

Meeting Summary

TNUoS Task Force Meeting 2

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| Date: 10/08/2022 | Location: Virtual |
| 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) | Regrets | 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) | Regrets | Kyle Smith (KS) | Regrets |
| 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. Ways of Working & Wider Industry Feedback

JW started the meeting and set out ways of working and meeting etiquette.

JW noted that Joe Dunn had joined the Task Force as a full member as Daniel De Wijze had left his role.

Members talked though wider industry feedback that they had since the TNUoS Task Force meeting 1 including:

- Net Zero consideration in the Terms of Reference (ToR). See 2. [Terms of Reference](#) for further discussion
- Members discussed if SQSS is in scope for the Task Force. Consideration was given to an update from the ESO Networks team on this. Members discussed if SQSS backgrounds should be considered or if new ones should be created and the link between planning standards and charging methodology. It was agreed that whilst this should be given consideration, SQSS review was not in scope for the Task Force.
- Members agreed that it would be helpful to understand what TNUoS isn't, as well as what it is. GMA agreed to write a statement on this point (see actions).

2. Terms of Reference Confirmation

Members discussed the ToR including:

- The sense that Net Zero should be made a higher priority in the Terms of Reference (ToR). HH agreed that this could be added (see actions) and reiterated points from the TNUoS Task Force meeting 1 that Net Zero will be a consideration of the Task Force.
- How this could be linked to the Problem Statement.
- The Task Force agreed the requirement for a final version ToR and that this should be linked to the Problem Statement and high-level deliverables of the Task Force. This is to be discussed in greater depth in Meeting 3.

3. Action Review

JW ran through the actions taken from the TNUoS Task Force meeting 1 and noted that all had been completed.

Members challenged the response to action 5 (Are Ofgem able to share the responses from Call for Evidence) that Ofgem are unable to share this information due to GDPR. HH reiterated that full details could not be shared as when the information was provided by industry, consent was not given for it to be shared. Member were asked to discuss this further with their constituents (see action below) to gain an insight to their feedback to Ofgem and to feedback to the TNUoS Task Force.

4. Stakeholder Engagement Check in

Following the action given from the TNUoS Task Force meeting 1 Members updated on Stakeholder engagement to date:

- AG noted other consumer groups must be considered to have an interest such as Logistics UK. These should be added to the Stakeholder matrix (see action)
- Acknowledgement given that not all Stakeholders will want to give input due to time constraints
- JW confirmed that TOs will attend as required
- Members agreed that to assist with productivity during each meeting, Stakeholder feedback and engagement comments should be collected pre meeting and summarised. This should be discussed in greater detail by the Chair and Secretariat team (see action below)

5. Definitions Update

JT gave a definitions update session covering Marginal Costs, Short-run marginal (SRMC) cost and Long-run marginal cost (LRMC) (Slides 10 – 15)

6. Project TransmiT

BD gave a summary session on Project TransmiT (Slides 16 – 19). Members debated key points from this and how this impacts the Task Force. Members considered:

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- How charges have been affected by changes since Project TransmiT, CMP213 and CMP268
 - Economic drive vs positive future outcome (with particular emphasis on Net Zero)
 - Cost vs stability
 - System is suitable for the current demand, but methodology may not be suitable future needs and the move to net zero
 - Methodology should be considered as part of the problem statement
 - Subsidy should not be considered as part of the discussion
 - The possibility to commission further research.
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7. Review TNUoS Principles

Following on from the TNUoS Task Force meeting 1, JS talked through the updated TNUoS Principles (Slides 22 – 28). Members highlighted the need for further change to the Principles in particular some of the wording. As Principle 5 was not looked at last time the Task Force started with this.

Principle 5: Members discussed the wording for this and agreed that Principle 5 should be 'TNUoS should send a long run incremental relative cost signal'. Members then talked through the bullet points to principle 5 to aid discussion, and agreed that:

- The signal should be multi-year
- Is it better to have a differential signal rather than an absolute signal
- Geographical point – this should be about where you are on the system rather than geographical
- 'Useful' should relate to the Ofgem principles. Does it give best value and lead to net zero
- Should charges be estimated and forward looking

Principles 1 – 4: Members agreed that the wording of the titles of each Principle should be updated and suggested options. It was agreed that Principle 3 should be separated into three separate principles; Cost reflectivity, Cost Stability and Cost Predictability. JS will update the Principles and circulate to members (see actions). The updated Principles to date are

1. TNUoS should be based on the long-run incremental cost of the transmission system (i.e. the physical assets);
2. TNUoS payers should face a long run incremental cost signal relative to their impact on the transmission system;
3. TNUoS should promote effective competition by ensuring a level playing field;
4. TNUoS should balance cost reflectivity and predictability

These will be reviewed and amended if required with consideration given to members' suggestions from the meeting.

8. CUSC Modification Tracker

Members reviewed the summary slides (Slides 31 – 37) which detailed thoughts on CUSC Modification activity given in the TNUoS Task Force meeting 1. Focus was given to the Modifications that were rated as having a high level of interaction with Task Force work. Members agreed that:

- No Modification should be halted
 - For Modifications identified as high risk, a regular review of timeline should take place
 - Periodic review is required
 - JW agreed to communicate with the CUSC Panel Chair regarding the above (see actions below)
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9. Consultancy Scope

Members agreed with the high-level scope and process outlined within the Consultancy Scope process (Slides 38 – 42) session.

10. Task Force Meeting 3 Topics

JS talked though proposed topics for discussion in the TNUoS Task Force meeting 3 (Slides 45 – 46).

Members added that TNUoS Task Force meeting 3 should also cover

- Shallow Connection review information (JD to present – see actions below)
- Consider defects of TNUoS
- Identify TNUoS Task Force barriers

11. Next Steps and Close

The next meeting will be on the 7th September 2022 and will be Hybrid. Full details to be circulated.

Action Item Log

Action items: In progress and completed since last meeting

| ID/ date | Agenda Item | Description | Owner | Notes | Target Date | Status |
|-------------|-------------|---|---------------------------|--|------------------|--------|
| 1 10/08 | 2 | Include comment in Terms of Reference relating to Net Zero and its impact on Task Force consideration | Harriet Harmon | | TF Meeting 3 | |
| 2 10/08 | 1 | Statement on what TNUoS is and what it Isn't. | Grace March | | TF Meeting 3 | |
| 3 10/08 | 1 | Circulate Transport Model training details on 13 th Sept 2022 | Teri Puddefoot | James Stone/Paul Mullen to provide details | TF Meeting 3 | |
| 4 10/08 | 4 | Add Logistics UK to the Stakeholder matrix | Teri Puddefoot | | TF Meeting 2 | |
| 5 10/08 | 4 | Discuss and implement process for collating Stakeholder feedback pre meet | Teri Puddefoot/Jon Wisdom | | Pre TF Meeting 3 | |
| 6 10/08 | 8 | Communicate with CUSC Panel Chair regarding Mod review updates | Jon Wisdom | James Stone to support | TF Meeting 3 | |
| 7 10/08 | 3 | Members to seek feedback from constituents regarding input to Call for Evidence | All | | TF Meeting 3 | |
| 8 10/08 | 10 | Prepare a presentation on Shallow connections | Joe Dunn | | TF Meeting 3 | |
| 9 10/08 | 10 | Identify if ESO are able to set up Sharepoint site for all members use | Teri Puddefoot | | TF Meeting 3 | |
| 10 10/08 | 7 | Update Principles | James Stone | | TF Meeting 3 | |