

Meeting summary

Transmission Charging Methodologies Forum and CUSC Issues Steering Group 111

Date: 04/02/2021 Location: WebEx

Start: 10:30 End: 12:30

Participants

Attendee	Company	Attendee	Company
Jenny Doherty (JD)	National Grid ESO (Chair)	Eric Valette (EV)	EDPR
James Stone (JS)	National Grid ESO (TCMF Tech Secretary - Presenter)	Paul Jones (PJ)	Uniper
Jon Wisdom (JW)	National Grid ESO (Presenter)	Robert Longden (RL)	Cornwall
Paul Mullen (PM)	National Grid ESO (Presenter)	Tim Aldridge (TA)	Ofgem
Eleanor Horn (EH)	National Grid ESO (Presenter)	Yonna Vitanova (YV)	Renewable UK
Grahame Neale (GN)	National Grid ESO (Presenter)	Nicola Fitchett (NF)	RWE Generation
Katharina Birkner (KB)	National Grid ESO (Presenter)	Niall Coyle (NC)	Eon
Rashmi Radhakrishnan (RR)	National Grid ESO (Presenter)	Jessica Richardson (JR)	Intergen
Jennifer Groome (JG)	National Grid ESO	Nicholas Lasel (NL)	Engie
Chia Nwajagu (CN)	Orsted	Paul Youngman (PY)	Drax
Neil Bennett (NB)	SHETL	Alan Currie (AC)	Ventient Energy
Garth Graham (GG)	SSE Generation	Iwan Hughes (IH)	Vitol Group
Grace March (GM)	Sembcorp	Massimo Liu (ML)	Poyry
Joshua Logan (JL)	Drax	Marc Smeed (MS)	Ridg Power
Matthew Cullen (MC)	Eon	Joe Underwood (JU)	Energy UK
Matthew Paige-Stimson (MPS)	NGET	Max Taylor (MT)	Scottish Power
David Boyland (DB)	SSE	Edda Dirks (ED)	SSE
Simon Vicary (SV)	EDF	Mark Herring (MH)	National Grid ESO

Matthew Dowds (MD)	Muirhall Energy	Melanie Ellis (ME)	Limejump
Steve Fearn (SF)	Bryt Energy	Vicki Holland (VH)	St Clements Services
Jo Zhou (JZ)	National Grid ESO		

Agenda, slides and modifications appendices

<https://www.nationalgrideso.com/charging/transmission-charging-methodology-forum-tcmf>

TCMF and CISG Discussion and details

Please note: These minutes are produced as an accompaniment to the slide pack presented. They aim to capture the main discussion points from the meeting. Any numbers in brackets denotes the slide number which the notes refer to, if relevant.

Meeting Opening – Jenny Doherty, National Grid ESO

1. JD opened the meeting providing an overview of the agenda items for discussion. It was explained that as part of AoB JD planned to ask Ofgem to comment on the open action regards providing an update on Ofgem's expectations on the timing of the tertiary charging review. The group were asked if they had any other items for AoB. RL asked that ODFM be discussed.

Code Modifications Update – Paul Mullen, National Grid ESO

PM shared details of the progress of current modifications, details available on the slides.

2. PM noted that the decision regards CMP344 would now more likely be around the end of March 2021.
3. PM also noted that the No Deal Brexit modifications raised by the ESO were to be withdrawn at Panel.
4. PM explained how the Code Admin team were working on a deep dive of the code prioritisation stack and a revised approach to delivering the current high volume of workload, which involved clear deliverables for each Workgroup, optimising resources and improving team capability.
5. RL applauded this but asked how this may impact prioritisation.
6. SV stated there was a lot happening with code change at present and wondered how this might compare to last year. PM explained that the CUSC workload is broadly the same but noted that Code Admin deal with 4 codes not just the CUSC and last year the decision was taken to not focus so much on the other codes to get the CUSC workload completed. However, Code Admin need to ensure we achieve an appropriate balance across all Codes they administer.
7. GG mentioned the increase in funding allocated for Code activities as part of the new price control and stated stakeholders would like to understand if with this increase would mean more meetings/Workgroups taking place.
8. PY asked if any recruitment could ensure experienced people are brought in.
9. GG said that if the budget was to be increasing i.e. x 4 then stakeholders would want x 4 the output and was interested to know how increased budget translated into more Workgroups. JD said this was something that could be brought to a future TCMF which PM agreed to. **Action on PM to bring more detail to the TCMF regards budget vs work plan and expected output.**

