

## Meeting report

<b>Meeting name</b>	Transmission Charging Methodologies Forum and CUSC Issues Steering Group 85
<b>Date of meeting</b>	Wednesday 9 <sup>th</sup> May 2018
<b>Time</b>	10:30 – 11:45
<b>Location</b>	National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA

<b>Name</b>	<b>Initials</b>	<b>Company</b>
Jon Wisdom	JW	National Grid (Chair)
Urmi Mistry	UM	National Grid (TCMF Technical Secretary)
Harriet Harmon	HH	National Grid(Presenter)
Paul Wakeley	PW	National Grid (Presenter)
Joseph Henry	JH	National Grid (Presenter)
Rob Marshall	RM	National Grid (Presenter)
Richard Smith	RS	National Grid
Robert Longden	RL	Cornwall Insight
Grace Smith	GS	UKPR
Simon White	SW	Smartest Energy
Paul Youngman	PY	Drax
Garth Graham	GG	SSE
Andrew Ho	AH	Orsted
Simon Vicary	SV	EDF Energy
Karl Mayron	KM	Haven Power
Nicola Percival	NP	Innogy
Peter Bolitho	PB	Waters Wye
Daniel Hickman	DH	NPower
James Anderson	JA	Scottish Power
Paul Mott	PM	EDF Energy
James Thomson	JT	Ofgem
Nicola Fitchett	NF	RWE
James Kerr	JK	Citizens Advice
Paul Bedford	PBe	Opus Energy
Joe Underwood	JU	Electralink
Andrew Enzor	AE	Northern Powergrid
Lorraine Nicholson	LN	ESB
John Tindall	JT	SSE

All presentations and supporting papers given at the TCMF meeting can be found at:  
<https://www.nationalgrid.com/uk/electricity/charging-and-methodology/transmission-charging-methodology-forum-tcmf>

## Actions Review – Jon Wisdom, National Grid

1. JW reviewed the open actions and informed attendees that open action regarding TAR modifications being available on National Grid’s website is now complete. GG raised a question regarding the ESO Incentive Scheme queries raised at previous meetings. JW confirmed National Grid will be covering this in AOB.

## 1 CUSC Modifications Update – Joseph Henry, Code Admin

2. JH gave an update on all new and on-going CUSC modifications. GG asked when the workgroup meetings for CMP291 and CMP296 were likely to begin. JH confirmed that it will be based on the prioritisation stack and so this could be in July at the latest. PY then asked if the prioritisation stack was available for industry to view. JH described that there was a large volume of modifications in flight and there is a need for prioritisation of them. This is being done in line with the CUSC Panel. Modifications are ranked on the complexity of the modification and the importance of the change itself. The modifications are then aligned against these criteria. Once the proposers have been contacted, this stack will be published.
3. RL mentioned that it may be difficult to understand the prioritisation process if you are not directly involved but soon industry will be able to understand the process. A lot of work has been carried out by the Code Admin team and this will be communicated soon. Code admin resource is increasingly becoming stretched due to the volume of mods. Therefore, an attendee suggested that the initial meeting for a modification doesn’t necessarily need to be chaired by Code Admin. Industry could chair to get the workgroup process started. NG would take this suggestion away and consider.
4. Attendees also wanted to keep the 3 mods on hold due to the TCR/SCR (CMP271/4/6) within the list presented at TCMF to ensure they remain on record.

## 2 Charging Arrangements for Scottish Islands – Paul Wakeley, National Grid

5. Recently there have been several queries from generators and developers of projects on the Scottish Islands, wanting to know an estimate of their future liability for TNUoS. Subsea and HVDC circuits are to be modelled using a specific expansion factor, using a methodology introduced through Project TransmiT (CMP213). The issue is with how the CUSC is worded as there is potential for a different

interpretation. The aim was to clarify the approach NG will take, which ensures consistency with the onshore regime.

6. PW then took attendees through some examples of different circuit connections such as AC subsea circuit and HVDC circuit. Then PW detailed current wording the CUSC and the differences between the calculation of the onshore and offshore expansion factors. The proposal is to update the wording to make the calculation of HVDC/Subsea expansion factors explicitly consistent with other onshore circuits. This means that costs of the converters, cable and a % of project costs would be included in the 'actual project costs', but the costs of AC switchgear and transformers would not. PW then took attendees through a worked example based on illustrative numbers.
7. This then led to discussion between attendees on whether they are happy with the interpretation and whether a CUSC change was needed. Attendees agreed with the principle of the clarification and the approach being taken, however some attendees feel a CUSC change is needed as a 'clarification' can be changed at any time, as the legal status of a clarification was challenged by an attendee. PW agreed with attendees that if there was codified, it would go straight to consultation. PW indicated that National Grid would seek to raise a CUSC modification in the near future.

### **3 DCUSA Proposal: Removal of residual charging for embedded generators in the CDCM – Andrew Enzor, Northern Powergrid**

8. This was presented at TCMF to raise awareness that this change was occurring on the distribution side, following Ofgem's Targeted Charging Review (TCR) Significant code review (SCR), where charging arrangements for storage were deemed out of scope. This is similar to the CUSC change CMP280 and the aim is to keep the changes aligned. AE summarised the change, in that it was targeted to HV and LV connected customers only (with an equivalent change to follow for EHV connected customers). Residual is charged to these customers on an average basis for their associated import. Whilst the main driver for the change is that Ofgem are looking to resolve arrangements for storage sites (specifically to remove a perceived distortion), this mod will apply to storage and generation as per CMP280 to avoid creating additional distortions between generators and storage operators.
9. AE highlighted that problems arise when applied to mixed sites or where embedded generation is unlicensed, however this will be something the workgroup can explore in more detail.
10. Attendees found this presentation helpful and clear. Impacts across systems was highlighted where AE said there may be some interaction between this and the CUSC modification. If one were implemented and the other not, this could create a cross system distortion. An attendee asked about eligibility to join the workgroup for this modification, JU confirmed that any DCUSA party can join the workgroup and any other industry party can participate as an observer.

