

Meeting Summary

TNUoS Task Force Meeting 1

Date: 13/07/2022	Location: Bonhill House, EC2A 4BX
Start: 10:00	End: 16:00

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Aled Moses (AMo)	Attend	Angeles Sandoval (AS)	Attend
Andy Manning (AMa)	Regrets	Andy Pace (AP)	Regrets
Anthony Diccico (AD)	Regrets	Arjan Geveke (AG)	Attend
Binoy Dharsi (BD)	Attend	Daniel de Wijze (DdW)	Attend
George Moran (GMO)	Attend	Grace March (GMA)	Attend
Graham Pannell (GP)	Attend	Grahame Neale (GN)	Attend
Harriet Harmon (HH)	Attend	James Greenhalgh (JG)	Regrets
James Stone (JS)	Attend	John Tindal (JT)	Attend
Jon Wisdom (JW)	Attend	Joseph Dunn (JD)	Attend
Joshua Logan (JL)	Attend	Kyle Smith (KS)	Attend
Lauren Jauss (LJ)	Attend	Matthew Patrick (MP)	Attend
Milly Lewis (ML)	Attend	Niall Coyle (NC)	Attend
Naomi De Silva (ND)	Attend	Paul Jones (PJ)	Attend
Sam Davies (SD)	Attend	Sam Hughes (SH)	Attend
Simon Lord (SL)	Attend	Teri Puddefoot (TP)	Attend

Discussion and details

Please note: These notes are produced as an accompaniment to the [agenda](#) and [slide pack](#) presented which can be found on the Charging Future website

1. Welcome

JW opened the meeting by welcoming Task Force members and thanking members for joining.

2. Scene Setting and Ways of Working

HH discussed with Task Force members why the Task Force was created and set expectations on ways of working.

- HH talked through past experiences and the success of previous Task Forces and the desire to replicate that in the TNUoS Task Force. HH highlighted the need to work collaboratively both with

other Task Force members and with wider industry. HH noted that all parties are impacted by TNUoS charges in some way.

- HH acknowledged that there had been two key concerns highlighted following the sharing of the draft Terms of Reference.
- Firstly, that Net zero was not fronted in the Terms of Reference. HH confirmed that whilst it will be given consideration, Task Force will be looking at changes over the next 12-18 months and will be led by the need for a safe and secure system. Task Force will look at how we get there, rather than being target led.
- Secondly, HH set out the reasoning behind ESO being asked to chair the TNUoS Task Force. HH confirm that JW will act independently of ESO whilst in the role on the chair. HH encouraged members to feedback any issues.
- HH then moved forward to agenda item 4 (Slide 8-11).

3. Ofgem Update

Overview HH shared Ofgem's timeline following Call for Evidence (see slide 9 for further details) followed by engagement update by MP

- Following Ofgem's Call for Evidence it was thought that a Task Force would be the best way to look at the TNUoS methodology and how best to resolve any issues. The Task Force will be able to make incremental changes throughout the process if required. By taking a more informal approach mods can be raised throughout the process. HH noted that the Terms of Reference were in draft format, and this was to be agreed by the Task Force. There is a timeline in place of six months but there is flexibility around this if required. This will be dependent on other mods and work that is more critical.
- MP talked though engagement and what success looks like. MP outlined the journey of policy outcome and the need to ensure that decisions are robust. For the Task Force to be a success all members should engage with wider industry.
- Task Force members offered support with engagement activities.

4. Agenda and role of the Chair

JW provided clarity on the role of the Chair

- JW encouraged Task Force Members to contact him directly throughout the process with their feedback, ideas or concerns.
- General meeting etiquette and expectations confirmed and general guidance on how to work effectively whilst in hybrid meetings.
- Task Force members asked for clarity on how the meeting would be recorded and JW confirmed that Secretariat would provide summary of minutes taken.
- Information and resources can also be found on the Charging Futures website.

5. Introductions

Task Force members gave a brief introduction to themselves and their considerations of the Task Force's activities

6. Expectations

JW introduced the Task Force Process (see slide 15) and engagement expectations (slides 16 and 17) followed by engagement activity

- **Process:** *Note: graphics on slide 15 are not time indicative*
 - Over the next few sessions Task Force members will identify problems and shortlist areas to tackle, where applicable to Task Force will consult and gather views from industry. Members discussed options around working with Work Groups, how mods are raised and by who. HH confirmed that Ofgem will not be raising mods. Members of the Task Force agreed that there may be a need to attend Work Groups or for Work Group members to attend Task Force and that a collaborative approach may be of benefit.
 - Members commented that putting together a package of mods may be time intensive. JS confirmed that the ESO teams may need additional external consultancy support, this is not expected to be funded by Task Force members directly. Task Force agreed that more work is needed to understand the problems faced and how best to tackle these.

