

## TNUoS Task Force Meeting 3

**Date:** 07/09/2022      **Location:** Solihull  
**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		
George Moran (GMo)	Attend	Grace March (GMa)	Attend
Graham Pannell (GP)	Attend	Grahame Neale (GN)	Regrets
Harriet Harmon (HH)	Attend	James Greenhalgh (JG)	Regrets
James Stone (JS)	Attend	John Tindal (JT)	Regrets
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)	Regrets	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. Introduction and Welcome

JW welcomed Task Force members and introduced Jo Zhou who joined the meeting today to provide technical support if required.

#### 2. Ofgem Update

HH gave an update to members informing them that Ofgem is considering how best to prioritise charging work over the coming months given the new government, affordability/security concerns and the number of individual charging changes in flight. HH talked through the potential for this to impact the progress of the TNUoS Task Force. The discussion within Ofgem is ongoing and further details will be made available by Ofgem when a decision is reached.

Members requested clarity on this as soon as it was available (see actions) and asked how this would affect the wider TNUoS reform (see actions). Members were also broadly supportive of Ofgem's prioritisation acknowledging that their time would also likely be affected by the issues that HH had described.

#### 3. Feedback to the Chair

JW summarised the feedback provided to date (see slides 5-6)

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#### 4. Stakeholder Engagement Check in

Prior to the meeting members were asked to engage with wider industry and complete a feedback provided by the Secretariat. This information was then collated in preparation for the meeting. JW summarised the provided feedback (see slides 7-8).

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#### 5. Actions Review

JW discussed actions captured from the last meeting (see slides 9-11). It was agreed that further work was required on the following points:

- Action 1 – Terms of Reference (ToR) to include Net Zero consideration. It was agreed that this was a larger piece of work and that HH will look at this in more depth (see actions)
  - Action 7 - Members to seek feedback from constituents regarding input to Call for Evidence – it was agreed that this would remain an open action and members agreed to provide further updates
  - Action 9 – TP is working to create a shared area for Task Force members and looking at different options. This will remain open until a suitable solution is found. It was recognised by the Taskforce
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#### 6. What TNUoS is/isn't

GMA presented on key areas that wider TNUoS is not designed to reflect (see slides 12-13).

Members debated the following additional points:

- Tariff & Transport Model assumes an unconstrained system when the tariffs are created and does not cover constraint management
  - TNUoS does not reflect local network and local circuit costs
  - TNUoS was not set up to consider year-round costs
  - Constraints do not affect transmission
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#### 7. Connections – Review of Previous Change

JD presented on Shallow Connections – The reason for moving to shallow connection methodology (see slides 16-19). Members went on to discuss:

- Licence changes influenced by Ofgem licence update which influenced a move to 'shallowish' connections. CMMM07 influenced changes to shallowish methodology. Members noted that this was pre CUSC. Members acknowledged that the bigger move was in Scotland which had a deeper methodology. To go from 'very deep' to 'super shallow' aimed to facilitate improved competition and increased connections.
  - 2004 - Changes introduced to connection charging methodologies (and TNUoS) which went from expansion constant to tailored and then to investment. This was to make it more specific to recent investment. 2007 – the definition changed again.
  - Members queried the 2km rule and where this originated. It was agreed that this was an average used at the time.
  - Unpredictability was thought to be due to liabilities relating to sole use infrastructure
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#### 8. Principles

JS provided members with the revised Principles. Members agreed with the Principles, noting the flexibility around them and that they should be reviewed periodically

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#### 9. SQSS Review

Can Li (CL) presented slides on behalf of the ESO Network Capability team, discussing the SQSS review plan and its relevance to TNUoS Task Force (see slides 22-24).

