Meeting report

Meeting name	Transmission Charging Methodologies Forum
Date of meeting	11th November 2015
Time	10:30 – 12:30
Location	National Grid House, Warwick

Attendees

Name	Initials	Company
Paul Wakeley	PW	National Grid (Chair)
David Corby	JR	National Grid (Technical Secretary)
Nick Pittarello	NP	National Grid
Stuart Boyle	SB	National Grid
Wayne Mullins	WM	National Grid
Peter Bolitho	PB	Waters Wye
Dominic Green	DG	Ofgem
Guy Phillips	GP	Eon
Lewis Elder	LE	RWE
James Anderson	JA	Scottish Power
George Douthwaite	GD	Npower / RWE
Helen Snodin	HS	Cagconsult
Joe Underwood	JU	Drax
Vishnu Aggarwal	VA	Smartest Energy

Via dial-in

Robert Longdon	RL	Cornwall Energy
Simon Holden	SH	LRS Energy

All presentations and supporting papers given at the TCMF meeting can be found at:
http://www2.nationalgrid.com/uk/Industry-information/System-charges/Electricity-transmission/Methodology-forum/

1 Ongoing modification proposals – David Corby

1. Ongoing and new CUSC modification proposals were presented with updates / information for each.
2. One attendee asked if there will be a letter published concerning CMP254 and the Ofgem decision on whether to grant Urgency. The Ofgem representative stated that the Authority had rejected CUSC Panel request for urgency, and that the letter had been published and it will be on NG website and it will give the rationale for the decision.

2 – Review of CMP224 Error Margins – Stuart Boyle

3. SB presented slides explaining the calculation of the error margins which is used in the calculation on the G:D split, as introduced by CMP224 to demonstrate compliance with the 2.5 €/MWh average charge for generator tariffs introduced in Regulation 838/2010.
4. One attendee asked about whether the generator forecast is just a forecast or contracted position. SB clarifies is a forecast based on the contracted position combined with National Grid's view of the merit order.
5. Another attendee suggested that key impact of the error margin is on the residual. SB confirmed this.
6. The attendees discussed the OFTOs and how they are impacted.

3 Annual Load Factors – Paul Wakeley

7. PW presented slides to explain the Annual Load Factors (ALF) to be used for the 2016/17 tariff setting under the changes introduced by CMP213. He also explained on how how they are calculated and the changes since draft ALFs were last published ahead of 2014/15 but not required.
8. One attendee asked how National Grid calculates ALFs for new technology. PW highlighted that this is covered in the legal text and explained that the best information available is used, such as university theories and data from other countries.
9. Another attendee asked are the ALFs updated following the publication of draft TNUoS Tariffs in December? National Grid confirms yes, ALFs can be published before finalisation of Tariffs. SB noted that ALFs have only a small impact on Tariffs overall. PW confirmed that the final ALF figures are unlikely to move a huge amount from the drafts presented today.
10. An attendee asked if there is any reason not to begin using the draft ALFs for calculations? National Grid confirmed they could see no material reason not to use the current figures, but did not that there may be a small change in the published versions.

4 TNUoS Forecasts and Publication Timetable – Stuart Boyle

11. SB presented a verbal update on timetables, detailing that National Grid is currently completing the forecast for circuits, noting that they are currently relying on the Electricity Ten Year Statement. SB anticipates the Five Year forecast being published in February 2016, with the 2017/18 tariffs likely to be published in January.

12. SB highlighted that the CUSC states we should use the Seven Year Statement for circuits. This no longer exists, which is the reason that National Grid uses the ETYS, published in November. However, the SYS was historically published in July and this is a source of the timetables having slipped back. Pressures to publish forecasts in line with historical expectations leads to the Revenue team trying to do ETYS team's job for them. SB did note that discussions are ongoing to resolve this.
13. The October forecast came out this week (week commencing 9th November). The Tariff webinar was held on 12th November, the day after TCMF.

5 TNUoS and Impact of Longannet – Helen Snodin

14. HS presented slides on the impact of the Longannet closure in light of the Transmit charging methodologies. HS focussed on the intuitive changes to TNUoS Tariffs observable in the status quo model, but also noted the less intuitive changes observed in the Transmit model with the HVDC implemented.
15. WM explained the impact of the HVDC link on the charges and why the removal of Longannet removes flows across B6 and B7. This involves a greater proportion of the flow going down the HVDC than with Longannet. Therefore a higher proportion of the marginal megawatt heads down the link, which is more expensive.
16. HS pointed out that the industry is not overly incensed by this increase in Tariffs as the overall impact of Transmit is still better than the status quo in Scotland.
17. WM notes that the models used for this analysis had a high proportion of generation and this is skewing the tariffs higher. He noted it would be interesting to repeat the analysis with the latest models
18. One attendee noted that this is an extreme example, with a large load being removed from the periphery of the system. It is taking the bulk of conventional generation out of a particular area. This was felt to be an unlikely scenario to re-occur.
19. Another attendee asked if the effect noted could apply to other generators? The attendees discussed this, noting there is more impact on geographical extremes. In the middle of the system it makes little impact. It was thought that changes around London could have an impact.

9 AOB

20. No AOB raised.

10 Actions

No actions were recorded.

11 Next meeting

Next meeting: Wednesday 6th January

Time : 11.00 am

Venue : National Grid House Warwick