



TNUoS Task Force

Meeting 5

5th October 2022





Agenda

10:00 – 12:00

- > 10:00 - Introduction and Welcome
- > 10:05 - TNUoS Defects & Prioritisation
- > 11:55 - Next Steps & Close

TNUoS: Defect Prioritisation

James Stone

The objective of this session is to:

- Agree the packages/groupings that the defects/areas for review fall into
- Prioritise and agree top issues for potential future deep dive review & analysis



Defect Grouping

As captured in the previous session, there are lots of individual defects and potential areas of review – for simplicity these could be grouped in to packages. Below is a list of proposed groupings;

1. **Data inputs & methodology** - enhancement / simplification
2. **TNUoS & SQSS review interactions**
3. **Locational signals**
4. **Other**

➤ **Once the packages are agreed, we will then need to prioritise the order by which we address these.**



Considerations for Prioritisation

The Task Force need to agree the best approach to prioritising each of the defects and /or package groupings;

- **Considerations for prioritising defects, and or areas for review:**
 - **Approach** - prioritise individual defects (within each package) or by overall 'package'.
 - **Relative Importance** - how big is the issue considered to be i.e. most important, important, least important
 - **Urgency criteria** - consider if the issue or area for review needs attention asap or if it can wait.
 - **Complexity of issue** - level of complexity could determine how quickly it may take to 'fix' an issue - are there 'quick wins' or do we focus on more complex 'bigger ticket' items.
 - **Interdependencies** - does the defect impact, and or have any wider implications with other areas that need to be considered - this may also link with 'complexity' consideration above.
 - **Task Force Scope** - consider relevance of defects/areas for review in relation to 'Ofgem' Task Force scope.



TNUoS Defects Packages

➤ 1. Data inputs and methodology - enhancement / simplification

- Models use of multiple backgrounds & fuel types
- Should the Methodology be completely divorced from other external factors e.g. Energy Policy, Whole System etc
- **Should TNUoS Methodology reflect spare/availability of capacity**
- Review option for Longer term fixing of TNUoS
- Complexity of current tariff structure and unpredictable interdependencies
- Review treatment of 132kV in T&T Model
- Consideration of “least worst regret approach” - reflecting the energy system forecasts out to 2050 (instead of system today)
- **Consider Offshore in the context of OTNR**
- Categories of generation – are they correct
- Consideration of treatment of storage
- Zoning Methodology
- Improved drafting of CUSC Section 14
- Number of **data inputs** / variables in the T&T Model
- Input Data Ownership – issue around third party data and reliability
- Availability of input data – for industry use/barrier to using T&T model
- Input data volatility
- Review of Annual Load Factors
- **Review Year Round Shared Element & Year Round Not Shared Element used in TNUoS model**
- Global & individual Security factors
- **Multipliers (ALFs, security factors etc)**
- Sharing Factors
- ESO Quarterly Forecast Publications & Accuracy of ESO forecast

Key:

As noted by Ofgem as potential areas for review/validation



TNUoS Defect Packages

2. TNUoS & SQSS Review interaction

- Consideration of SQSS Review – backgrounds/new backgrounds
- Technology Scaling Factors
- Review of and appropriateness of backgrounds

3. Locational signals

- Approach to quantifying the use of the network
- Use of offshore locational signals for wind
- Consider moving, review of the Reference node
- Review of the Wider Location Tariff
- Negative locational Generator charges
- To review signal provided to parties who trade over Interconnector
- Small demand Users reliance on Supplier signal
- Segmented charging structure

4. Other

- Treatment of Demand (inc. demand flexibility and its impacts)
- Treatment of smart reinforcement in the methodology
- Determining which elements of TNUoS charges should be paid by distributed generators
- Review of Energy Act Changes
- Review of TNUoS Access Rights (firm & non-firm)
- Review changes (and impacts) introduced via TransmiT - Post implementation review of Project TransmiT

Key:

As noted by Ofgem as potential areas for review/validation

Next Steps and Close

Jon Wisdom



Thank you

