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Code Administrator Meeting

Summary

Workgroup Meeting 5: CMP423 Generation Weighted Reference Node

Date: 01/05/25

Contact Details

Chair: Claire Goult, claire.goult@nationalenergyso.com

Proposer: John Tindal, John.Tindal@sse.com

Key areas of discussion

Objectives and Timeline: The Chair shared the objectives for the meeting, including reviewing the worked example, legal text views, and terms of reference and also mentioned the need to consult with members to fix dates for the consultation and future workgroups.

Terms of Reference (c) Panel Response: The CUSC Panel response on Terms of Reference (c) is as follows *'My interpretation of this term of reference is to consider where the new generation will be geographically located and the impact this will have on the CMP423 solution i.e. the Generation Weighted Reference Node.'*

Running the model with different scenarios, such as placing a large generator in the north and then in the south, to explicitly show the impact on tariffs was the approach agreed by the Workgroup to address Terms of Reference (c).

Analysis – Action 4 & 5: The NESO SME presented analysis of the impact on tariffs and revenue proportions of CMP423 in combination with CMP432 and CMP444. The analysis covered 15 different scenarios which included various permutations of the modifications, creating a comprehensive view of the potential impacts.

The Proposer suggested that the analysis should be presented in a more graphical form to help readers interpret the data within the consultation document. The Chair agreed.

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The NESO Workgroup member provided a summary of the different CMP444 Alternatives used (WACM 1, 3, and 7) and their impact on the analysis.

- WACM 1 sets the cap and floor at the 10th and 90th percentiles of the NESO five-year forecast. It is the lowest proposed and has the most significant impact.
- WACM 3 sets the cap and floor based on the highest and lowest values excluding the final year of the forecast. It is a middle-ground alternative.
- WACM 7 sets the cap and floor at the highest and lowest values from the final year of the NESO five-year forecast. This alternative has the least impact within the current forecast period.

The Workgroup agreed to focus on the most popular alternatives, WACM 1 and WACM 7, for the consultation to streamline the analysis and avoid overwhelming the respondents with too many permutations.

Draft legal Text Update – Action 6: The NESO Workgroup member provided an update on the legal text, stating that the work examples need to be reviewed and updated to align with the CMP423 solution. The NESO Workgroup member clarified that a thorough review of all work examples across the CUSC would be conducted later, but for now, the focus is on updating the relevant sections for CMP423.

Review Draft Workgroup Consultation – Action 7 Actions update: The Chair shared the latest version of the Workgroup Consultation and asked participants to review it. The Chair highlighted the need for clarity on certain sections and requested input from the workgroup members to ensure the document is comprehensive and accurate.

The Workgroup discussed any CMP423 impacts on CFD Prices noting the likely impact on CFD prices but also noting the difficulty to quantify due to the commercial nature of the bids. The Proposer suggested showing the pounds per MW hour equivalent impact to indicate the order of magnitude. The Proposer felt this approach would provide a clearer understanding of the potential financial implications.

Next Steps

Workgroup members to review the Workgroup Consultation, Workgroup Report to be finalised the next meeting.

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Actions

Action Number	WG Raised	Owner	Action	Comment	Due By	Status
4	WG4	DH	Analysis to include output tariffs for CMP423 combined with other CMP444 WACMs, beyond just WACM1.	Analysis circulated ahead of WG5 and presented by DH at WG5.		Closed
5	WG4	DH	Analysis on interaction with CMP432 Original	Analysis circulated ahead of WG5 and presented by DH at WG5.		Closed
6	WG4	NC	NESO legal team to review legal text suggestions and consider comments from CMP423 related to the worked examples (Section 14.21)	Legal view has now been provided.		Closed
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			Closed

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9	WG4	CG	Question for CUSC Panel – Clarification of what is meant by Terms of Reference (c)	The CUSC Panel clarification received and was shared at WG5.		Closed
10	WG5	JT	Update the Legal Text to include the additional section about local circuits and reference nodes		TBC	New
11	WG5	JT	Add a section to the Workgroup Consultation to clarify the likely impact on CFD prices and include the pounds per MW hour equivalent impact		TBC	New
12	WG5	JT	Add graphical representations to the Workgroup Consultation to help articulate the data analysis.		TBC	New
13	WG5	NC	Provide a summary of the different WACOMs for inclusion in the Workgroup Consultation.		TBC	New
14	WG5	NC	Update the work examples in the		TBC	New

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			Legal Text to reflect the CMP423 solution.		
15	WG5	JT	Ensure the analysis related to the impact on demand customers and the generation-demand split is clearly explained in the Workgroup Consultation.	TBC	New
16	WG5	JT	Add a section to Workgroup Consultation to explain the interaction between CMP423 and CMP440	TBC	New

Attendees

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, NESO	Chair
Andrew Hemus	AH	Code Administrator, NESO	Tech sec
John Tindal	JT	SSE	Proposer
Daniel Ffrench-Mullen	DF	Ofgem	Authority Representative
Daniel Hickman	DH	NESO	SME
Archie Campbell	AC	Zenobe	Observer
David Wellard	DW	Orsted	Observer
Dennis Gowland	DG	Research Relay Ltd	Workgroup Member
Glenn Smith	GS	EDF Renewables	Workgroup Alternate
Gregory Edwards	GE	Centrica	Workgroup Member

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Jonathan Oguntola	JO	Baywa-Re	Workgroup Alternate
Niall Coyle	NC	NESO	Workgroup Member
Nick Sillito	NS	Peakgen	Workgroup Member
Robin Dunne	RD	Intergen	Workgroup Member
Ryan Ward	RW	Scottish Power Renewables	Workgroup Member