SSE's appeal to the CMA of Ofgem's Approval of CMP317/327 – Jon Wisdom, National Grid ESO

JW provided a verbal update and overview of SSE's appeal to the CMA of Ofgem's approval of CMP317/327.

10. JW explained high level details of the expectations of the CMA process detailing the potential timelines and explaining a decision would be due mid-March, however this can be extended. GG confirmed this.

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11. PY asked if this may impact the CMP317/327 follow on modifications discussed at the last TCMF. JW advised this was an agenda item later in the meeting.

Fixed BSUoS charging modifications Katharina Birkner - NGESO

KB gave an update on the work taking place regards BSUoS reform, details available on the slides.

12. RL asked how granular fixed BSUoS would be as you could fix it for every Half Hour if necessary. KB advised that it would be fixed for specific periods for example April-September and then October to March periods.
13. RL queried the finance-ability of fixed BSUoS with concerns around whether certain parties could bear the cost of financing the working capital required. RL also asked about timelines for this piece of work. JW confirmed go live would be April 2023.
14. SV stated that Ofgem were clear in Work Groups that this work would be implemented in 2023.
15. GG explained that interactions with CMP311 and CMP250 work that had already taken place should be considered. KB said this would be considered.
16. GG stated that if the ESO were not taking the risk associated with this work then they shouldn't receive any funding.

Q1 Charging Modifications James Stone, Grahame Neale – NGESO

JS provided an overview of the CMP317/327 follow on modification discussed as part the January TCMF 'ESO 2021 Work Plan' agenda item, detail available on the slides.

17. JS highlighted the work ESO had undertaken since January TCMF and again noted the SSE CMA appeal as discussed earlier in the meeting. JS noted that the ESO have considered two options for when the proposed modifications could be raised, either in February or post CMA decision at the end of March.
18. JS explained that the purpose of this session was to discuss with industry if there are any additional options for ESO to consider and if all the benefits / risks of when the modifications are raised have been considered appropriately.
19. GM asked if there was anything preventing the ESO giving a view on pre-existing assets ahead of the modification being raised with the modification then being raised later in the year. JS confirmed that this is something that ESO could do if for example the modification was raised after the CMA decision. JS noted the definition of pre-existing assets quoted by Ofgem in the 17th December CMP317/327 decision letter and advised that work between the codes team and the revenue team was already underway using these and once a view was formed the ESO could bring this to the TCMF for discussion.
20. RL questioned what the benefit of raising this early was and whether it would progress quickly.
21. PJ thought defining pre-existing assets would be complicated based on chronology and how connections appear after each other. The rules will have to consider different scenarios including future proofing and that it would be beneficial to start this work sooner rather than later, either via the way GM suggested or raising the modifications.
22. GM queried why this would be raised as urgent and when a decision was needed by. JS noted urgency was considered necessary as the ESO would need to have a method in place to reconcile should the compliance range be breached.
23. SV queried if the ESO had a better view of the compliance range mentioned in January TCMF as there is a worry about the likelihood of the requirement for reconciliation. GM suggested it wasn't known if there is a problem yet anyway.
24. There were general concerns raised over the detail of the range of non-compliance.
25. JZ gave an update on why refining the range was an issue i.e. the ESO don't yet have visibility of negative zones, generators connecting, definitions of pre-existing or the values of the final reconciliation (planned for April).