Members then discussed:

- If the problem scope was limited to what was presented. CL confirmed that if other issues were identified then these could be included as the problem statement was still being agreed. Members discussed other issues such as
  - Inclusion of multi-technology sites
  - Future demand scenarios
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- NOA/SQSS interaction – CL discussed compliance between the two and the need for harmonisation whilst being mindful of processes and goals (SQSS designed to come up with most economic system and NOA designed to come up with the least risky)
  - Review will look at the wider view and take a holistic approach considering the whole system and current network build, whilst keeping the review purpose in mind
  - Impact of SQSS review on TNUoS methodology and charges. Review required to understand what outputs will impact TNUoS (see actions)
  - TNUoS Task Force should have sight of the ongoing development of the SQSS review and be able to provide input
  - Members requested clarity on several key points and these were taken away and will be fed back by Jo Zhou (JZ) (see actions).
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#### 10. The Importance of TNUoS Predictability

Due to time constraints of the meeting this activity was not covered and will be given focus in future meetings

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#### 11. Current TNUoS Design Challenges

JS presented on what TNUoS should do (see slide 34), challenges preventing TNUoS doing what it should do (see slide 35) and then covered further slides which detailed some of the initial defects identified by ESO (see slide 36). Members were then asked to identify other defects (given that this was by no means an exhaustive list), and these were captured as part of a live activity.

##### What TNUoS should do

Members discussed:

- When looking at forward looking charges, what view of the future network (historical and or predictions) should be used
- Clarity on the 'whole system interactivity approach' – Members considered that TNUoS should consider relevant changes in the electrical system and the wording for this should be updated to 'whole electricity system'.
- TNUoS should provide useful long run investment signals to users
- Members discussed the type of signals that TNUoS should send, including signals that aid decisions to build, re-invest, not invest and closure signals. However, it was agreed these were to a degree sub points of the 'investment signal' point.
- Investment – System investment or transmission investment. Consideration of timeline when thinking about investment. Investors have a timeframe so require predictability.
- Long run- what is considered long run? 5 years? Multi-year averages over a period?
- Members discussed fixed tariffs and implications i.e., benefits to different users, how this would be passed to industry, practicalities of implementing such products and associated risks to different user types.

##### Challenges Preventing TNUoS doing what it should do

JS presented slides and members discussed:

- Changes to the large numbers of inputs can drive volatility and impact what tariffs look like in the future. This needs consideration when looking at predictability
  - Further discussion suggested that large volumes of regulatory change drives volatility and can be observed, on the implementation of changes, in year-on-year volatility of charges. Example provided was commissioning of the Western Link HVDC / Bootstrap. Members debated the concept that absolute TNUoS charges are considered by some users as being high in some areas but that applications have also increased. This may contradict the idea that charges are unduly high but would need further analysis.
  - Project costs are hugely varied which may impact the averages within data sets. This needs to be more reliable.
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TNUoS Defects

ESO presented a list of defects (see slide 36) and these were added to a spreadsheet. Members were then asked to identify any specific issues/defects with the current methodology, as well as areas they consider needing review/ or items they think should be included within the methodology which currently aren't. It was noted that this list is not exhaustive. Following the session, the ESO agreed to collate all of the issues and areas for review, considering how best to present these (for example via grouping) with a view to then sharing this with the Task Force members for further review at the next meeting.

**12. TNUoS Design: Defect Prioritisation**

Due to time constraints of the meeting this activity was not covered and will be given focus in future meetings

**13. Literature Review**

JS acknowledged the need for a Task Force Library. This will be created by ESO (see actions) and will contain documents to support Task Force discussions. Members were asked to send literature (see actions).

**14. Next Steps and Close**

Ofgem to provide an update as soon as a decision on prioritisation is reached.

**Action Item Log****Action items: In progress and completed since last meeting**

ID/ date	Agenda Item	Description	Owner	Notes	Target Date	Status
1 07/09	2	Update on progress of prioritisation discussions outlined above	Harriet Harmon		ASAP	
2 07/09	2	Following wider update, Ofgem to provide comms on how this will affect wider TNUoS reform	Harriet Harmon	Requested by Grace	As above	
3 07/09	5	Include comment in Terms of Reference relating to Net Zero and its impact on Task Force consideration	Harriet Harmon		Meeting 4	
4 07/09	9	Review and report on SQSS outputs and how that will impact TNUoS methodology and charges	ESO Network Capability	James Stone to facilitate	Ongoing	
5 07/09	9	Provide clarity requested re. <ul style="list-style-type: none"> <li>• Do you include Interconnectors in the calculation of carbon/low carbon split?</li> <li>• HVDC Modelling</li> </ul>	Jo Zhou		Meeting 4	
6 07/09	13	Create Task Force Library	James Stone		Meeting 4	
07 07/09	13	Members to send relevant literature to be held in Task Force library	All		Ongoing	