

Code Administrator Meeting Summary

Meeting name: Workgroup Meeting 17

Date: 18/03/2024

Contact Details

Chair: Milly Lewis (Milly.Lewis@nationalgrideso.com)

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

Key areas of discussion

The Chair welcomed attendees and outlined the agenda for the meeting.

Action overview:

The Chair went through the actions list to gain Workgroup agreement for actions to close or to remain open (reviewed again at the end of the meeting).

- Re: action 1 for Scottish TOs to share how their methodologies and charging statements align with NGET to highlight differences on price controls and/or one-off costs.

Representatives of the Scottish TOs explained how they had not been able to procure internal feedback on this task to provide NGET and the Workgroup with an answer to this.

It was confirmed that this would be critical to the send-back going to industry consultation.

The NGET representative noted that the ultimate question for the Scottish TOs would be whether they could comply with the proposed solution of CMP288 (even if they cannot complete the task to check their current alignment with NGET methodologies).

ACTION 17 (Chair): Contact the Scottish TO representatives to see if Code Governance can support them at all on this task.

Action 1 to remain open.

- Re: action 2 (and actions 8, 10, 11) to review and update legal text with updated from WG16, references to impacts of delays on queue position, scenarios for multiple users delaying or multiple delays, and inclusion of reference to completion of works 'if the most efficient and economic course'. Action 8 to close.
- Re: action 3 for the ESO and RW to liaise as to information on cost orders of magnitude
The NGET Workgroup Member referenced a recent conversation with the Proposer about the submission of anonymised example delay charges for various samples and delay lengths (which could relate to real delay charges or representative, but realistic, examples). These examples could be provided initially to the Authority to check that they examples are satisfactory, prior to publication for users, and could feature in a guidance note. It was suggested that this might be more important to feature in the Final Modification Report, rather than being vital ahead of the Workgroup consultation.

Action to remain open.

- Re: action 5, 6, 9 for TOs to consider risk management and the role of the RRP, incremental costs only including performance impact costs and not including Anticipatory Investment or lost incentives

It was agreed that these actions fall within the task for the TOs to review alignment of their methodologies (action 1) so once action is closed, 5, 6, and 9 should also be closed.

- Re: action 7 for a decision methodology. Action to close.
- Re: action 12 about an STC change to provide the ESO with sufficient backing data for costs indications for potential delays. The NGET Workgroup Member noted that this could be an adjustment made to the new STCP 18.7n that had just been created to support CMP376, queue management (<https://www.nationalgrideso.com/document/304581/download>).

Action 12 to be closed.

The NGET Workgroup Member agreed to draft an STC/STCP proposal. It's not definite at this point whether this would be separate to CMP288 or submitted as a package with it, but a possible course could be an STCP, or an update to STCP 18-7, that is approved conditionally by the STC Panel on the basis that if CMP288 is passed, the amended STCP takes effect.

ACTION 18 (RW): Draft an STCP proposal for backing data to be supplied by TOs to the ESO to support cost indications for potential delays.

- Re: action 13 to visualise the solution (using the decision tree from the NGET Workgroup Member)

It was agreed that further adjustments are required to the version of the decision tree shared with the Workgroup to incorporate the Queue Management processes. Action 13 to remain open.

- Re: action 14 to consider industry reform interactions.

To confirm if closed in Workgroup 18.

- Re: action 15 to review timelines.

A new timeline has been Panel approved. Action to be closed.

- Re: action 16 to consider modifications pending decisions and impacts on CMP288.

The NGET Workgroup Member mentioned the pending decision on CM079, which relates to contestability – as do CMP330 and CMP374. When the user is funding their own works the Workgroup and Proposer agree they shouldn't face a delay charge. It was suggested that there was no need to capture that in formal legal text.

Regarding the risk of double charges raised in Workgroup 16, the NGET Workgroup Member noted reference to the discussion feature in the Final Modification Report but does not believe this to be an issue needing legal text changes.

Action to be closed.

Workgroup discussions

The Proposer shared the suggested changes to the 14.4.2 legal text since the last Workgroup.