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- 26. GG suggested any reconciliation modification should provide detail of an appeal route for the reconciliation amount if there is a new definition. GG also suggested for the pre-existing asset definition the data should go back to 1930. RL suggested this should possibly be 1990.
 - 27. GN then provided an update on additional charging modifications to be raised this quarter.

Managing Interactive Connection Offers - Rashmi Radhakrishnan, National Grid ESO

RR provided an overview of interactivity and recent developments in policy, detail available on the slides.

- 28. RR highlighted that the developments in the interactivity processes have been developed with the ENA and will result in a minor change to the CUSC. The plan being to raise a CUSC modification to bring clarity regards acceptance.
- 29. RL questioned that if the change was to bring clarity for something that is not referenced in the CUSC then who should approve the change. RR explained this was the result of extension consultation with the ENA.
- 30. GG said that this process should go in the CUSC as it is the Connection and Use of System Code and could go via open governance.
- 31. GG asked how this process works across different parties i.e. do DNOs, TOs and Interconnectors all go in this process. RR confirmed all parties would be involved.
- 32. GG asked if all parties would receive the same treatment i.e. if 4 parties involved would the 1st receive an unconditional offer and the other conditional. RR explained this would depend on capacity constraints etc and all would receive similar treatment which would be depend on when the 'clock started'.
- 33. MS asked if offshore generators are included. RR was not certain of offshore process but would check.
- 34. RL asked if this could be brought to the next TCMF to share clarification.
- 35. PY asked if detail of the 'old' interactivity process could be shared. **Post Meeting: link to old process included within published slide pack.**

CMP281 Implementation: CVA Storage Declarations – Eleanor Horn, National Grid ESO

EH provided an overview of the new CVA storage declaration process whereby the ESO needs to receive valid declarations before a BMU can be exempted from BSUoS charges on import volumes.

AOB

- 36. JD asked Ofgem to confirm the expected timing for the Tertiary charging review. TA explained this is an important issue to resolve but Ofgem are mindful of the current priority and volume of change at present so expect the ESO to prioritise this accordingly.
- 37. JD explained the ESO had recently published a letter regarding changes to ODFM and the intention to introduce these in summer 2021.
- 38. RL stated that the letter didn't say if the latest version was identical to 'version 1' or not. JD noted this would be followed up with the relevant teams.
- 39. RC noted that during GC0147 the ESO was not in a position to determine if ODFM was needed.
- 40. GG stated that ODFM and its impact on cash out should be considered. JD explained this could be fed back to the team.
- 41. MH revisited the topic of ESO funding and output. MH understood that the budget across all teams was c40% increase in FTE resulting in circa 2x funding for OPEX/Capex in total.
- 42. GG stated that as EU work would be 'dropping off' and there is to be an increase in FTE then it should be expected that there would be an increase in ESO service provision.
- 43. RL said that it would be good to understand the medium-term business plan i.e. 3-5 years in terms of modifications etc. MH agreed that it would be beneficial to provide more detail on the change pipeline and roadmap.

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44. IH asked about timelines for Access work. JD explained the ESO are waiting on clarity which is expected later in 2021. TA stated that this would be soon but unsure of dates.
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Action Item Log

Action items: In progress and completed since last meeting

ID	Month	Agenda Item	Description	Owner	Notes	Target Date	Status
21-1	Jan-21	BSUoS Update	To perform wider indexation review and bring plan back to TCMF with initial thoughts	JS		Apr-21	Open
21-2	Jan-21	NGESO 2021 Work Plan	Ofgem to confirm expectations of timings regards Tertiary charging review	TA		Feb-21	Closed
21-3	Jan-21	NGESO 2021 Work Plan	NGESO to map proposed modification interactions and share with TCMF	JD		Apr-21	Open
21-4	Feb-21	Code Modification Update	To provide further detail on Code Admin budget vs work plan and expected output	PM		Mar-21	Open