

Meeting Summary

TNUoS Task Force Meeting 9

Date: 11/10/2023	Location: Hogarths, Solihull
Start: 10.00	End: 16:00

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Adam Morrison (AM)	Attend	Joseph Dunn (JD)	Regrets
Aled Moses (AMo)	Attend	Keren Kelly (KK)	Attend
Anthony Diccico (AD)	Regrets	Lauren Jauss (LJ)	Attend
Binoy Dharsi (BD)	Attend	Neil Dewar (ND)	Attend
Brendan Clarke (BC)	Attend	Niall Coyle (NC)	Attend
Christian Parsons (CP)	Attend	Nick Everitt (NE)	Regrets
David Tooby (DT)	Attend	Nicky White (NW)	Attend
Deborah Spencer (DS)	Attend	Paul Jones (PJ)	Attend
Elana Byrne (EB)	Attend	Sam Davies (SD)	Regrets
George Moran (GMO)	Regrets	Sam Hughes (SH)	Regrets
Grace March (GMa)	Attend	Sara Chleboun (SC)	Regrets
Harriet Harmon (HH)	Attend	Simon Lord (SL)	Regrets
Jamie Webb (JWe)	Attend	Sinan Kufeoglu (SK)	Attend
John McLellan (JM)	Attend	Stephen McKellar (SM)	Attend
John Tindal (JT)	Attend		

Agenda Point 1: Introduction and Welcome

The Chair welcomed those attending in person, noting the presence of Task Force members online and absences of Task Force members unable to attend.

Particular reference was made to the update that JWe will chair the upcoming Task Force meetings, with CP as ESO representative for the Task Force from now on.

The Chair took the group through the timings for the day before instigating the Action Review.

Agenda Point 2: Action Review

The ESO representative highlighted the actions where progress had been made since the last meeting:

- Action 6 (15/09): A meeting was arranged and took place between the ESO Security and Quality of Supply Standard (SQSS) team and the Backgrounds sub group lead to discuss sharing factors – action closed.
- Action 6 (18/08): A draft modification proposal has been completed for the Reference Node topic to be discussed in this meeting – action closed.
- Action 7 (18/08): An update on the Reference Node proposal was shared with the October Transmission Charging Methodologies Forum (TCMF) – action closed.
- Action 10 (18/08): A modification 'tracker' has been updated and included in the Meeting 9 Meeting Slides to identify live Connection and Use of System Code (CUSC) modifications with interactions with Task Force topics. A further expansion on how these modifications are expected to interact with the Task Force topics will be shared at the November Task Force meeting – see action 10 (18/08) below.

All open actions can be found at the end of the Meeting Slides for this meeting and the ESO representative will be contacting owners of outstanding actions with a view to completing and closing off tasks where possible.

Agenda Point 3: Backgrounds sub group

The lead for the Backgrounds sub group referenced the recent conversation with the SQSS experts at ESO and their viewpoint of leaving Demand Security unchanged (as it provides a stress test at zero wind) and recognition that an update of economy scaling factors is overdue and would be beneficial.

Two options were offered to the Task Force for how to progress:

1. Update charging following the SQSS review (likely to require a year at least to complete).
2. Charging is updated separately via the CUSC for charging parameters to better reflect a Cost Benefit Analysis (CBA), accepting a discrepancy with the SQSS being created as a result.

While the ideal would be for charging and the SQSS to be consistent with each other, having changes to charging wait for an indeterminate period for changes to the SQSS was felt to be detrimental, so it was recommended that a plan was needed.

The Authority representative suggested that the ESO review their 2021 Business Plan from the start of the last Price Control to ascertain whether the SQSS review planned within that differs from the review being discussed now in relation to the Backgrounds workstream.

A Task Force member suggested that the review may be an internal ESO review as proposals had not reached the SQSS Panel for it so far and supported raising a modification for SQSS updates considering the timescales involved.

ACTION 1 (JWe, CP): Feedback an update to Task Force on the SQSS review outlined in the 2021 Business Plan and any differences to the review required for the Backgrounds work.

A Task Force member referenced a plan shared with Task Force in late 2022 regarding an SQSS review.

