

# TNUoS Task Force Update

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23-08-2022: Angeles Sandoval, Policy Manager | Grid & Systems, Scottish Renewables



# Introduction (1)



- **Net Zero**

We let members of the Taskforce know that the industry was disappointed because Net Zero wasn't at the heart of this reform. There was common agreement among members.

- We requested that there was an explicit statement that the outcomes of this Taskforce will not be a barrier to Net Zero
- We agree that Net Zero should be made a higher priority in the Terms of Reference (ToR). HH agreed that this could be added and reiterated points from the TNUoS Task Force meeting 1 that Net Zero will be a consideration of the Task Force.
- **Action point from Harriet:** Include a comment in Terms of Reference relating to Net Zero and its impact on Task Force consideration

# Introduction (1)



- Members discussed if SQSS is in scope for the Task Force. It was agreed that whilst this should be given consideration, SQSS review was not in scope for the Task Force.
- There is an ongoing discussion about what TNUoS is and what is not.
- Ofgem won't be able to share the Call for evidence responses 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.
- We are requesting SR/RUK members to share their CFE with us if they feel like this could be a contribution to the taskforce.

# Introduction (1)



- JT gave a definitions update session covering Marginal Costs, Short-run marginal (SRMC) cost and Long-run marginal cost (LRMC)
- There was a summary session on Project TransmiT. Members considered:
  - 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 for future needs and the move to net zero
  - Methodology should be considered as part of the problem statement
  - The possibility to commission further research.

# TNUoS Core Principles

## **5. TNUoS should send a relevant and useful signal**

Members discussed the wording for this and agreed that Principle 5 should be 'TNUoS should send a long run incremental relative cost signal'.

**1. The more transmission system you use (or needs to be built for your use), the higher the incremental cost you should pay - and vice versa;**

**3. Balance cost reflectivity, stability and predictability;**

**4. TNUoS reflects the long-run incremental cost of the transmission system (i.e. the physical assets), not operation of the transmission system; and provides a long-run marginal signal**

Members agreed that the wording of the titles of principle 1 and 4 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

# TNUoS Core Principles

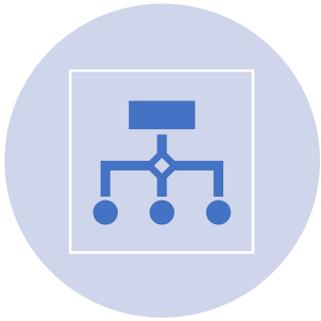
## Updated principles to date

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.

# CUSC Modification Tracker

## Members reviewed the summary



There are a few code modifications that will interact with the work from the TF.

Members share thoughts on the 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

# Resources and engagement



2 webinars in the middle and close to the end of the Task Force (TF).



Task Force will produce a draft report and consultation, final report at the end of the TF



The ESO has already teed up some technical expertise that might be needed off the back of Task Force sessions.



Engagement – Charging Futures forum updates and events, Task Force consultation, Podcasts, Mid-taskforce industry webinar.

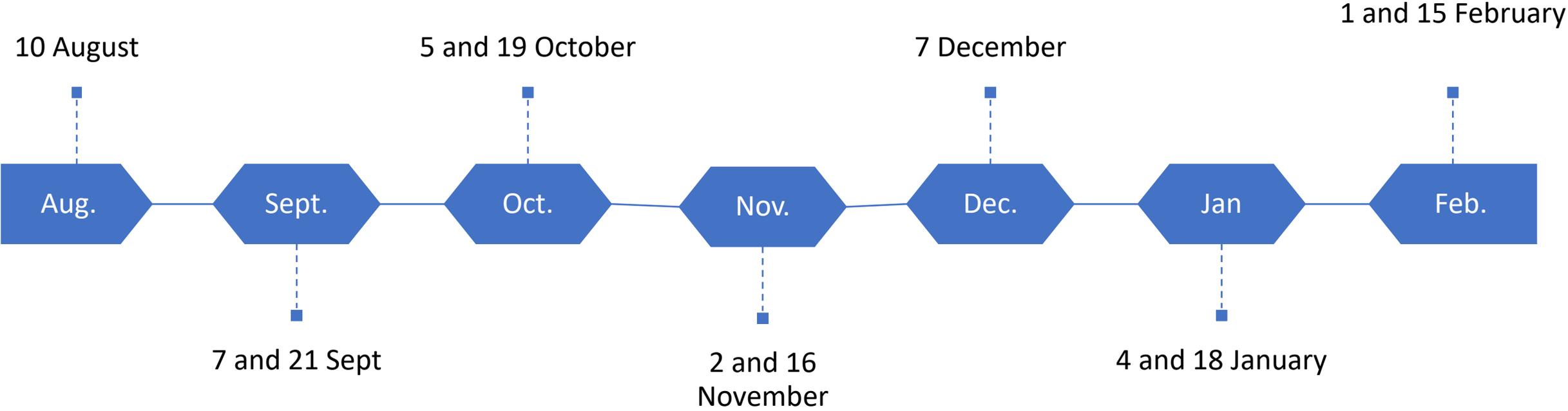


Charging Futures meetings are planned to be in-person again, from early Autumn

**Charging Futures website for TNUoS Task Force:**

<https://www.chargingfutures.com/task-forces/task-forces/transmission-network-use-of-systems-charges-task-force/what-is-the-transmission-network-use-of-systems-charges-task-force/>

# Proposed timeline for next meetings





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