

Meeting Summary

Transmission Charging Methodologies Forum and CUSC Issues Steering Group 138

Date: 07/09/2023 **Location:** MS Teams
Start: 10:30am **End:** 1:00pm

Participants

Attendee	Company	Attendee	Company
Claire Huxley (CH)	ESO (Chair & Presenter)	Andrew Hemus (AH)	ESO (Tec Sec)
Jack Presley-Abbot (JP)	Ofgem (Presenter)	James Stone (JS)	ESO (Presenter)
Alex Curtis (AC)	ESO (Presenter)	Alison Price (AP)	ESO (Presenter)
Dovydas Dyson (DD)	ESO (Presenter)	Nick Silitto (NS)	Peakgen (Presenter)
Damian Clough (DC)	SSE (Presenter)	Joseph Henry (JH)	ESO (Presenter)
Milly Lewis (ML)	ESO (Presenter)	Alan Kelly (AK)	Corio Generation
Alex Ikonic (AI)	Orsted	Alice Cockshutt (AC)	Engie
Angeles Sandoval Romero (AS)	SSE	Brendan Clark (BC)	SSE
Catherine Cleary (CC)	Roadnight Taylor	Chiamaka Nwajagu (CN)	Orsted
Christian Parsons (CP)	ESO	Claire Hynes (CH)	RWE
David Jones (DJ)	Ofgem	Dennis Gowland (DG)	Orkney Fairwinds
Edda Dirks (ED)	SSE	James Stone (JS)	ESO
Joe Colebrook (JC)	Innova	John Harmer (JH)	-
Karen Lilley-Thompson (KL)	ESO	Karl Maryon (KM)	Drax
Keren Kelly (KK)	ESO	Kerry Cheek (KC)	Hutcheson Associates
Lee Stone (LS)	EON Energy	Lorna Mitchell (LM)	SSE
Martin Cahill (MC)	ESO	Monika Hudakova (MH)	OVO
Natasha Ranatunga (NR)	EDF	Niall Coyle (NC)	EON Energy
Nick Everitt (NE)	ESO	Nicola Fitchett (NF)	RWE
Paul Mullen (PM)	ESO	Paul Youngman (PY)	Drax
Pedro Arcain (PA)	Ofgem	Robert Longden (RL)	Cornwall Energy
Robert Newton (RN)	Zenobe	Robin Dunne (RD)	Intergen

Rustam Majainah (RM)	OVO	Ruth Kemsley (RK)	EDF
Ryan Ward (RW)	Scottishpower Renewables	Sarah Carter (SC)	ESO
Shannon Murray (SM)	Ofgem	Simon Vicary (SV)	EDF Energy
Sinan Kufeoglu (SK)	Ofgem	Steven McKnight (SM)	Laser Energy
Suzanne Law (SL)	SSE	Vicki Holland (VH)	St Clements
Victoria Burkett (VB)	SSE		

Agenda, slides, and modifications appendices

<https://www.nationalgrideso.com/calendar/transmission-charging-methodologies-forum-tcmf-07092023>

TCMF and CISG

These notes are produced as an accompaniment to the slide pack presented which can be found here [PowerPoint Presentation \(nationalgrideso.com\)](#)

Meeting Opening - Claire Huxley, ESO

CH opened the meeting providing an overview of the agenda items for discussion, asked for any AOB items.

TCMF feedback – Claire Huxley, ESO

CH shared the recent collated TCMF feedback. See slides for more detail.

Discussion themes / Feedback

RL asked if the website link to the ESO Charging guides could be included in the TCMF meeting summary:

<https://www.nationalgrideso.com/industry-information/charging/charging-guidance>

Strategic Transmission Charging Reform letter – Jack Presley-Abbot, Ofgem

JP shared details on the open letter on Strategic Transmission Charging Reform to be published Monday 11 September.

Post meeting update: Ofgem have now published their open letter on Strategic Transmission Charging reform – it is available here:

<https://www.ofgem.gov.uk/publications/open-letter-strategic-transmission-charging-reform>

Ofgem are welcoming views on the issues set out in the letter until 15 November 2023.