ACTION 2 (CP): Review 2022 Task Force documents for SQSS review plans for 2023

Considerations raised by the group:

- A Task Force member questioned whether actions would align with the lifespan of the Task Force, and therefore whether the group should decide whether interim steps could be taken.
- The Authority representative noted that while interim solutions are not favoured, the Task Force should consider the level of urgency for change when deciding whether interim changes are made via the CUSC in the shorter term (bearing in mind the disconnect that would be created with the SQSS) and any potential benefits versus waiting for the SQSS review and developing a change proposal at a later stage (which could possibly be via a later form of the Task Force).
- The Task Force member leading the Backgrounds work noted that shared/non-shared, Annual Load Factors (ALFs) etc. already differentiate charging from the SQSS, and that the SQSS is not designed for charging purposes. Therefore, their view was for charging to better reflect a function like the Network Options Assessment (NOA) which does a much deeper cost-benefit analysis if full alignment with the SQSS wasn't critical.
- A Task Force member noted that if changes were raised via CUSC modifications, materiality of changes would also need consideration as CUSC Panel will need to prioritise projects. Another Task Force member suggested the CUSC Panel prioritisation criteria are consulted to assess urgency.

ACTION 3 (Task Force): Assess the materiality of the defect/changes for Backgrounds and urgency of the defect/changes (re: CUSC Panel prioritisation criteria) to define the method for making those changes.

Agenda Point 4: Reference Node sub group

A draft modification proposal from the Reference Node sub group had been shared with the Task Force ahead of the meeting to review. Feedback was requested for changes to then be applied and the proposal submitted. It was noted that the proposal had been discussed at the TCMF session on 05 October 2023.

After a short verbal summary of the proposal, Task Force members fed back that it was a clear proposal.

The following points were made and agreed to be considered for the proposal document/subsequent Workgroup discussions:

- A suggestion was made to reference the impact on competition between British and interconnected generation from the proposed changes (i.e., in relation to objective (a) from the applicable CUSC charging objectives).
- A Task Force member suggested exploring whether the argument of generation scaling to meet demand could be evidenced (e.g., generation capacity flexing to meet government policy targets).
- A Task Force member suggested some work on consumer impacts by Ocean Winds and Aurora which sub groups (or modification Workgroups) may find useful to evidence consumer cost impacts.
- A Task Force member suggested checking the Tech Register and Connections queue to validate whether generation is likely to appear where existing generation is located.
- A Task Force member suggested ensuring that circuits assigned as Peak or Year Round circuits currently remain as such if a reference node changes (to avoid unexpected material consequences).
- A Task Force member suggested consideration/exploration of whether shared/non-shared classifications would be impacted by a reference node change (effects on the sharing flow diagram), and noted that Workgroup findings may need to be shared back to Task Force if other sub group work is affected.
- A Task Force member raised that there are alternative views to the proposed solution and welcomed the opportunity (e.g., in the Workgroup) to have an open debate on the best ways to address cost reflectivity and managing future conditions where higher demand is expected.

The points above were suggested as considerations for Terms of Reference that a Workgroup process could use to address key questions.

A request was made for more transparency on i) how the Transport Model works to help test for outputs from change to the reference node, and ii) how the Tariff Model works to see the impact on shared/non-shared allocations (see Data Inputs sub group section).

ACTION 4 (AM): Contact sub group(s) which may benefit from the Ocean Winds/Aurora consumer impact work to assess it as an evidencing resource.

It was confirmed that once a modification proposal was raised and underway, a CUSC Workgroup would take the discussion further, with no further discussion by the Task Force (unless another topic is affected). The Authority representative supported progression of this modification through the open governance process, with the Task Force having fulfilled its role to assess a case for change and potential directions for solutions. However, the Authority representative suggested the Task Force remain aware of the Workgroup's progress for any interdependencies (expecting one or more members to be involved with each modification deriving from the Task Force and feeding back points relating to other topics).

Re: tenure of the Task Force, the Authority Representative noted that the current assumption is that it will run to the end of the financial year 2024, although this was still to be confirmed. However, with a number of significant strategic, planning and policy level projects in progress at the moment, how these will affect charging isn't yet clear and therefore the Authority is considering whether a version of the Task Force continues after that.

Agenda Point 6: Sharing sub group

The lead of the Sharing sub group shared a brief overview of the background context to the workstream and the current approach to sharing boundaries (see Meeting Slides).

Consideration of the expected reduction in carbon plant and the inclusion of storage demand were main pillars of the sub group's discussions.

The consequences of including storage were outlined and a suggestion proposed of multiplying the TEC factor for 6+ hour, 3+ hour and shorter durations.

Next steps for the sub group were noted as:

- Check with the consultants as to whether CFD's and Market prices and BESS costs were included in their modelling.
- Look at co-incidences of low carbon output and whether there's a minimum level of sharing in a zone.
- Explore how non-firm connections should be categorised.
- Establish the shape of the storage multiplier profile (and whether ESO are best to do this technical analysis).

ACTION 5 (CP): ESO to contact SL to understand the technical input for the storage multiplier profile & a 'de minimis' level of sharing, assess what may be covered in CMP405 (or other lines of work), discuss if solar PV question is relevant for other sub groups to address. Update to be fed back to the Task Force.

