

## Transmission Charging Review Group (TCRG)

# Headline Report – 20 September 2018

### Meeting name Transmission Charging Review Group (TCRG)

The TCRG Panel Headline Report will be produced after every TCRG and aims to provide an overview of the key decisions made. Minutes for this meeting will be available on request.

### Current Charging and STC issues

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#### Ability/treatment of customers to request annualised payments where works are shared

This discussion looked at where customers request annualised payments and some request capital contributions where One Off works are shared. There is currently no methodology to allow for one party to pay on one basis and another party to pay through another means. The question was asked, should it all be capitalised or annualised or should there be a mix.

Attendees main areas of discussion were where there is a mix, customers will end up paying different amounts. This led on to treating customers differently, whether customers were aware of this or not and that this could be beneficial from a customer perspective as they would have more choice available to them. It was agreed that a modification is not needed at this time (NGESO to do some further work in this area) but for this to be reflected in charging statements.

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#### One-Off Works requested by initial party and subsequently benefited by others connecting into asset.

This item covered a situation where an initial request by a party could benefit a third party. For example, a cable solution has been request by a party and other parties are aware of the cable solution being developed and so subsequently request to be connected to the cable, so they can benefit. Two views were that the customer who initially requested the solution should pay for the cost of the cable. However, from a point of fairness, if the other party is aware and request access should they pay some of the cost. Attendees were asked for their views on this.

There were some key questions asked such as what type of connection has the subsequent customer requested, what happens if the request is made before the cable is commissioned and around the principle of fairness. It was agreed that this needs to be taken away and thought about in more detail. This will be brought back to the next TCRG meeting.

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#### Future Charging Statement Modifications

Attendees had a general conversation about charging statements and the process of gaining approval from Ofgem. Previously at this group (when it was called ChUG) attendees discussed commonality of charging statements where appropriate. Creating similarity within charging statements makes it easier for customers to

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navigate through. Attendees agreed that having a similar layout will make the statements more accessible. Attendees were also happy to share updates to their charging statements with the group.

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### Project Closure Process

Attendees discussed the scheme closure process which details the next steps once a project is complete. It was posed to attendees that the timescales for closure were not practical and what can be done to improve this. Attendees agreed that this merits a review as there is currently a gap commercially and contractually at close out. It was discussed that there would be merits of seeing what other parties do and what their processes are, if they are willing to share.

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### Time period permitted for parties who switch from annualised to capital payments post connection

This topic was covered to get attendees views on whether there should be a time period specified for when a customer requests annualised payments but post connection, requests capital payments. Attendees also discussed if this was something that should be clarified within charging statements and if anyone had any examples of this, what was their nature and how have they been tackled.

The discussion the led on to discuss situation where assets move from connection assets to infrastructure assets on the transmission system due to them having spare capacity to connect other parties. Currently there is nothing within the charging statements that allow for this change. As more and more customers may go down this route (for example using spare capacity on transformers), arrangements need to be in place to facilitate this.

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### Charging Development Update

An overview was given to attendees of all the current CUSC modification that could possible impact the STC. These were CMP286, CMP288/289 and CMP298. A potential modification was also discussed which may be raised by Northern Powergrid (now this has been raised and is CMP306).

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### Minimising differences between CUSC and Charging Statements in relation to Connection Charging Methodology

This item looked at how the ESO revises charging and the methodology and also how the TOs update their charging statements. TOs will charge NGESO as per their charging statements which are dictated by the licence. NGESO will recover these charges through CUSC charging arrangements. However, at present there are a lot of thing happening within the charging area in general. Attendees went on to discuss the potential to minimise the mis-match and agreed to take this away for further consideration.

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### Charging Futures Update

NGESO provided an update and overview of Charging Futures and the work that is going on as part of this. Attendees were also taken through a consolidated time line of current workstreams.

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### Using spare capacity on existing transmission connection assets

Attendees agreed that this was covered under agenda item "Time period permitted for parties who switch from annualised to capital payments post connection".

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## 72 hr DC systems resilience and the policy surrounding funding either via the User or through infrastructure recovery

This topic was brought about when the Government reviewed the resilience of the network including Black Start events which led to the requirement of 72 hours to restore the network. There was a query as to whether the charging statements were the right place to consider this. Attendees discussed funding arrangements for Black Start capability and whether this satisfied Grid Code obligations. After further discussion it was agreed that attendees would take this away and consider this further with a view to discuss again at the next TCRG meeting.

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## Potential consequential changes or items to be referred to the relevant code body

Nothing was raised by attendees.

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## Prioritisation exercise

This will be reviewed at the next TCRG where there will be more detailed information gathered following current actions.

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## Date of the next meeting

The next TCRG meeting will be held on Tuesday 23 October 2018 via Webex. It was also agreed that in 2019, we will aim to hold a face-to-face meeting.

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## AOB

Nothing was raised by attendees.

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## Questions or feedback?

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