Meeting minutes

Transmission Charging Review Group (TCRG) April 2019

Date:	25/04/2019	Location:	SSE Glasgow, 1 Waterloo Street, Glasgow, G2 6AY
Start:	11:00	End:	15:00

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Jon Wisdom (NGESO)	Attend	Grahame Neale (NGESO)	Attend
Victoria Potter (SHETL)	Attend	Neil Bennett (SHETL)	Attend
Richard Woodward (NGET)	Attend	Gareth Hislop (SPT)	Attend
Alice Grayson (NGESO)	Attend	Ankita Mehra (Ofgem)	Attend
Eleanor Horn (NGESO)	Attend		

Agenda

#	Topics to be discussed	
1.	Introduction, meeting objectives	Jon Wisdom
2.	Review of Action Log	All Attendees
3.	Mods Update	Grahame Neale
4.	Calculation of TNUoS expansion constant and expansion factors	Jo Zhou & Sarah Chleboun
5.	STCP13-1 Charge Setting Process	Richard Woodward
6.	Standard Lifespan of Assets	Neil Bennett
7.	Lunch	
8.	Shared connection assets and shared one-off works update	Grahame Neale & Eleanor Horn
9.	NLR Charging	Neil Bennett
10.	Project Closure Process	Richard Woodward
11.	AOB	Jon Wisdom
12.	Close Out	Jon Wisdom

#	Topics discussed

1. Introduction, meeting objectives

- No notes from introduction

2. Reviewing the Action Log

- Most of the actions from last time have been completed (see newly circulated action log)
- Action 25 [for TOs to contact the DNOs in their patch to understand whether they are expecting to implement 72 hour resilience in their areas] is on-going with an update expected in 6 months (not at the August TCRG but at the October/November one). TOs will provide an update on this then.
- On Action item 27 [User Commitment] – Mike Oxenham will be taking this over from Richard Smith as he has moved to a new role. NGESO will provide an update on this piece of work at the next TCRG. Suggestions that User Commitment is a big piece of work which may need a separate workstream. Opinions raised that CUSC Section 15 is not "majorly flawed" however there may be some tweaks. Acknowledgement from the group that one of the Access & Forward Looking Charges workstreams is going to pose the question of a User Commitment regime at distribution level. There may be a push after that workstream publishes its conclusions to harmonise T and D user commitment methodologies. RW and an NGESO rep will be attending this workstream expected to kick off in summer. Action considered closed and replaced with Action 36.
- Action 30 [to determine whether project closure timelines are hardcoded in the codes] – yes, they are. The group agreed that these hardcoded timescales are clearly not being achieved.
- Action 31 [moratorium period for Shared One-Off works] it was agreed by all in the room that a moratorium period of 5 years after the one-off works have been energised was a suitable time. This action is now replaced with one on NGESO to recirculate the guidance note with the updates made after internal review and the clarification on the moratorium period.
- Action 33 [to bring any affects from CUSC mods on GridCode or STC to the TCRG forum] only mod of interest was an STC proposal to alter the definition of force majeure. Suggestion that one of the technical codes team attend for the mods update at August TCRG to field any questions on their mods.
- Action 34 [project closure mock up process] closed.

3. Mods Update

- New CMPs raised since last TCRG meeting include three CMPs that have gone straight to Code Admin consultation:

  CMP312 – to correct an error in Section 14 introduced by legal text developed as during the CMP264/5 process. This was approved by the panel as an urgent modification.

  CMP313 – to introduce the concept of a Code Admin critical friend process whereby the CA team will require mod proposals 5 days earlier (two Thursdays before Panel).

  CMP314 – to update the definition of Power Available in the CUSC. This supports wind farms who provide frequency response services

- Most of the other CMPs are ticking along nicely, you can see an update of their progress in the slide pack.
- NGET asked if CA are doing anything to tackle the stalling of workgroups due to problems achieving quoracy. NGESO agreed that this has been especially problematic for the progression of CMP295 which has a particularly small workgroup and is top of the prioritisation stack. JW expressed the opinion that the problems with quoracy are evidence that the industry is self-selecting on which code changes interest them which is an inevitable facet of open governance. However, it is important to make sure that changes are correctly represented and there are some voices who will struggle to resource a lot of workgroups.
- SHETL posed a question on CMP298 [to introduce the process for DNOs receiving embedded gen applications to consider the transmission impact, NGESO will provide a suite of products i.e. Project Progression, Appendix G, Statement of Works etc.] as to whether this would create a two tier system if large projects in Scotland are included. Is this available to SHEP-D customers? NGESO answered yes but the CMP is vague enough to include new products if there is need for a Scotland specific one.
- CMP306 is out for consultation (closes on 16th May). TCRG observed that any implementation needs to be done in a way which ties back to the price controls. There are potentially consequential impacts on the STC and timing issues which need to be raised in the consultation responses.

