

## **P415 Workgroup Meeting 5 Summary**

On 29 July 2021, the P415 Workgroup met to review and determine which CBA Option is most suitable for P415, ahead of presenting this view to the BSC Panel for their consideration.

CEPA presented several P415 CBA options that outlined the scope, methodology, costs and timelines associated with a range of options that differed in analytical sophistication, outputs and overall impact.

### **Next Steps**

Another meeting (aiming for early September) to continue discussions on Supplier compensation and scope down any alternative P415 Solutions to feed back into later stages of the CBA will be necessary.

### **Outcomes**

The Workgroup recommend (via clear majority) approach that Option 5 be taken forward.

The BSC Panel will consider this at their meeting on 9 September 2021, the expectation is that Elexon will then begin procurement activities for the eventual CBA

### **Discussion**

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The group noted that analysis of Co2 emissions would be most viable under the 4<sup>th</sup> or 5<sup>th</sup> option which allow for modelling and believe this would be beneficial to assess via the CBA.

As Ofgem will remain the principal arbiter and decision maker on whether to approve P415, their input was sought on the level of analysis they would like to see, with Ofgem confirming that they are content to let P415 build the case for making the change or not as it sees fit, including the more complex or costly analysis options.

Noting that P415 may develop an alternative solution in relation to the mechanism for compensation to be paid to Suppliers, the group noted that this could be reflected in the CBA through different scenarios. Noting that further discussions on Supplier compensation are likely to occur before the CBA is fully formulated and distributed, the group's preference is to explore variants of the P415 solution within the CBA to help them come to a decision, as they believe analysis of the mechanisms is needed to assess their impact on the costs and benefits.

### **Rationale**

The group believe that many of the benefits for p415 are well suited to quantification and consider the more sophisticated modelling options to be most suitable for the CBA.

Options 5 offers additional benefits to Option 4 by unlocking analysis of deferred network investment and capacity, providing an opportunity to draw out this argument in support of P415.

Options 1 and 2 were felt to be unlikely to meet stakeholder requirements for more detailed quantitative analysis.