Questions from the Task Force:

- Re: non-firm connection - as part of the 5-point plan, a low carbon plant with a non-firm connection will be time-limited and can switch from acting like carbon to acting like low carbon, so monitoring it in a consistent manner will be difficult. A question was posed as to whether assigning non-firm connections should depend on timescales for connecting a plant.
- A Task Force member raised a bigger question about what the implications for charging are for non-firm connections (whether TEC should be in the load flow, should charging be cheaper?). It was noted that the definition of a non-firm connection is different between TOs and technical parties (e.g., would

need to be clear to industry if the term was used in relation to the BESS arrangement from the ESO, or 'financially' firm/non-firm etc.)

ACTION 6 (CP/Task Force): Consider a new workstream to discuss the treatment of non-firm connections and charging.

ACTION 7 (Sharing sub group): Find a consistent interpretation of 'non-firm connection' and bring to Task Force to agree.

- In order to model non-firm connections being charged, a Task Force member noted that more information would be needed on how many non-firm offers were being made. The influence of non-firm offers on current decision-making should also be considered.
- A Task Force member saw value in exploring the minimum level of sharing in zones and around the country. It was mentioned that Aurora and Strathclyde University had separately done work on this at a regional level (not charging zones) which could be a useful resource moving forward.
- For addressing the methodology graph featured in the slides, a Task Force member suggested work done in CMP405 (TNUoS Locational Demand Signals for Storage) on storage duration helping constraints may be useful in shaping the graph.
- A Task Force member highlighted that the recent analysis showed not all boundaries working in the same way so questioned whether that's explored and if applying the same methodology to all boundaries was therefore the correct approach. This was later expanded upon by another Task Force member as to whether capacity and constraints are accurately represented. It was agreed that this (i.e., use of a real or constrained network) is separate to the current sharing factor question.
- In response to the boundary question, it was explained that the location of an individual plant wasn't a concern on a national scale due to the cumulative calculation of low carbon: carbon north or south of a boundary. It was also referenced that a low carbon minimum percentage would have an effect to account for different levels of, say wind generation, across different parts of the country.
- A Task Force member noted that assumptions on sharing would be based on how far north/south a location was, and whether solar photovoltaic (PV) had been considered in this mix (although a complicating factor). It was acknowledged that solar isn't included in the model or TNUoS assumptions.

ACTION 8 (Task Force/Sharing sub group): consider where solar is included or reflected in the model/TNUoS assumptions.

- A Task Force member highlighted a defect in that a number of zones in South have negative non-shared tariff despite being fully shared.

ACTION 9 (Task Force/Sharing sub group): consider erroneous negative non-shared tariff zones in the South.

ACTION 10 (Task Force, CP, SL): Assess who undertakes any technical analysis for Sharing and if this is best done as part of the Task Force or a CUSC Workgroup (i.e., move this to a modification proposal).

Agenda Point 7: Data Inputs sub group

Data Inputs

The lead for the Data Inputs sub group presented slides (see the Meeting Slides) on the scope and objectives for the sub group to cover, including identifying data inputs in the transport model driving volatility (with support from the consultants), the impact those inputs have on tariffs and reviewing the Average Cold Spell (ACS).

An update on what the consultants' analysis will cover re: data inputs will be shared at the 25 Oct or 15 Nov meetings (including the influence of under-recovery). An update on the ESO's ACS review is expected to be ready for the Task Force meeting in January 2024.

Scaling Factor Modification

The Task Force was asked for their view on delaying submission to Panel of the ESO scaling factor modification by a month (November Panel) to allow it to be socialised at TCMF.

ACTION 11 (CP): Arrange a call with JT and ESO on the scaling factor modification and interactions with Backgrounds.

The Authority representative noted that the scaling factor was considered a pressing issue due to the material impact of the defect and suggested not unnecessarily delaying development of a solution.

While the details of the materiality would need clarification by the ESO, another Task Force member suggested that if the modification was needed regardless of Task Force discussions, it shouldn't be delayed.

Bi-lateral conversations with other sub groups were encouraged to identify any other interactions.

ACTION 12 (ESO): Scaling factor modification proposal to be submitted as soon as possible with a level of materiality clear within it (i.e., input scaling factors into the model).

ACTION 13 (CP, MC): Bilateral conversations and regular updates to be shared with the Task Force from the scaling factor modification.

Data input requests

Examples of some areas the Task Force have expressed interest in additional transparency for:

- How the Transport Model works to replicate outputs from a change in reference node – Reference Node sub group.
- How the Tariff Model works for how a change to the reference node may impact shared/non-shared circumstances.
- Transparency on different types of offers people are receiving.
- More details on, or sight of, the Secure Load Flow (SECULF) Model.
- Macros for the Transport and Tariff model (T&T) (to help run scenarios for the offshore signals work).