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4. Future Mods

- NGESO will raise a mod on charging arrangements for collocated generators at April CUSC panel.
- Also expect a mod from PeakGen about the TNUoS charging zones.

5. Calculation of TNUoS expansion constant and expansion factors

- The update of the expansion factors require financial data submissions from the TOs. The NGESO revenue team have asked the TOs to share a point of contact with them to provide the required data under STCP14-1. The data will be kept confidential. Please send an email to the .box (TNUoS.Queries@nationalgrideso.com) by the 9th May with the name of your nominated person to allow the review of the expansion constant.

6. STCP13-1 Charge Setting Process

- NGET brought this agenda item to TCRG to discuss the differences in the information that each TO is providing through the STCP13-1 template.
- There was broad agreement that if we're looking to make some content changes to the 13-1 template it also makes sense to review 14-1 and 24-1.
- A separate piece of work will be started to look into the potential changes including the NGESO revenue team in the process. Progress to be reported back to August TCRG session.

7. Standard Lifespan of Assets

- SHETL brought this agenda item to TCRG to discuss a situation in which they expected to replace an asset over 10 years before the end of its expected lifespan due to weather conditions in the locality. SHETL are considering reducing the lifespan of the asset they replace it with (in a like for like replacement) to reflect that due to its location it simply can't be expected to last that long. SHETL asked the group if they knew of any other such situations where the lifespan of the asset had been shortened as a result and how the other TOs would manage this.
- The forum did not know of any comparable situations but offered their opinions.
- There was concern about the lack of information about asset lifespan in the Appendix A of a customer's BCA where it states each TCA and the age of the asset but not how far through its lifespan it is – this would mean that customers were unaware the asset had a shorter than standard lifespan until they received an ARN.
- It was clarified by SHETL that this was only relevant to TCAs but there may be situations (such as island links) where this problem comes up again.
- NGESO questioned whether this problem would be addressed in the design phase to protect the asset from locational weathering so it could have the expected 40 year life.
- SHETL clarified that in the specific case the asset is already there (outside and exposed to the elements) and at the moment the question only affects ARNs.
- NGESO and SHETL agreed that it seemed like a TOCA was the best way to inform interested parties (NGESO and users) upfront.
- SHETL to report back on any decisions made on this issue.

8. Shared connection assets and shared one-off works update

- An update on the shared TCAs and Shared one-offs was made. These two pieces of work have been separated out with the one-off works progressing first. The thought paper produced by NGESO has been update and shared internally where some questions have been raised.
- These questions related to whether in a cabling example the one-off works could ever become shared. The view from all TOs was that the one offs related to the cable should be shared even if the second party connects to use just spare capacity on the cable. This means that the stipulation in the flow diagram that "if the second party's request doesn't change the design of the one off works" leads the one-offs not to become shared is incorrect.
- NGESO will update the examples and flow chart in the paper and run it around the internal loop again. It should be with TCRG members for comment by mid June.

9. NLR Charging

- SHETL brought this agenda item to TCRG to discuss a situation in which they expected to replace an asset which had originally been installed under load under non-load conditions.
- Assets which were replaced will probably be used at another site. They expect to stop charging the old user for these assets and start charging the new user at the reinstalled site so the old user won't be charged anything yet retains network access – this feels anomalous. Thoughts from the group?
- SPT expressed an opinion that as a service of network access was still being provided to the old user and as long as it doesn't affect the new user they would "ghost charge" for the old asset. They are still benefitting from access to the network and from an upgraded asset so why shouldn't they continue paying?
- It was agreed that the old user shouldn't pay for the new asset as they didn't cause the replacement but they should continue paying for the old asset.

