgroup

- We will provide this information as part of the analysis at the March workgroup.

Action Updates

Action 16 – Confirm with the Revenue Team that the analysis will:

16.1 Be inclusive of data until the end of RII03

- The tariff forecast can be developed from 2026/27 (first year after proposed implementation) through to 2028/29 using the latest published 5 Year View.

16.2 Show the existing generation zone and the new generation zone as per the proposal under CMP419 for each generator (including a table similar to CMP324 on the TEC Register)

- We can share a list of nodes with their current zone and new zone.

16.3 Show how the reactance has been calculated for HVDC circuits

- An overview can be provided of how the reactance has been calculated.

16.4 Demonstrate the changes to the model required for CMP419 (to allow replication)

- Changes to the Transport and Tariff model for CMP419 can be outlined.

Action Updates

Action 17 – Confirm that alongside the published analysis a copy of the transport and tariff model will be provided to the workgroup members.

- Unfortunately we cannot publish the model as Users must have signed a license to obtain a copy. If you would like a copy of the DCLF ICRP Transport Model, please contact TNUoS.Queries@nationalgrideso.com

Action 18 – Confirm whether it is possible to share a list of nodal prices for all generators by generation zone, or whether the ESO only have a price per ETYS Zone

- We intend to build the analysis onto an existing forecast model which means that nodal prices can be provided using the new ETYS zones but can also be shared based on the current generation zones since that model already exists.

Action 19 – Confirm where the methodology and assumptions being used as part of the analysis will be available to share with the workgroup ahead of the analysis taking place

Yes, this can be provided before the next workgroup in March.



Cross Code Impacts

All

[Link for Workgroup](#)



AOB & Next Steps

Lizzie Timmins – ESO Code Administrator