

Working Group 3 Work Plan

Meeting 1: Introduction and Work Plan

- Presentation of the CUSC amendments and Charging Methodology modifications
- CUSC Panel and TCMF minutes
- Questions & points of clarity
- Discussion of ToR
- Discussion of the defect identified
- Discuss and agree scope of analysis required
- Agree future work plan

Meeting 2: Generation Zoning & Local Asset Charging

- Discuss case for generation zoning methodology
- Development of new generation zoning methodology
- Discuss how zones may evolve over time
- Governance for new zoning methodology
- Introduce local charging
- Provide feedback from preconsultation responses for Local Charging

Meeting 3: Commoditisation of the TNUoS residual

- Conclude residual work from meeting 2
- Case for and against commoditisation of the residual
- Discuss appropriateness of maintaining the existing 27/73 Generation/ Demand revenue recovery split
- Consider European guidelines regarding average 'G' tariffs
- Assess the impact on revenue flows from the revenue recovered across all entry products
- Consider the role of the Commoditisation of the residual generation tariff to balance TNUoS revenue
 - Negative residual tariffs
 - Surplus pass through to consumers
- Lessons learnt from gas revenue recovery developments

Meeting 4: CUSC

- Conclude residual work for meeting 3
- Consider a new CUSC definition for 'local' and 'wider' transmission assets
- Consider charging implications for 'local' and 'wider' assets
- Consider transmission revenue implications for local asset charging
- Application process for long and short term access products
- Discuss implications of moving from nodal access rights to zonal access
- Consideration of the level of security/ credit requirements for commoditised residual generation tariff

Meeting 5: Discussion of Working Group 1 and 2 alternatives & consequences

- Conclude residual work for meeting 4
- Identification and discussion of any alternative amendments from WG1, and WG2
- Assessment against WG3 progress
- Development of any Sub Group alternative amendments
- Cost-benefit analysis of CUSC amendments and Charging Methodology modifications

Meeting 6: Wider implications & Implementation

- Impact on core industry documents (Grid Code, BSC, STC)
- Impact on commercial framework (SQSS, licence)
- Impact on systems (pricing, settlement, etc.)
- Impact assessment on all industry parties
- Implementation
- Transition issues

Meeting 7: Working Group report & Legal text

- Discuss and agree working group report and legal text