

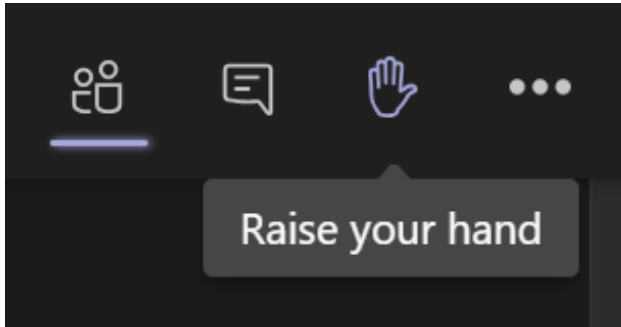
ELELEXON

ITE Subgroup Meeting 2

15 May 2024

ITE Subgroup Meeting 2 Digital Meeting Etiquette

- Welcome to ITE Subgroup Meeting 2 – we'll start shortly
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk – use the **Raise your hand** feature in the Menu bar in Microsoft Teams if you want to speak



- Talk – pause – talk
- Lots of us are working remotely – be mindful of background noise and connection speeds

AGENDA

ITE Subgroup Meeting 2

Agenda Item	Lead
1. Welcome	Oli Meggitt (<i>Chair</i>)
2. Recap and Update from CMAG	
3. ITE Definition: Consideration of Requirements Matrix	
4. ITE Reporting Areas Updates: <ul style="list-style-type: none">• Total Project Spend• Extended Years Criteria• Financial Commitment Milestone• Long Stop Date Extension	Chris Arnold (<i>Market Design Advisor</i>)
5. Actions and Next steps	Oli Meggitt
6. Meeting Close	

RECAP AND UPDATE FROM CMAG

Timetable

Activity	Date	Topics
2 nd Subgroup Meeting	w/c 13 May 2024	ITE Definition Total Project Spend Extended Years Criteria Financial Commitment Milestone LSD Extension
3 rd Subgroup Meeting	w/c 10 June 2024	Construction Progress Remedial Plans Operational Definition DSR Partial Credit Cover Release
4 th Subgroup Meeting	w/c 8 July 2024	Construction Progress Remedial Plans Operational Definition DSR Partial Credit Cover Release AOB
CMAG Meeting	22 July 2024	Subgroup recommendations to CMAG for further consideration
CMAG Meeting	20 August 2024	CMAG Development
CMAG Meeting	17 September 2024	Expected CMAG Recommendation

Recap from ITE Subgroup Meeting 1

The following list is a summary of the key determinations by the ITE Subgroup following its first meeting:

ITE Definition

- Use existing CM Rules definition of 'independent'
- Update the ITE Definition part b) to include a declaration of independence
- Remove the requirement for international experience
- Ruled out having a timeframe of experience associated with an ITE
- Include the previously removed requirements in Rule 12.2.1A into the ITE Definition so that they apply to all ITEs
- Took an action to consider the Required Technical Standard definition in more detail offline

Total Project Spend & Extended Years Criteria

- No changes required to Capital Expenditure definition including detailing cases of appropriate and inappropriate Capital Expenditure as part of any changes
- Subgroup Members indicated that a declaration-based approach could be suitable and CMAG Secretariat took an action to draft initial templates for Subgroup Members to consider

Financial Commitment Milestone

- Include £ figure as a requirement for ITEs
- Subgroup Members indicated that a declaration-based approach could be suitable and CMAG Secretariat took an action to draft initial templates for Subgroup Members to consider

Long Stop Date Requirements

- Subgroup Members indicated that a declaration-based approach could be suitable and CMAG Secretariat took an action to draft initial templates for Subgroup Members to consider

Update from CMAG

- At the 1st Subgroup Meeting Members indicated that the use of auditing should not be explored further by the Subgroup as Members indicated that this was ultimately a decision for Ofgem/DESNZ to make on what the appropriate level of assurance for ITE reporting should be
- Ofgem indicated at CMAG Meeting 19 that they agreed with this view and as such the ITE Subgroup should not explore enhanced auditing requirements as part of its work

ITE DEFINITIONS: CONSIDERATION OF REQUIREMENTS MATRIX

Background

- At the last Subgroup Meeting the CMAG Secretariat took an action to take a matrix based approach to identifying what appropriate standards and experience could be
- On 18 April 2024 the CMAG Secretariat circulated a request to Members to populate a matrix with their ideas on specific requirements that could apply for:
 - ITE areas e.g. Financial Commitment Milestone/Long Stop Date Extension/Total Project Spend etc.
 - CMU Types – DSR/Generating/Interconnector, Unproven/New Build/Refurbishing
 - Connection Types – TO/DNO
 - Generating Technology Classes (GTC)

Task and next steps

- Subgroup Members are requested to review the matrix in this session (available on the ITE Subgroup SharePoint page) and agree the required standards for use in each scenario
- Once the content is agreed CMAG Secretariat will take away the Subgroup recommendations and develop legal text for consideration by Subgroup Members offline

ITE REPORTING AREAS UPDATES:
TOTAL PROJECT SPEND,
EXTENDED YEARS CRITERIA,
FINANCIAL COMMITMENT
MILESTONE AND LONG STOP DATE
EXTENSION

Background & Discussion

- Following the last Subgroup Meeting the CMAG Secretariat took a series of actions to develop a series of forms/declarations that could be used by ITEs and Capacity Providers to meet their obligations under the CM Rules
- ‘Attachment A – Draft Forms for ITE Reports v1.0’ contains these forms for consideration. This attachment was circulated with the slide deck and is available on the [ITE Subgroup Meeting 2 webpage](#)
- The intention of this session is not to develop the formal legal text but to agree the expected content. Once the content is agreed CMAG Secretariat will take away the subgroup recommendations and develop legal text for consideration by Subgroup Members offline
- EMR DB templates were used as a starting point for the forms. Suggested changes are detailed in the spreadsheet in red

ACTIONS AND NEXT STEPS

AOB



MEETING CLOSE

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