

Code Administrator Meeting Summary

Meeting name: CMP428: User Commitment liabilities for Onshore Transmission circuits in the Holistic Network Design Workgroup Meeting 2

Date: 13/02/2024

Contact Details

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

Proposer: Nitin Prajapati, ESO nitin.prajapati@nationalgrideso.com

Key areas of discussion

The aim of Workgroup 2 was for the Proposer to provide an update on legal text and actions, and to agree next steps for the modification.

Actions Update

Action 1

- The Proposer presented the amends to the definitions of Attributable Works and Excepted Works to the Workgroup, as well as the addition of defined terms for HND (Holistic Network Design), CNSP (Centralised Strategic Network Plan) and OTNR (Offshore Transmission Network Review) that were created based on feedback from Workgroup members at the previous Workgroup meeting. There were no further comments from the Workgroup.

Action 2

- The Proposer presented an update on the Wider Cancellation Charge, outlining an example where a Generator was connecting to the offshore network.
- One Workgroup member queried whether the infrastructure between the point of connection to the network and the Generator would be a local circuit for the Generator. Another Workgroup member clarified that it would likely be a local circuit, noting that a local circuit exists for charging purposes and not for the wider cancellation charge methodology. They stated that the cancellation charge is made up of the Attributable Works and a zonal tariff, dependent on ETYS (Electricity Ten Year Statement) zones. The Workgroup member noted there needed to be a wider cancellation charge for the point at which the Generator connects to the network but noted that this should not be the same as a cancellation charge for the point(s) at which the offshore network and onshore network connect. They also queried whether the point of connection would be in a separate zone to the connections to the onshore network.
- The Proposer clarified that the point at which the developer connects to the network would be built and owned by the developer during construction before being transferred to the OFTO (Offshore Transmission Owner). They also noted that the circuits which connected this point to the onshore network would be built by the developer, meaning that there would be no user commitment liabilities associated with the offshore assets. They clarified that if the points at which the offshore circuits connecting to the onshore network were in different zones, then the cost of reinforcement would be allocated to the TOs CAPEX forecast.
- One Workgroup member queried why there was a cancellation charge if the developer were to build the whole network and noted that further examples may need to be explored to cover subsequent Generators. They noted that if all developers were to build their own offshore networks, then CMP428 would not be required.

- The Proposer noted that the modification relates specifically where there is onshore reinforcement in the sea. They noted that there may be onshore reinforcement works associated with a Generator connecting. They clarified that the modification purpose is that if a Generator is directly connecting to onshore reinforcement works, then they should not be paying the liability for this. They noted that they would currently have liability for Attributable Works, however the modification proposes this should be covered as part of the wider cancellation charge.
- A Workgroup member noted that a wider cancellation charge should be applicable to a Generator if there is additional reinforcement required for them to connect to the reinforcement works.
- The Proposer noted that the intention was for there to be a wider cancellation charge, however that a Generator should not be liable for Attributable Works if a Generator is connecting to onshore reinforcement works. As part of the wider cancellation charge, the cost of reinforcement will be allocated to the TO's CAPEX, which is allocated across ETYS boundaries, spread across the zones using the proportion of the total MW contracted to connect in that zone.
- The Proposer noted that onshore transmission networks built in the sea would be built by a TO, and that Attributable Works would exist if for circuits required for a Generator to connect to this network.
- A Workgroup member noted that the Attributable Works or cancellation charge should not cover the network reinforcement works by the TO, however noted that this should be included in the wider cancellation charge. The Workgroup member requested further clarification on the wider cancellation charge, noting that it may not be covered by the TO's CAPEX.
- One Workgroup member queried whether this modification would cover Anticipatory Investment (AI). The Proposer and Authority Representative noted that this modification purely covers HND, and not AI.

Cross Code Impacts

The Proposer noted that there is some interaction between CMP428 and CM094, which is also covering strategic reinforcement works and the associated user commitment liability. They clarified that the modification aims to ensure that Attributable Works associated with boundary reinforcement are not being passed onto Generators. The Chair also noted that the CM094 Workgroup Consultation was due to close at 5pm on 15 February 2024.

Next Steps

One Workgroup member noted that they felt that the clarification on the wider cancellation charge had not been addressed and stated that they felt another Workgroup would be required to ensure that Workgroup members were clear on how costs would be reflected in the wider cancellation charge calculation. They noted that a separate wider cancellation charge may be required at the point where the Attributable Works meets the wider works.

Another Workgroup member requested further clarification on the modification and how it works alongside methodologies already in place.

One Workgroup member queried whether the point of connection to the network would affect the charges faced by the Generator. The Proposer noted that it would depend on if there was Attributable Works required.

Another Workgroup member queried if there were real life examples for HND or HND FUE that the Workgroup could go through. The Proposer agreed to look into this, however noted that any examples may need to be more generic due to commercial considerations.

Next Steps

- Proposer to provide further clarification on existing solution to Workgroup.
- Chair to advise Workgroup on next steps for the modification regarding timeline.

Actions Log

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

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	Proposer	Consider if a definition for HND is required as part of the modification	Provided in update to legal text in Workgroup 2	WG2	Closed
2	WG1	Proposer	To determine how the wider cancellation charge would be calculated for the affected offshore Generators, to take into account relevant onshore works plus those offshore works that have been classified as wider under CMP428, including whether a specific zone needs to be created for the offshore Generators.	Further information required regarding offshore Generators, and further clarity on wider cancellation charge calculation	WG3	Open
3	WG2	Proposer	Provide further clarification on the modification and how it works alongside methodologies already in place.	NA	WG3	Open
4	WG2	Proposer	Provide examples for the Workgroup to go through.	NA	WG3	Open

Attendees

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, ESO	Chair
Lizzie Timmins	LT	Code Administrator, ESO	Tech Sec
Nitin Prajapati	NP	ESO	Proposer
Calum Duff	CD	Thistle Wind Partners	Alternate
Claire Hynes	CH	RWE	Alternate
Damian Clough	DC	SSE Generation	Workgroup Member
David Jones	DJ	Ofgem	Authority Representative
Dennis Gowland	DG	Research Relay Ltd	Workgroup Member
Loukas Papageorgiou	LP	RWE	Observer
Paul Jones	PJ	Uniper	Workgroup Member
Ryan Ward	RW	Scottish Power Renewables	Workgroup Member