

To all parties with an interest in electricity network charging

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Dear stakeholder,

On 8 November 2022, we¹ published an Open Letter² (the "November letter") setting out the results of a reprioritisation exercise we undertook across electricity network charging and connections work, keeping our focus on protecting the interests of consumers by ensuring that market arrangements support an affordable, resilient and secure electricity system in the near term. We set out in that letter that whilst efficient network charging and connections arrangements are important, in the context of the then coming winter, it was critical to ensure our resources were deployed on those matters delivering near-term consumer benefits.

The Transmission Network Use of System ("TNUoS") Task Force, established in May 2022, was designed to address the issue of unpredictability in TNUoS charges. In the November letter, we set out that there would be no further meetings of the Task Force for the remainder of 2022, but that we would reconsider the timing of further meetings in January 2023. Notwithstanding the suspension of meetings, we confirmed that National Grid Electricity System Operator ("NGESO") would continue to build upon the the work of the Task Force in the interim so as to keep momentum.

<sup>&</sup>lt;sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work.

https://www.ofgem.gov.uk/sites/default/files/2022-11/Open%20letter%20-%20prioritisation%20across%20charging.pdf

We intend to reinstate the meetings of the TNUoS Task Force in April 2023. For those stakeholders who are members of the Task Force, further communications will follow from NGESO with details of the next scheduled meeting.

During the hiatus in meetings, NGESO employed consultants to undertake assessments on a number of areas<sup>3</sup> within the TNUoS charging methodology with the aim of identifying issues, and potential solutions. This work, which is due to complete in April 2023, does not replace or in any way supersede the work of the Task Force but is instead expected to support members in considering further the issue of how to improve predictability in arrangements. We appreciate the work undertaken by and on behalf of NGESO in supporting the continuing work on improving TNUoS arrangements.

Further information on the TNUoS Task Force can be found on the Charging Futures website. Any comments on this open letter or the Task Force itself can be sent to <a href="mailto:tnuosreform@ofgem.gov.uk">tnuosreform@ofgem.gov.uk</a>

Yours faithfully,

Eleanor Warburton

Director, Energy Systems Management and Security

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<sup>&</sup>lt;sup>3</sup> PowerPoint Presentation (nationalgrideso.com) as detailed by NGESO from slide 7 of the attached pack from the Transmission Charging Methodologies Forum meeting held 24 November 2022.