ACTION 14 (Task Force): Contact CP as to the information needing more transparency for ESO to review and respond to ahead of a discussion session at a future Task Force meeting (reminder to be shared at Oct, Nov meeting).

ACTION 15 (CP) – CP to discuss Transmission Owner (TO) data with the Revenue team to share how it's used in the model and arrange discussions with the TOs themselves.

Re: level of transparency – a Task Force member noted that the data itself is valuable, but what's included and not included is also very useful to understand to illustrate what influences that data.

Security factors

Security Factors was raised at TCMF in 2023 with three key issues raised and warranting a review:

1. Could Security Factor for Year Round tariffs be lower.
2. Could Security Factor for Peak Security tariff be calculated differently (review of SECULF methodology).
3. Review the way the Security Factor is used for local circuits and interaction with anticipatory investment.

Task Force comments:

Re: point 3 – A Task Force member noted that for offshore wind there are questions around cost reflectivity (due to delivery by developers and transfer to Offshore Transmission Owners (OFTOs)) and incentivisation (incl. who decision-makers are) to minimise the security factor. It was posed as to whether, in such cases, build is less for security and more for sharing, and that redundancy vs diversity should be considered when a security factor is applied.

Discussions were had regarding double circuits and the relevancy of inter-trips in regard to security factor (not factored into the SECULF model) and there being value in exploring these elements. A Task Force member recommended the security factor being applied to both backgrounds.

ACTION 16 (CP): Ask the SQSS Team whether they can easily determine how double circuits are considered.

ACTION 17 (CP): Arrange calls to discuss the pressing questions on Data Inputs and agree next steps ahead of Nov meeting.

A Task Force member raised the need to consider how future-proof solutions are (for all sub groups) – for example with the security factor, how Demand Side Response is treated and how the security factor might react.

Agenda Point 11: Signals sub group

The lead for the Signals sub-group shared an overview of the proposed workstream plan, with three work packages to tackle and phasing for that:

- Characteristics and definitions of useful cost signals
- Long-term fixing of TNUoS
- Locational investment signals for offshore

Further updates are expected to be ready to share with the Task Force in January.

Work package 1

This was outlined in the slides and mentioned the need for further analysis to address certain questions. A Task Force member suggested they become part of the sub-group to provide additional insight/viewpoints.

Regarding negative locational charges for demand, a Task Force member referenced an Ofgem decision on a recent modification relating to the Transmission Demand Residual (TDR) charge (CMP343 & CMP340 Transmission Demand Residual bandings and allocation for 1 April 2022 implementation (CMP343) and Consequential changes for CMP343 (CMP340)) but the sub-group felt there was further discussion to be had on investment signals versus an operational dispatch signal (e.g. locational credit on capacity, volume or another basis). Feedback for the consultants' proposal on analysis required is expected to be due in the next fortnight once scoped fully with the sub group.

ACTION 18 (CP): Update consultants on when feedback on the Signals proposal will be available.

In terms of output for the sub group, the level of detail will need to be assessed.

Work package 2

With CMP413 (Rolling 10-year wider TNUoS generation tariffs) in progress, a lot from this topic will be covered in that Workgroup and the sub group will discuss certain fundamentals (e.g. difficulties in generating a 10-year forecast/projection).

There was debate between Task Force members as to how much of the topic is being addressed by CMP413 (views ranging from 50-90+%). When questioned about whether alternatives could still be raised (if the sub group developed one) the Proposer for CMP413 (a Task Force member) noted that CMP413's defect was narrow, and the Final Modification Report is due to be submitted to the Authority in February 2024 which would create a new baseline.

A Task Force member supported taking a step back to look at what's useful for different user groups which could result in i) adjustments to CMP413, ii) a solution to follow on from CMP413 or iii) no further action.

The Chair summarised that some elements of this topic sound to not be covered by CMP413, so those need assessing as to how fundamental they are to the change CMP413 is looking to deliver. It was suggested that the work of the Signals sub group be discussed in CMP413 Workgroup as soon as possible, and the sub group stay aware of Workgroup progress.

ACTION 19 (BD): Bring the Signals sub-group work packages to the CMP413 Workgroup to assess their materiality to the modification.

A Task Force member highlighted another potential interaction with the Authority's open letter on strategic transmission charging reform and deeper connection charges.

Work package 3

This will relate to locational investment signals for offshore considering classification of the circuits and how the model will deal with those charges. Input from Task Force members on the Offshore Transmission Network Review (OTNR) was acknowledged as valuable for this topic.

It was requested that transparency for the T&T model was made available to help understanding of those charges.