### **4 Ofgem's views following decision to reject CMP261 – Harriet Harmon, National Grid**

8. An update was given on Ofgem's view following the rejecting of CMP261. The aim was to raise awareness to industry that this has been published and give National Grid's (NG) interpretation. The letter can be found in the [following location](#).
9. The letter is in line with what NG has previously stated in that there is no anticipation of any need to raise a modification regarding this topic as the methodology is unchanged following rejection of CMP261 and complaint with the EU regulation. Any changes would be best considered alongside the review of residual charging which is being looked at through the TCR SCR.
10. GG challenged whether the current methodology was compliant as it was not clear from the letter. HH clarified that Ofgem state that the EU regulation sets a range, therefore if there is a breach they expect this to be remedied. Therefore, any potential breach in future would need to be anticipated and the methodology updated. More information can be found in Ofgem's Forward Plan.
11. GS highlighted her views that Ofgem's interpretation should be represented in the CUSC and it was National Grid's responsibility to make sure this happened. HH responded that the regulation sets a range for transmission charging, not a target, and so nothing needs to be done at this point however she will follow up with GS offline.

## CUSC Issues Steering Group

### 5 Charging Futures Quick Update – Rob Marshall, National Grid

12. RM presented to attendees an updated timeline of events relating to the TCR, Access rights and forward-looking charges task forces. Milestones were highlighted regarding analysis and report deadlines. A consultation for the TCR is expected in Autumn 2018, currently quantitative analysis is being worked through to take to the Charging Futures Forum in May for feedback.
13. RM then detailed that the Taskforces have a deadline coming up the end of the following week to publish their final options report, identifying areas of complexity and benefit etc... These will be published to the Charging Futures distribution list and given to Ofgem alongside this.

## AOB

13. RS raised that an open letter regarding user commitment will be published soon. This aspect of the CUSC is periodically reviewed and the aim this time is to engage with industry and gain feedback as to whether it needs to be reviewed at this time. This will be presented in more detail at June's CISG.
14. GG queried if the ESO Incentives topic would be brought back to TCMF, following previous concerns raised. JW confirmed this will be presented on in June.
15. NP raised a point regarding the Task Force Recommendation Papers, that they are more summary papers of what has been discussed. This was supported by RL as he stated Ofgem's consultants had not carried out any materiality analysis at this time, therefore recommendations cannot currently be made.

16. PY notified attendees he is planning on raising a modification regarding response energy payments.

## Next meeting

**Next meeting: Wednesday 13<sup>th</sup> June 2018**

**Time** : **1030** (unless otherwise notified)

**Venue** : **National Grid House, Warwick** (unless otherwise notified)

# Appendix 1

## Actions List

TCMF Mon	Request	Agenda Item	Action	Owner	Notes	Target Date	Status
Dec-17	PJ	Co-location Guidance Note	Confirm if a spare bay would be considered a new or existing connection	SY	SY and MO are going to pull together a brief response which can be circulated to TCMF members in January.	Jan-18	Complete
Dec-17	GG	Co-location Guidance Note	Confirm if any sites are currently impacted by this guidance note.	SY		Jan-18	Complete
Dec-17	-	Co-location Guidance Note	SY to take away how the document is framed and set the tone according to feedback received	SY		Jan-18	Complete
Dec-17	NF	CMP261 - Update	Look into the possibility of creating some scenarios around outcomes of CMP261 appeal	JW	Not possible ahead of the conclusion of the appeal.	Jan-18	Complete
Dec-17	All	Tariff Update - 5 year forecast	Explore if there is a way to identify mailing lists in email communications such that people know which mailing list that they are on	JW & RT	Feedback and suggestion given to teams internally (including central customer team who have been asked to share more widely).	Mar-18	Complete
Dec-17	PB	AOB	Make enquiries re missing website content specifically in relation to previous mods (TCMF members asked to advise when they come across any additional missing content)	RT	We are planning to get get all archived modifications available on the website, however this will take some time due to the volume of material. Proposal forms, Workgroup reports, FMRs and decision letters will be uploaded. In the meantime any specific requests can be sent to the cusc.team@nationalgrid.com.	Oct-18	On-going
Jan-18	-	Electricity System Operator Incentives 2018-2021	Circulate DB's contact details to attendees	UM		Jan-18	Complete
Apr-18	GG	CUSC Modification Update	Check that TAR Modifications are available on NG's website.	JH		Jun-18	Complete
Apr-18	PM	Updating the Statement of Works Process	Query was raised around a guidance document on small embedded generation, that is currently available on NG's website. NG was asked to look into the content.	RT	We will update the guidance document following modification process to reflect any changes to the CUSC.	End of CMP298 Mod Process	On-going
May-18	-	Ofgem's views following decision to reject CMP261	It was requested by the presenter to ensure a link to the letter is added to material following the meeting	UM	Link has been added to Minutes documents	Jun-18	Complete