Discussion themes / Feedback

NS asked for clarification on Ofgem view of “Fair” in terms of “Allocating charges fairly” CH suggested that Ofgem could return to TCMF in October and update post letter publication on this question and any others outstanding from this update. JS shared that “Fairness” in relation to charging had been discussed at the start of the TNUoS Task Force and they had agreed that pricing/charging should be “transparent, non-discriminatory and reflect the impact of the user on system”. JP post meeting update: Ofgem apply fairness as defined in the SPS: "Fairness: including that there should be no undue discrimination between network users; earlier adopters of key low carbon technologies should not be unduly penalised through network charging arrangements; network users should not be able to unduly avoid network charges; and that consumers in vulnerable situations should receive an adequate level of protection". RL asked for thought to be given to investor signals now and after any change. JP stated that stability of charges and reset frequency are being considered. DC asked how this fits in with the TNUoS Task Force and REMA. JP clarified that this will be covered in the letter but aligned to the REMA

timeline as much as possible, the TNUoS Task Force remains the same and the scope doesn't change. RM mentioned Distribution Charging and whether Ofgem would be presenting to DUoS Forum. JP said no but agreed to mention this internally. RM also asked for domestic customer impacts to be considered. RL stated the need for Distribution and Generation to be considered together and not put together. JP agreed but stated they are still separate but hopefully a balance has been found to get things done. RK asked if Ofgem or ESO could publish a note or a diagram of how all these reform activities are expected to interact. JP agreed to look at this one. ED asked if there was any update on the DUoS SCR next steps and timing. JP post meeting update: no new update, but Ofgem will bring update to the next Charging Futures Forum planned for October 2023.

TNUoS Task Force verbal update – James Stone, ESO

JS shared a verbal update on the TNUoS Task Force.

Last Task Force meeting took place 18th August the key area for discussion was around the case for change for the reference node. The Task Force has produced a case for change proposing to move to a generation-weighted reference node primarily looking to improve cost reflectivity, reduce uncertainty and promote competition which outlines the pros and cons of this suggested approach. Consensus was that the Task Force felt enough work had been done and evidenced to say there was a clear defect with a potential solution. The Task Force agreed to take this forward and to draft a modification proposal. This proposal would then be shared at a future TCMF to run through in more detail prior to formally raising.

As part of the 'Data Inputs' package of work the ESO also covered an issue identified around negative scaling. With the expected increase in renewable capacity over coming years it means some of the variable scaling values used in charging turn negative and the current model eventually ceases to work. The ESO shared a few possible solutions being looked at internally. The Task Force agreed again there is a clear defect for a modification to be raised and ESO will take this forward in line with timings on the 10-year TNUoS projection work. This potential modification can be expected in Q3 this year.

Task Force also discussed resource for sub-groups for each of the key work packages (signals, technology types, sharing, Distributed Generation etc) and set out general expectations for progression/development of the various defect work packages, suggested next steps/deliverables and timings.

Further information can be found on the [Charging Futures website here](#).

Discussion themes / Feedback

None

Connections and 5 Point Plan update – Alex Curtis, ESO

AC gave an update on Connections and the 5 Point Plan. See slides for more details.

Discussion themes / Feedback

RL questioned the term "wasted effort" on slide 12. AC agreed to review this term and amend the slide. RL reminded AC that when using the term "Our data shows" you need to stand by it and have solid reasons why. AC clarified that all reasoning backed up by data but will make sure 110% confident of statement. PY asked about the treatment of storage regarding Transmission Entry Capacity (TEC), AC checked with technical colleagues and can confirm not treated as 0MW it is despatched through modelling tool and behaviour is dependent on market pricing, when studying a BESS we use their TEC value. PY also queried the different Transmission Operators (TO) approach to non-firm connections. AC explained that it's how the TO feels best to consider and just the timing that will be different. AK Asked if CPA methodologies agreed with each TO are being made public. AC clarified that they would not be, update technical colleagues will look to share a high-level methodology in Q4 2023. CC made the point that 50% of the battery storage on the TEC register is made up of hybrid connections that include some storage element. PY asked if the graph on slide 13 could be updated as not pure storage and to be careful how this is being presented. RL shared his thoughts transparency and important for users to understand any changes to ESO assumptions on how storage would behave. RK asked what signals are

driving the volume of connection applications. AC commented that its financial incentive and reacting to market forces.

CISG Connection subgroup verbal update - Alison Price, ESO

AP shared a verbal update from the CISG Connection subgroup. The second CISC subgroup "Connections strategic change & impact to CUSC" was held earlier this week. The summary from this meeting will be sent out early next week. The ESO gave a high-level overview on progress around the 5 point-plan and Connections Reform.

The next meeting will take place Tuesday 26 September, ESO anticipate having a detailed update on the non-firm product offering. The Terms of Reference for this sub-group are nearly finalised.