10. Project Closure Process

- A lengthy session on the project closure process was conducted. It was decided by the group to focus solely on the project closure process for schemes with TCAs in them as these have the biggest impact on individual customer charges. The project closure process for IA only schemes may be reviewed after trialling a new approach on TCA schemes but this will not be for some time. One-off works were also included in scope of this review as they have a big impact on individual customers.
- NGESO expressed their opinion that STCP19-2 closure on completion of scheme specifies a scheme to be a connection rather than a piece of network reinforcement works. STCP19-2 states that the customer should have received the final expenditure 8 months after the end of the scheme works.
- All parties agreed that this was unrealistic. SHETL offered that their schemes will take 18 months to 2 years on average. The STCP says "as agreed" because this can vary considerably: compensation events with contractors and complications can delay this process. SPT opined that the 8 months recommendation came from a time when there were fewer and less complicated schemes. NGET stated their opinion that there is a lack of rigour in terms of deviating from the hardcoded timelines and therefore customers are completely in the dark on when their projects could be reconciled. All parties agreed that it would be desirable to offer customers more information about the timescales for the closure of schemes relevant to them – in particular TCA schemes.
- The forum discussed at what stage they could provide some indicative information to the customer about the nature of the finalised costs, as the closure process continues there is a point at which a final price comes into view and then customers could get a view on whether this is much greater or less than the indicative costs on which they have been servicing their connection asset payments. It was broadly agreed that defining a "firm" point is difficult. It was decided not to try and provide a "semi-firm" price.
- NGESO suggested providing customers with a list of unknowns and an indication on when these unknowns might become known so they were aware of when their scheme may be finally closed. This list should be regularly updated and the number of unknowns will decrease as they become known. This should both meet the requirements of STCP19-2 in that a report is being produced but also allows TOs flex to solve disputes with contractors. This was considered a good idea by the group.
- The group decided to explore what the format of this report could like. SPT opined that customers are asking for this and we need to think about a useful format and structure without sharing "too much" with the customer. NGET countered that a report – whilst improving customer knowledge – doesn't address the problem that it shouldn't take two years to run project closure. NGET have a bad history with under and overestimating surprising customers with some big changes. Is there anything more we can do?
- The group discussed a backstop "in the vast majority of projects we would expect there to be a finalised sums by this date". The TOs supported this but with the ability to flex otherwise we may end up where we are today with the 8 months – they wanted to take this away to discuss internally.
- All TOs agreed that there are a lot of reporting demands put on their delivery business as it is. It was suggested that a report of all schemes going through the closure process was developed once annually and then shared with customers. The timing of the annual report was discussed and it was expressed that March and October would be bad times as it conflicts with other reporting activities.
- The mock up of the scheme closure report is contained below:

Project Listing	Indicative charging (date)	o/s items (TCA + One offs)	RAG Status	Date to Resolve	Outturn estimate	Estimated Outturn date
Scheme Name 1		1.) 3rd party invoicing 2.) Compensation claims 3.) etc…	1.) 2.) 3.)	Per item if possible or 1 date for full scheme (*)	± x	(*) Last of the dates in this column (if > 1) plus couple of months?
Scheme Name 2			✓			Latest estimate for longer running schemes

- The impact of a project closure report on reconciliations for under or over payment by users whilst on the indicative charging regime was discussed. It was not clear when the SO would update the charges for customers and whether they would use information contained in the project closure report. As interest is paid on the balance deviation then there is an incentive for TOs to reconcile quickly. It was reconfirmed to all that we are currently only considering Connection Asset charging and One-Off cost payments within the scope of this review for the time being.

- All TOs will take this mock up for comment from their delivery businesses.

11. AOB

- CMP306: NGESO would want to make sure there are caveats in their comments to not disagree with the mod from a principles perspective but to ensure that implementation timescales and methodology work effectively with the corresponding STC mod. Managing expectations that next year's charges could be incorporated for April 2020.

- CUSC 15 – User Commitment: Shared assets have been triggered a long time back and are almost finalised a customer 5-6 years out on connection must secure until they connect on an asset that's in the ground. Many customers have highlighted this. Widespread a problem for embedded. SHETL to develop a list of issues with CUSC 15 they'd like to address.
- TO rep on the BSC Panel?: TOs are not particularly interested - not a party to the code.
- Next meeting in August, NGESO to host. At that meeting decide who wants to take over the presidency of TCRG for 2020.

Action Item Log

See Action Log as circulated.