It was suggested that clarity be added to the reference to first comer charges related to shared works, adjustment to price control performance impact reference (generic/connection & infrastructure).

It was questioned whether the Workgroup want to refine text further to be clear whether costs for shared works will be pro-rata'd against others or referenced in guidance supporting the solution.

The Chair suggested that the intent of this section of legal text could be tested with a Workgroup consultation question.

It was noted by a Workgroup Member that the STCP could reference when delays may be most costly and that guidance should help users understand potential costs well ahead of charges being levied.

There was discussion in the Workgroup about the decision-making process for whether charges are applicable to a user, and that Queue Management plays a key role in deciding applicability of charges.

A Workgroup Member asked whether a user should be notifying the ESO immediately when there is a chance of a delay or whether there is a window to assess and resolve the issue (and whether costs would be set at the start or end of that window). Another Workgroup Member responded that with Queue Management, optionality around delays does not exist anymore so the CMP288 solution will look to provide sufficient information/guidance for users to be aware of the consequences.

It was noted that the legal text on slide 16 and 17 on the meeting slides could be merged to feature i) reference to the first user triggering costs and ii) the standard protocol for that first user to 'normally' be liable for charges. It was noted that guidance could expand on there being extraordinary circumstances that may create an exemption to this.

For the legal text changes discussed on slide 18, the NGET Workgroup Member suggested the other TOs consider the list of specific costs outlined in 14.4.2 in case other examples needed to be included. For the point on costs relating to price control performance impacts, the NGET Workgroup Member suggested wording for this was either made more generic, or specified connection assets as well as infrastructure assets (if also applicable to all TOs).

A Workgroup member asked me whether there was a limit on the costs involved for rescoping (i.e., if a user has an indicative cost but delays later and rescoping produces higher costs at that point). The NGET Workgroup Member noted that the user has protection from the licence obligation for TOs to provide an economic and efficient offer. They noted that the variables users will need to be aware of regarding whether there is a re-scope (in full or partial) are the length of delay, the timing of the delay and their place in the connections queue.

Relating to the suggested 14.4.2 legal text on ESO's provision of non-binding estimates to users, TO Workgroup Members expressed that 10 business days would not be feasible for TOs to provide data to the ESO and the ESO to share a cost indication with a user. It was suggested by one Workgroup member that the ESO advise whether a normal modification application offer be processed (rather than a cost indication request) if the delay is more than 6 months. In any event, the time for the non-binding estimate would need to be longer than 10 business days; that being so, the quote could, NGET suggested, be provided at the same time as the statement of whether there was to be a delay charge.

ACTION 19 (KP): ESO to consult TOs for a reasonable timeframe for producing non-binding estimates for users.

ACTION 20 (PM): 14.4.2 changes to be drafted on baseline text including pre-send back changes and revised new changes from WG16/17, including relevant references to the Queue Management process (section 16).

Charge Methodology Decision tree

The NGET Workgroup member shared the decision tree created to visualise the methodology determining whether charges are applicable to a user. It was noted how key it is now that a user anticipates delays and notifies ESO if Queue Management milestones are at risk.

The Workgroup discussed the exemptions option where the ESO can determine the applicability of charges if a delay is outside a user's control. The NGET Workgroup Member agreed to update the diagram for clarity on the exemption route.

A TO Observer asked who would decide whether a TO could accommodate a delay, to which the NGET Workgroup Member confirmed that it is the TO's decision, but data will need to be supplied to justify that decision (and the user or ESO can challenge this).

ACTION 21 (PM, KP): Confirm whether an exemption always results in no delay charge and, if necessary, provide a worked example for the decision process working in accordance with Queue Management.

ACTION 22 (RW): Update the decision tree re: the exemption route and use of completion dates vs milestones as deciding factors for charges (once confirmed by the ESO).

Next Steps

- Actions to be reviewed and progressed by the necessary parties (including an updated decision tree and legal text)
- Workgroup consultation to be drafted and shared with the Workgroup to review ahead of Workgroup 18.
- Workgroup to consider any Workgroup consultation questions ahead of Workgroup 18.

Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG15	RW	TOs to meet to categorise due & undue price control differences, align on one-off costs (and methodologies) and how cost magnitudes are communicated to the Authority and in the solution	Scottish TOs having difficulty getting internal feedback	WG16	Open
2	WG15	PM	Proposer to reflect on the WG conversations with ESO SME for changes to legal text		WG16	Open
3	WG15	RW	Liaise with ESO for information needed by the Authority re: cost order of magnitude	RW to explore w.c. 18.03	WG18	Open
4	WG15	RW	RW to share slides covering thoughts shared in WG1	To be circulated to the WG	08 Dec	Closed
5	WG 16	RW	Consider inconsistencies between TOs on whether risk is managed early or regularly with developers and the role of the RRP	Link to action 1	WG17	Open
6	WG 16	RW	To confirm that incremental costs only cover performance impacts (and not lost incentives).	Link to action 1	WG17	Open

7	WG 16	PM, RW, GW, AV, JD	Review the process/decision methodology from RW as basis for updating the legal text.		WG17	Closed
8	WG 16	PM	Review points made on legal text in WG 16 and amend accordingly.	Link to action 2	WG17	Closed
9	WG 16	RW	Consider the inclusion/exclusion of AI into recoverable costs.	Link to action 1	WG17	Open
10	WG 16	ESO	Clarity on queue positioning changes if a user delays and the principles for charging multiple users for multiple delays.	Link to action 2	WG17	Open
11	WG 16	PM	Include reference in the legal text to works completion if the most economic and efficient course of action.	Link to action 2	WG17	Open
12	WG 16	PM	Meeting with TOs on indicative costings (incl. one-off/duration dependent costs) and a possible STC change for data needed.	New STCP action (18)	WG17/18	Closed
13	WG 16	Workgroup	Discuss how to visualise the solution to ensure sufficient detail and guidance for all parties.	RW to check if additional boxes required for the decision tree	WG17	Open
14	WG 16	ESO	Consider industry reform pipelines for interactions with CMP288.	Confirm if closed in WG18	WG17	Open
15	WG 16	Chair	Review the timeline to add a Workgroup (consult WG on dates).		CUSC Feb Panel	Closed
16	WG 16	ESO, TOs	Consideration of pending modification decisions on extending contestability and possible new mods.		WG17	Closed
17	WG 17	Chair	Contact the Scottish TO representatives to see if Code Governance can support them at all on this task		WG18	Open
18	WG17	RW	Draft STCP proposal for backing data to be supplied by TOs to the ESO to support cost indications for potential delays.		WG18	Open
19	WG17	KP	ESO to consult TOs for a reasonable timeframe for producing non-binding estimates for users.		WG18	Open
20	WG17	PM	14.4.2 changes to be drafted on baseline text including pre-send back changes and revised new changes from WG16/17, including relevant references to the Queue Management process (section 16).	PM to liaise with KP	WG18	Open
21	WG17	PM, KP	Confirm whether an exemption always results in no delay charge		WG18	Open

			and, if necessary, provide a worked example for the decision process working in accordance with Queue Management.		
22	WG17	RW	Update the decision tree re: the exemption route and use of completion dates vs milestones as deciding factors for charges (once confirmed by the ESO).	WG18	Open

Attendees

Name	Initial	Company	Role
Milly Lewis	ML	Code Administrator, ESO	Chair
Elana Byrne	EB	Code Administrator, ESO	Tech Sec
Paul Mott	PM	ESO	Proposer
Klaudia Starzyk	KS	Ofgem	Authority Representative
Andrew Colley	AC	SSE (Generation)	Workgroup Member Alternate
Harriet Eckweiler	HE	SSEN-T	Workgroup Member
Joshua Logan	JL	Drax	Workgroup Member
Nicola Barberis Negra	NB	Orsted	Workgroup Member Alternate
Richard Woodward	RW	NGET	Workgroup Member
Robert Longden	RL	Cornwall Energy	Workgroup Member
Ryan Ward	RW	Scottish Power Renewables	Workgroup Member Alternate
Gareth Williams	GW	SP Energy Networks	Observer