Agenda Point 9: Market-wide Half Hourly Settlement

The Chair introduced this section of the meeting and the two ESO representatives presenting the topic for discussion. It was explained that a number of options for TNUoS charging solutions had emerged as a result of the Market-Wide Half Hourly Settlement (MHHS) programme, but none are optimal at this stage. Following consultation with the Authority representative, the Task Force was being involved to offer their insights into the challenges and help inform alternative solutions/directions to explore. It was later explained that timing for a solution is crucial now for industry to set relevant tariffs, forecast demand and plan for wholesale market activity effectively by knowing the situation with charging over the coming years.

The Meeting Slides outline the background information shared with the group covering the background to MHHS:

- Purpose & benefits
- Governance structure
- Programme milestones
- Expectations on codes incl. CUSC
- Measurement classes – treatment in the BSC, removal as part of MHHS, impact on (Meter Point Administration Numbers (MPANs)
- Current charging methodologies and changes due to MHHS

The ESO representatives outlined the challenge set to be solved, i) how to make changes to the CUSC within timeline milestones which protect users from double-charging once MHHS migration starts and ii) what TNUoS charging should look like post-MHHS migration.

The group was taken through an overview of the four solutions that have been tabled to date for the MHHS migration period (with benefits, risks and consumer impacts) but are not the policy position of the ESO. Opinions of, or alternatives to, the following options were welcomed from the group:

- 1) All MPANs move to triad methodology or a replacement.
- 2) All MPANs move to a non-half hourly methodology.
- 3) Try to maintain the status quo of the best P0210 file.
 - It was noted that to use P0210 file as the closest mimic possible to the MPANs would create pseudo-measurement classes until the end of the migration period, however it was noted that the level of mimicry was unknown and could not be confirmed by Elexon (which carries a risk of some sites still being open to double charging).
- 4) Exhaust all avenues and issue a change request via the MHHS governance route to re-instate measurement classes.

The CUSC currently defines half hourly and non-half hourly methodologies so, for the migration period and beyond, it was reiterated that the CUSC will need to adjust to reflect a situation where non-half hourly charging won't exist. It was referenced that the migration will be gradual across the defined period to cope with the volumes of data involved and accommodation of suppliers' speed of migration.

The Chair sought clarity around the loss of measurement or component classes. The ESO representative explained that following the Authority decision letter on MHHS, industry forums had recommended revised 'Consumption Component Class' to replace 'measurement classes' for continuity. It was explained that it became apparent that the Consumption Component Classes reflected metering characteristics and wouldn't define sites based on demand in the same way as the previous measurement classes did. Therefore, as part of the migration process, the Elexon site would lose sight of those customer differentiators it previously had access to via measurement classes.

A number of Task Force members expressed surprise at the intended plans preventing it being known which customers were to be charged as non-half hourly versus half hourly. One Task Force member noted that even with the MHHS, some customers may still need to be charged differently (and therefore need to be identifiable).

A Task Force member raised the point that due to different users responding to different signals, a 'one size fits all' charging methodology would be extremely difficult to formulate. A suggestion for consideration was to look at the TDR and the band separation by MIC (Maximum Import Capacity) which, via a MIC threshold, could give some indication of the user type related to their size and connection (rather than their metering).

A Task Force member felt that timing for a solution would be critical to allow suppliers sufficient notice to factor it into their contractual agreements (i.e., for non-domestic customers), however another Task Force member noted that the suppliers would have to handle the rolling customer migration of most domestic customers who are not contracted.

A Task Force member suggested exploring how the half hourly and non-half hourly tariffs are derived as on average the charges are meant to be equivalent. There may be an alternative way of charging the non-half hourly customers their total in one half hour. The ESO representative agreed to take this to discuss with the ESO Revenue team.

To offer clarity on customer impacts, a Task Force member explained that customers would pay different values if moving from non-half hourly to half hourly as the non-half hourly charge (levied on consumption in settlement periods from 4pm to 7pm) is based on profiled consumption data. However, customers won't have an average profile after the MHHS transition so depending on their usage and timing of the triad, charges could be significantly higher. Tariff shock for vulnerable customers who consumed power at a triad point was noted as a risk. It was also noted that the timing of liability will change, impacting incentives significantly. The Task Force member suggested line loss factor classes as another possible customer differentiator (domestic/other, size etc.).

A Task Force member questioned what would happen if a user migrated during the winter at the time of a triad and whether transferring over the summer period would help. The ESO representative responded that risk to the consumer would be reduced if migration focussed away from the winter period but would create a bottleneck in the migration plan which could defy the purpose and effectiveness of a longer migration period.

