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Code Administrator Meeting

Summary

Workgroup Meeting 7: Re-introduction of Demand TNUoS locational signals by removal of the zero-price floor

Date: 19 June 2025

Contact Details

Chair: Robert Hughes, robert.hughes3@neso.energy

Proposer: Lauren Jauss, lauren.jauss@rwe.com

Key areas of discussion

The Chair outlined the main items on the agenda, including the timeline review, action log, alternative request, review of the Draft Workgroup consultation document, and a slot for an observer to discuss another alternative solution.

Timeline Update

The Chair reviewed the revised timeline and confirmed the need for a contingency meeting on 1st July to capture the alternative proposal and comments, aiming to finalise the Workgroup Consultation for industry by 08 July 2025.

Action Log

The Chair reviewed the action log, discussing various actions and their status.

Action 8 – The Proposer confirmed that action 8 related to working through example equations, could be closed as it had been completed.

Action 11 – The Proposer mentioned that Action 11, involving adding tables to the work group report, was still in progress and would be completed for the final draft of the consultation report.

Action 12 – The Proposer explained that Action 12, defining the original proposal and discussing alternatives, was completed and could therefore be closed.

Action 15 – The Chair confirmed that Action 15, related to circulating the revised timeline, had been completed and could be closed.

Action 16 – The Chair noted that Action 16, involving the process of updating the draft report, was ongoing and would be closed at the next meeting.

Action 17 – The Chair advised mentioned that Action 17, developing and sharing the alternative proposal, had been completed as the proposal was circulated and presented.

Action 18 – The Chair stated that Action 18, developing the legal text, was ongoing and would be reviewed in subsequent Workgroups.

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Alternative Proposal

AS proposed a methodology to spread charges over all periods instead of just peak periods, aiming to minimise changes and address negative locational signals.

AS explained the calculation method for negative locational signals, which involves multiplying the £/kW figure by continuous demand and dividing by annual demand across all periods. AS then compared the alternative proposal with the original, highlighting the differences in tariffs and the rationale for spreading charges over all periods. Technical details were provided on the calculation steps, including total revenues, period consumption, and tariff generation, with an emphasis on simplicity and cost-effectiveness. Finally, AS justified the proposal by emphasising the predominance of year-round costs and the need to avoid distortive signals, referencing Frontier Economics analysis.

Workgroup members discussed the implications of the alternative proposal including its impact on storage, non-final demand, implementation challenges and consultation feedback.

Review of Draft Workgroup Consultation

The Chair led a page-turn review of the Draft Workgroup Consultation, addressing comments and suggestions from participants. The agreed comments and amendments, along with the alternative request, will be included in the final draft of the Workgroup consultation report. This will be considered and agreed at the next Workgroup meeting.

AOB

GD presented a proposal to charge demand through the DNOs, aiming to simplify the process and align with investment signals. This will be included in the Consultation report, ensuring it is within the scope of the Workgroups terms of reference.

Next Steps

The Chair advised the next Workgroup is planned for the 01 July where there will be a final review of the Workgroup Consultation. There may be a problem of attendance at this meeting. The idea of a doodle poll to consider alternative dates and times was raised as a possible way of managing this.

Actions

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For the full action log, click [here](#).

Action Number	Workgroup Raised	Owner	Action	Due by	Status
11	WG4	LJ	The Proposer took an action to add percentage changes into the impact tables showing the impact on bills for better clarity	WG5	Open
16	WG6	All	Review and edit the Workgroup consultation document, adding comments and changes as necessary.	Ongoing	Open
18	WG6	LJ/PM	Develop the legal text on the current CUSC section 14 baseline	Ongoing	Open
19	WG7	RH	Check If the alternative solution raised by GD is within scope of this modification	WG8	Open

Attendees

Name	Initial	Company	Role
Robert Hughes	RH	NESO Code Administrator	Chair
Sarah Williams	SW	NESO Code Administrator	Tech Secretary
Lauren Jauss	LJ	RWE	Proposer
Alex Savvides	AS	Statkraft	Workgroup Member
Damian Clough	DC	SSE	Workgroup Member
George Douthwaite	GD	ITP Energised	Observer
Joseph Henry	JH	NESO	Observer
Karl Maryon	KM	Drax	Workgroup Member
Louis Sandiford	LS	Ofgem	Authority Representative

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Niall Coyle	NC	NESO	NESO Representative
Paul Mott	PM	NESO	NESO Representative
Robert Longden	RL	Cornwall Insight	Workgroup Member
Simon Vicary	SV	EDF	Workgroup Member
Tom Steward	TS	Proposer Alternate	Workgroup Member
Uduak Akpanedet	UA	ITP Energised	Observer