Discussion themes / Feedback

CISG materials can be following this link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc/cusc-forum> (towards the bottom of the page under the heading "Find a TCMF & CISG Meeting" and then click the "2023 CISG subgroup" tab.)

GB Connection Reforms verbal update - Dovydas Dyson, ESO

DD gave a verbal update on GB Connection Reforms. The recent consultation had just under 80 responses from a wide range of market participants, these responses are currently being collated and analysed. The first tranche of non-confidential responses have been published on the ESO website and can be found here: [Connections Reform | ESO \(nationalgrideso.com\)](#)

The next Customer Connections Agora is taking place on Wednesday 20 September.

[Register for Customer Connection Agora's \(office.com\)](#)

ESO Connections Seminar is taking place in London Monday 16 October.

[ESO Connections Seminar Tickets, Mon 16 Oct 2023 at 09:00 | Eventbrite](#)

Discussion themes / Feedback

None

CMP315: TNUoS Review of the expansion constant and the elements of the transmission system charged for and CMP375: Enduring Expansion Constant & Expansion Factor Review - Nick Sillito, Peakgen

NS gave a presentation on CMP315 and CMP375. See slides for more details.

Discussion themes / Feedback

Several TCMF attendees thanked Nick for the fantastic presentation.

RK asked zone 4 data was higher than all the others. NS explained that the data detail hadn't been shared with the workgroup members, but the prevalence of 132kv cable in this zone and in Scotland generally had affected several zones disproportionately.

CC asked about HVDC expansion factors. DC clarified that HVDC links have their own based on the actual costs of the build.

Potential new modifications: TNUoS Charging Transparency & BSUoS Codifying Over Recovery Rules inc. potential to use over recovery to increase BSUoS fund - Damian Clough, SSE

DC shared details of potential new modifications. See slides for more details.

Discussion themes / Feedback - TNUoS Charging Transparency

PY commented that this is a good defect to incentivise the TO's to forecast more accurately. It could be done quite quickly and easily, so very supportive. RL stated unsure why "K" being Year+2 reverted to Year+1 so would welcome a review. JS noted that dhow transparently data can be shared and if there is

a need to improve transparency is being discussed at the TNUoS Task Force with an action also looking for a view on what data inputs could be more regularly updated to improve predictability/reduce volatility in charges. So, this issue could be fed into the Task Force. SV asked if CMP286/CMP287 would help and how they might interact. DC commented that some interaction depending on how you frame the defect and would also be interesting to see if this is being looked at by the Task Force. JS clarified that forecasting was not within scope but data inputs to the methodology are, so it very much depended on the framing of the defect. JS also stated issues with DNO's when a similar approach was taken regarding fixing that far in advance, so would be prudent to take any learnings from this. NE raised issue with point 3 and point 6 on slide 30, explaining on point 3 that forecast timelines have been spread out throughout the year, so it occurs in November and has not been dropped as such. On point 6 NE expressed that the ESO is impacted reputationally and in time and resource by having to communicate to industry because over or under recovery has occurred.

Discussion themes / Feedback – BSUoS Over Recovery

RL commented that it's not as simple as saying it's the ESO's money. CH shared that FSO funding finalised with discussions still ongoing. NE shared that a modification at this point may not be easy due to ongoing FSO discussions and clarified that a cautious approach to giving money back is taken to avoid any requirement for later tariff resets. NE reminded TCMF that currently there is no BSUoS fund.

CMP292: Introducing a Section 8 cut-off date for changes to the Charging Methodologies – Joseph Henry, ESO

JH shared details of the recent Authority approved CMP292. See slide for more details.

Discussion themes / Feedback

JH clarified that Ofgem will still be able to stipulate what year charging changes are applied from as they do now.

Code Administrator update - Milly Lewis, Code Administrator ESO

ML gave a Code Modifications update. See slides for more detail.

Discussion themes / Feedback

None

AOB

None

Action Item Log

Action items: In progress

ID	Description	Owner	Notes	Target Date	Status
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Action items: completed

ID	Description	Owner	Notes	Target Date	Status
23-6 July 6	Process deep dive in relation to calculating TNUoS Expansion Constants data.	Nick Everitt	Nick Sillito covered this during the CMP315/CMP375 agenda item at the September TCMF.	07/09/2023	Closed
23-7 July 6	Provide an update on TCMF feedback	Claire Huxley		03/09/2023	Closed

23-8 Detailed update on the TNUoS Nick Everitt
July 6 10year projection

03/09/2023

Closed