The Authority representative highlighted that the decision for CMP266 (Removal of Demand TNUoS charging as a barrier to future elective Half Hourly settlement) should be considered in this case as it provided the original mechanism for preventing double charging during site migration. Regarding the longer-term, post-migration charging methodology, the question was posed to the group as to whether triads would still be appropriate. It was referenced that as the shorter-term and longer-term challenges were linked, there could be efficiencies in addressing them together. It was made clear that any significant change in arrangements resulting in either the different treatment of larger sites, or the movement of domestic users onto a form of triad, would require a very strong rationale over and above the removal of the measurement class data from the process. It was noted that data availability should be a factor in facilitating the policy, rather than determining the policy.

The ESO representatives expressed their gratitude for the input of the Task Force and noted that the general message was that i) some level of segmentation was necessary for the migration period (at least) requiring further exploration into the available data, and ii) the longer-term solution would be considered concurrently.

A Task Force member asked whether there would be any overlap between this topic and the review of access and forward-looking charges (phase 2), and the Authority representative confirmed that there would not. The Authority representative recommended that the Task Force be aware of conversations being had around

operational signals for demand and generation in the context of Review of Electricity Market Arrangement (REMA), but this would be working to different timescales.

The Signals sub-group's plan to create a table of useful signals for different users could support this topic in terms of establishing customer classes/segmentation for the short-term challenge. Consideration of how segmentation works across half hourly and non-half hourly methodologies (and what that's re-named as) would also need discussing.

It was posed whether a separate workstream/Task Force topic would be better for demand charging, requiring a check for the right people in the group to address the questions and distinguishing between restricting demand charges vs fixing charges to improve predictability.

ACTION 20 (KK, ND): ESO representatives to take away lines of enquiry on MIC thresholds, line loss options, solution timings for suppliers' contracts and the tariff derivation option (to ESO Revenue team) to explore further.

ACTION 21 (CP): Set an agenda for the new Demand Charging workstream (including the ESO representatives on MHHS) on 25 Oct to discuss objectives, priorities and key timing milestones considering Task Force and Authority comments from Mtg 9.

Agenda Point 12: Next Steps, AOB & Meeting Close

AOB topics were covered off:

- Location of November meeting – after an inconclusive online poll recently, a vote from those present/online determined the next meeting will be in London. Locations for Scotland to be considered for the 2024 meetings.
ACTION 22 (DS, EB): Specifics of the November meeting location to be shared with the Task Force.
- Mod tracker and interactions with Task Force – the Task Force was encouraged to review the tracker slides in the meeting pack and share any questions. A further update to explain the identified interactions is due in the November meeting.
- Collaborative workspace – opinions were taken from the Task Force about the value of this for communally used documents. Some testing of options will take place, but some concerns were raised about firewall access for some organisations.
- TCMF rota – **ACTION 23 (CP):** Email to be shared with a rota for Task Force members to share an update at TCMF.
- Innovation feedback – **ACTION 24 (Task Force):** Feedback required as to the benefits of the Task Force for tackling its objectives to play back to the Innovation funding team.

Summary of the high-level achievements from the session from the Chair:

- Reference node – good questions and feedback provided to support the modification proposal.
- SQSS review – ESO to identify the scope of the review in the business plan vs what's required for the Task Force questions.
- Data transparency – requests noted from the session and more encouraged.
- CMP413 – more understanding gained as to the gaps between the modification and work package two of the Signals sub group.
- MHHS – a constructive conversation with options for the ESO to explore and use of the 25 October call to discuss this as part of a separate Demand Charging workstream.

The Chair again thanked those who had travelled for the session, or made time to attend online, before bringing the meeting to a close.

Action Item Log

Action items: In progress and completed since the last meeting

<u>ID/ date</u>	<u>Agenda Item</u>	<u>Description</u>	<u>Owner</u>	<u>Notes</u>	<u>Target Date</u>	<u>Status</u>
1 11/10	3	Feedback an update to Task Force on the SQSS review outlined in the 2021 Business Plan and any differences to the review required for the Backgrounds work.	JWe, CP		Nov mtg	Open
2 11/10	3	Review 2022 Task Force documents for SQSS review plans for 2023.	CP		Nov mtg	Open
3 11/10	3	Assess the materiality of the defect/changes for Backgrounds and urgency of the defect/changes (re: CUSC Panel prioritisation criteria) to define the method for making those changes.	Task Force		Ongoing	Open
4 11/10	4	Contact sub group(s) which may benefit from the Ocean Winds/Aurora consumer impact work to assess it as an evidencing resource.	AM		Ongoing	Open
5 11/10	6	ESO to contact SL to understand the technical input for the storage multiplier profile & a 'de minimis' level of sharing, assess what may be covered in CMP405 (or other lines of work), discuss if solar PV question is relevant for other sub groups to address.	CP	Update to be fed back to the Task Force	Nov mtg	Open
6 11/10	6	Consider a new workstream to discuss the treatment of non-firm connections and charging.	CP/Task Force		Nov mtg	Open
7 11/10	6	Find a consistent interpretation of 'non-firm connection' and bring to Task Force to agree.	Sharing sub group		Ongoing	Open
8 11/10	6	Consider where solar is included or reflected in the model/TNUoS assumptions.	Task Force/Sharing sub group		Ongoing	Open

