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Code Administrator Meeting

Summary

Workgroup Meeting 4: CMP423 Generation Weighted Reference Node

Date: 25/03/25

Contact Details

Chair: Claire Goult (NESO) claire.goult@nationalenergyso.com

Proposer: John Tindall (SSE) John.Tindal@sse.com

Key areas of discussion

Analysis Presentation: The NESO SME presented analysis which illustrated the multi-year impact of CMP423 on tariffs and revenue for 2024/25 and 2029/30 the last year of the five-year forecast and the interaction with CMP444 Introducing a cap and floor to wider generation TNUoS charges and WACMI which is currently with the Authority for decision.

The Workgroup suggested including a range of scenarios for a broader perspective, and suggested including aggressive, mid-range, and less aggressive options, to provide a broader perspective in the analysis

The Workgroup discussed the impact on demand and generation revenue proportions and the importance of understanding the swing between demand and generation costs. The NESO SME confirmed the current analysis included the impact on demand and generation revenue proportions, showing the interaction with CMP444.

The Workgroup suggested looking at the interaction between CMP423 and other Modifications, such as CMP432 as well as CMP444, to provide a comprehensive analysis. This Workgroup thought this would be helpful to understand how the Security Factor interacts with Reference Node and CMP444.

The Chair emphasised the importance of considering the timeline for the Workgroup Consultation and the need to review the timing of Workgroups before and after the Workgroup Consultation, to allow time for further analysis to be provided by the NESO SME.

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The Chair added actions for the NESO SME to provide analysis on the interaction between CMP423, CMP432, and CMP444. The Workgroup agreed that this three-way interaction is important for understanding the broader implications of this Modification.

Draft Legal Text: The Proposer presented suggested the draft Legal text.

The Workgroup discussed the importance of keeping the worked examples in the CUSC 14.21 up to date and discussed the possibility of moving them to a separate document. The Proposer highlighted the need to update the local charges section to reflect the changes in the Reference Node. The NESO Workgroup member confirmed that the local charges are calculated based on circuits tagged as local year-round.

Terms of Reference Review: The Chair led a review of the Terms of Reference, with the following noted.

- Terms of Reference a) The Workgroup agreed that there are no EBR implications for CMP423.
- Terms of Reference b) The Workgroup discussed and agreed that the analysis covers the implications for the network sharing calculation in the Transport and Tariff model.
- Terms of Reference c) The Workgroup asked for clarification to be sought from the CUSC panel on what is meant by the Terms of Reference and agreed the need for this to be a future agenda item when this has been clarified.
- Terms of Reference f) The Workgroup highlighted CMP440 but noted that it has not yet developed analysis.

Actions update: The Chair led a review of the actions log. The Workgroup agreed that actions 1,2, and 3 had been completed and could be closed. The Workgroup agreed that new actions 4,5,6,7,8 and 9 should be opened.

Next Steps: The Chair proposed reviewing timeline and scheduling the next Workgroup meeting to allow time for the analysis, legal text, and draught Workgroup Consultation to be completed.

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Actions

Action Number	WG Raised	Owner	Action	Comment	Due By	Status
1	WG3	DH	Analysing the impact of the proposed changes on different technologies and locations	Spreadsheet circulated and presented WG4	WG4	Closed
2	WG3	JT	Review the legal text for connectivity diagram updates and section 14 generation to customers	Initial thoughts provided by Proposer and circulated	WG4	Closed
3	WG3	DH	Prepare an analysis of impact proposed data of tariffs on later years to understand comparisons for NESO to look at the differences in flow	Spreadsheet circulated and presented WG4	WG4	Closed
4	WG4	DH	Analysis to include output tariffs for CMP423 combined with other CMP444 WACMs, beyond just WACM 1.		TBC	Open
5	WG4	DH	Analysis on interaction with CMP432 Original		TBC	Open

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6	WG4	NC	NESO legal team to review legal text suggestions and consider comments from CMP423 related to the worked examples (Section 14.21)		TBC	Open
7	WG4	CG	Evaluate the current timeline leading up to the Workgroup Report and circulate a new draft to Workgroup members		TBC	Open
8	WG4	CG	Draft and circulate the Workgroup Consultation document		TBC	Open
9	WG4	CG	Question for CUSC Panel – Clarification of what is meant by Terms of Reference (c)	Reached out to the CUSC Panel Secretary who will send an email to Panel members for clarification.	TBC	Open

Attendees

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, NESO	Chair
Andrew Hemus	AH	Code Administrator, NESO	Tech sec
John Tindall	JT	SSE	Proposer
Shannon Murray	SM	Ofgem	Authority Representative
Daniel Hickman	DH	NESO	SME
Binoy Dharsi	BD	EDF Renewables	Workgroup Member

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Chiamaka Nwajagu	CN	Orsted	Observer
Damian Clough	DC	SSE	Proposer Alternate
Dennis Gowland	DG	Research Relay Ltd	Workgroup Member
Giulia Licocci	GL	Ocean Winds	Workgroup Alternate
Glenn Smith	GS	EDF Renewables	Workgroup Alternate
Gregory Edwards	GE	Centrica	Workgroup Member
Hector Perez	HP	Scottish Power Renewables	Workgroup Alternate
Niall Coyle	NC	NESO	Workgroup Member
Nick Sillito	NS	Peakgen	Workgroup Member
Paul Mott	PM	NESO	Workgroup Alternate
Paul Youngman	PY	Drax	Workgroup Member
Robert Longden	RL	Cornwall Insight	Workgroup Member
Robin Dunne	RD	Intergen	Workgroup Member
Ryan Ward	RW	Scottish Power Renewables	Workgroup Member
Tom Steward	TS	RWE Supply & Trading GmbH	Workgroup Member