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- **Engagement:**
 - Engagement opportunities discussed between members including direct Stakeholder engagement, Charging Futures website, Podcasts. Members agreed the need for transparency and for communications to be in plain English.
 - **Stakeholder Activity**
 - Task Force members worked through a list of all Stakeholders to identify who is best placed to communicate directly with each Stakeholder group, once confirmed this will be shared via the Charging Futures website.
 - If there are no GDPR or commercial sensitivity issues and practical to do so, Task Force members requested that Ofgem share the responses from Call for Evidence.
 - Task Force members agreed to share their contact details on the Charging Futures website.
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7. Introduction to Principles of TNUoS

JS talked through the proposal problem statement and used the seven principles which had been identified to drive collaborative discussion with the aim being the group to agree on what TNUoS should be doing i.e., its objectives. The output of this reduced the original seven principles to 5 (slides 21-30 have been updated to reflect discussions).

- **Problem statement:** it was agreed that this would be revisited at the next meeting to ensure that the Task Force were aligned with a view as to what TNUoS does currently and the work required for the Task Force to recommend solutions at the end of this process.
 - **Principle 1:** Members discussed other factors that play a part in system usage and if they should be included in the scope of this. Members questioned transport model and how it should align to relative signal and absolute signal. Also, if the model does include backgrounds which impact constraints and should it better reflect the real drivers i.e. the extent to which TNUoS should reflect operational benefits users may have on the system. There was discussion around whether the outputs of Project TransmiT are fit for purpose, as well as whether there needs to be a review into aligning the methodology with the SQSS.
 - **Principle 2 -** Members discussed the complexity around the methodology and what is meant by the word 'fair' in relation to pricing and whether it was appropriate compared to how it was used in to TCR context. Members agreed that pricing should be transparent and non-discriminatory.
 - **Principle 3-** Members talked though issues with a modular design and that this may be overly complex and potentially restrictive. Members agreed that there is a need for simplicity and although modular may reflect this it would be wrong to not consider the relationships between different elements of the methodology. This principle was removed due to the risk that multiple signals may at best be restrictive and worst be contradictory (which is counter to simplifying the methodology)
 - **Principle 4-** Members discussed the relationship between stability and predictability and how this can be complex. Members posed the question on options of fixing TNUoS charges long term for Generators and where the surplus would be absorbed if there are forecast variances.
 - **Principle 5 and 6 –**Member discussed that TNUoS pays for the cost of the incremental cost of the transmission system. To ensure consistency it was felt that a definition of long run and short run marginal costs were required. Members agreed that a primer for all TF members on the evolution of TNUoS charges and a simple introduction to economic principles behind the methodology would be beneficial. Members agreed to merge Principles 5 and 6
 - **Principle 7 –** Task Force members discussed cost drivers, links to real world, how this is linked to generation and demand, system alignment and reusing the system versus investment. Members considered if the methodology should provide a signal for both, as well whether TNUoS should send investment signals and "closure" signals.
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8. Future Dates and Locations

- Task Force members agreed that the meeting on the 24th August 2022 should not take place due to holiday and other commitments
 - The next in person meeting will be 7th September 2022 location tbc
 - JW noted that there would likely be a consultation period added to the timeline.
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9. Next Steps

Members to review and provide feedback for next meeting on 10th August:

- Terms of Reference
- CUSC Modification tracker
- Confirmation of Stakeholder Engagement spreadsheet
- Full members to talk to alternates re. meeting content

Action Item Log

Action items: In progress and completed since last meeting

ID/ date	Agenda Item	Description	Owner	Notes	Target Date	Status
1 13/07	2	Share Charging Futures website link with Task Force members	Teri Puddefoot		20/07/22	
2 13/07	4	Problem Statement required to understand what the TF will be working on	James Stone		TF Meeting 2	
3 13/07	6	Gain further information regarding Energy UK Forum	Paul Jones	Are TF members able to attend	TF Meeting 2	
4 13/07	6	Confirm if collective organisations should be captured when targeting smaller organisations	Jon Wisdom	E.g. smaller supplier organisations	TF Meeting 2	
5 13/07	6	Are Ofgem able to share the responses to Call for Evidence - GDPR	Matthew Patrick		TF Meeting 2	
6 13/07	6	Work required on how best to engage with suppliers listed in the Engagement Spreadsheet	Sam Davies, George Moran, Aled Moses	Teri Puddefoot to share list with supplier reps	TF Meeting 2	
7 13/07	7	Provide short summary on Project Transmit model and feed back to Task Force	Binoy Dharsi		TF Meeting 2	
8 13/07	7	Provide economic view on long and short run	John Tindle and Arjan Geveke		TF Meeting 2	
9 13/07	7	Think about the things that all users need common principles on	All	Prepare to give thoughts	TF Meeting 2	
10 13/07	17	Review CUSC mod spreadsheet and be prepared to feed back in TF Meeting 2	All	Prepare to give thoughts	TF Meeting 2	