9 11/10	6	Consider erroneous negative non-shared tariff zones in the South.	Task Force/Sharing sub group	Ongoing	Open
10 11/10	6	Assess who undertakes any technical analysis for Sharing and if this is best done as part of the Task Force or a CUSC Workgroup (i.e., move this to a modification proposal).	Task Force, CP, SL	Nov mtg	Open
11 11/10	7	Arrange a call with JT and ESO on the scaling factor modification and interactions with Backgrounds.	CP	Oct mtg	Closed
12 11/10	7	Scaling factor modification proposal to be submitted as soon as possible with a level of materiality clear within it (i.e., input scaling factors into the model).	ESO	Oct mtg	Closed
13 11/10	7	Bilateral conversations and regular updates to be shared with the Task Force from the scaling factor modification.	CP, MC	Ongoing	Open
14 11/10	7	Contact CP as to the information needing more transparency for ESO to review and respond to ahead of a discussion session at a future Task Force meeting (reminder to be shared at Oct, Nov meeting).	Task Force	Ongoing	Open
15 11/10	7	CP to discuss Transmission Owner (TO) data with the Revenue team to share how it's used in the model and arrange discussions with the TOs themselves.	CP	December	Open
16 11/10	7	Ask the SQSS Team whether they can easily determine how double circuits are considered.	CP	Nov mtg	Open
17 11/10	7	Arrange calls to discuss the pressing questions on Data Inputs and agree next steps ahead of Nov meeting.	CP	Nov mtg	Open
18 11/10	11	Update consultants on when feedback on the Signals proposal will be available.	CP	October	Open
19	11	Bring the Signals sub-group work packages to the CMP413	BD	Ongoing	Open

11/10		Workgroup to assess their materiality to the modification.				
20 11/10	9	ESO representatives to take away lines of enquiry on MIC thresholds, line loss options, solution timings for suppliers' contracts and the tariff derivation option (to ESO Revenue team) to explore further.	KK, ND		Oct & Nov mtgs	Open
21 11/10	9	Set an agenda for the new Demand Charging workstream (including the ESO representatives on MHHS) on 25 Oct.	CP	To discuss objectives, priorities and key timing milestones considering Task Force and Authority comments from Mtg 9.	23 Oct	Open
22 11/10	12	Specifics of the November meeting location to be shared with the Task Force.	DS, EB		Oct mtg	Open
23 11/10	12	Email to be shared with a rota for Task Force members to share an update at TCMF.	CP		Oct mtg	Open
24 11/10	12	Feedback required as to the benefits of the Task Force for tackling its objectives to play back to the Innovation funding team.	Task Force		Ongoing	Open

Action items: Open actions from previous meetings

<u>ID/ date</u>	<u>Agenda Item</u>	<u>Description</u>	<u>Owner</u>	<u>Notes</u>	<u>Target Date</u>	<u>Status</u>
1 15/09	3	Check whether OpTIC would smoothen step changes in network development, check whether the model could cope with half a circuit. Consider timing and frequency of phasing data with ESO outputs.	JD		Ongoing	Open
2 15/09	5	Set up a working session between the OpTIC proposers and ESO NOA experts (including exploration of risk)	CP	HH agreed to be part of this conversation	TBC	Open
3 15/09	5	Set up bilateral conversations with OpTIC proposer to pick up specific questions	GMa, Amo, PJ		Ongoing	Open

4 15/09	5	Share thoughts with the Authority representative as to the OpTIC model falling within scope for the Task Force	Task Force	Open invitation from the Authority for Task Force members to share thoughts	October	Open
5 15/09	6	Provide absolute values for the Y-o-Y tariff changes across regions (re: historic volatility)	Frontier/LCP		TBD with Frontier/LCP	Open
6 15/09	8/9	Check with ESO SQSS experts as to a review of sharing factors to play back to the Task Force (and the Backgrounds workstream)	JW		TBC	Closed
7 15/09	8/9	Signals and Tech Type workstreams to feed back to Task Force their views on the treatment of demand raised in the Backgrounds workstream	GM, Amo		Nov/Jan meeting	Open
8 15/09	12	Contact the Abs v Rel workstream if there are other views for a case for change	Task Force		Oct/Nov meetings	Open
9 15/09	12	Contact the Abs v Rel workstream with thoughts/questions	HH		Oct meetings	Open
10 15/09	13	All workstream leads to create a high-level timeline and action plan for each workstream	Workstream leads	Timings to be collated by CP to create a longer-term Task Force road map	Meeting 9 (11 Oct) if possible	Open
2 18/08	2	Consider using initial workstream proposals as alternative format for information to stimulate stakeholder feedback.	Task Force	To be reviewed once workstreams have shared their initial thoughts	Mtg 8-10	Open
3 18/08	4	Ownership and timings defined for the OTNR Sub-Group closure report	JS	Closure Report to be shared with TF once complete (NP @ESO)	October	Open
5 18/08	7	A one-page report for the Charging Futures website to summarise the reference node modification plans and individuals involved.	JT	To also reflect any further views not captured at TF meeting 7.5 and provided as part of action 4 above.	November	Open
6 18/08	7	Draft modification proposal to be raised.	JT		Mid-Oct (JT to advise)	Closed

7 18/08	7	BAU update to TCMF with ESO/Propose to agree who will present the Reference Node proposal to relevant TCMF.	JT, CP	Topic to be added to TCMF Oct agenda.	Oct TCMF	Closed
9 18/08	8	Share draft 'negative scaling' modification proposal with the Task Force to review prior to submission	JS/MC	JT and Backgrounds workstream to link with this project for updates	Q4 2023	Open
10 18/08	9	Review the current modification tracker for a version to feature in future Task Force meetings or shared for visibility.	JS, CP, DS, EB	Version to be shared in Oct Mtg 9 – further detail to be shared in Nov Mtg 10	Mtg 10	Open
1 27/07	3	Consider whether updating the 'pseudo-CBA approach' to scaling factors is currently feasible with the data available and whether case for change should include the analysis from the consultants	JT	Consider as part of Backgrounds case for change - ongoing	Mtg 8	Open
3 27/07	3	Consider whether backgrounds are complicating understanding of how charges work or a necessary element of the cost reflectivity of the model.	Task Force		Mtg 8	Open
6 27/07	5	Review past calculations for sharing to provide a recommendation for what work would be feasible now	Frontier/LCP	Information shared by SL 28 Jul	TBC	Open
7 27/07	5	Consideration of renewables in sharing (wind vs wind, treatment of solar).	Frontier/LCP	JS to assess information needed	TBC	Open
8 27/07	5	Exploration of turning off sharing to see impacts on final charges and volatility	Frontier/LCP		Mtg 8	Closed
9 27/07	8	Consider calculating using a 5 year average rather than current 5 year method	Frontier/LCP		Mtg 8	Closed
11 27/07	8	Consider the information available to share with consultants & TF re: potential new ESO products and impacts on FPN, and possible new data input modification	JS		TBC: updates can follow after final internal reviews of proposed products	Open
12	8	Absolute values to be shared for the impact of using FPN only	Frontier/LCP	Material impacts possible for	Ongoing	Open

27/07		on Year Round components of the tariff.			different scales of plant. Ongoing to form part of AFL analysis		
14 27/07	8	Consider aligning Week 24 data with the SQSS change and move to gross demand.	JZ			Ongoing	Open
15 27/07	8	Contact TOs for a view on what data inputs could be more regularly updated (re: locational tariff calculations) with a material impact and their view on revenue being deferred for a year	JS, NW		Will form part of wider Data Inputs workstream and discussion	Ongoing	Open
5 26/06	3-7	Can indicative monetary values be provided for the impacts of the different backgrounds on differently-sized projects.	Frontier/LCP			Up to Mtg 10	Open
7 26/06	3-7	Additional analysis shared on metrics used to compare volatility between actual and estimated charges.	Frontier/LCP			Ongoing – Frontier need a steer on what is required	Open
10 26/06	3-7	Bring together the Task Force representatives and the ESO SQSS Review team (when in a position to do so) to discuss potentially parallel/overlapping interests.	JS, SS to explore with BD		To feed into case for change if required	Ongoing	Open
12 26/06	8-10	Revisit ESO work on embedded generation in relation to the transport model and share with the Task Force if relevant.	JS & NW		To consider as part of distributed generation element work package	Ongoing	Open
17 26/06		Update from OTNR sub-group	JT			Mtg 7.5/8	Closed
1 26/04	1	Provide update on recruiting Non-Domestic user reps to Task Force	JS & NW		Discussions ongoing for a named rep. Non-Domestic Supplier forums updated by JS	Ongoing	Open
10	7	Investigate more granular data sources for DNO embedded	JS		Need TF to identify the data needs	Ongoing	Open

26/04	distribution to support the methodology & analytics	before exploring sources (part of Distributed Generation work). Update to be shared by CP ahead of Mtg 9
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