

## Ofgem Access and Forward Looking Charges Significant Code Review

### Minutes

<b>Meeting name</b>	<b>Delivery Group – Meeting 6</b>
<b>Time</b>	<b>10.00 – 15:00</b>
<b>Date of meeting</b>	<b>27<sup>th</sup> June 2019</b>
<b>Location</b>	<b>ENA Offices, 4 More London Riverside SE1 2AU</b>

### Attendees

<b>Name</b>	<b>Initials</b>	<b>Organisation</b>
Jon Parker	(JP)	Ofgem - Chair
Stephen Perry	(SP)	Ofgem
Patrick Cassels	(PC)	Ofgem
Bethany Hanna	(BH)	Ofgem
Silvia Orlando	(SO)	Ofgem
David McCrone ☎	(DM)	Ofgem
Andrew Conway	(AC)	Ofgem
Rebecca Cailles	(RC)	IDNO (CNA)
Mike Harding	(MH)	BU UK
Jennifer Doherty	(JD)	ESO
Matthew Paige Stimson	(MPS)	ESO
Lee Wells	(LW)	NPG
Nigel Bessant	(NB)	SSEN (DNO)
Andrew Urquhart	(AU)	SSE
Chris Ong	(CO)	UKPN
Ross Thompson	(RT)	UKPN
Tony McEntee	(TM)	ENWL
Claire Campbell ☎	(CC)	SPEN
Simon Yeo ☎	(SY)	WPD
Angelo Fitzhenry	(AFi)	Electralink
Nicholas Rubin	(NR)	Elexon
Julia Phillips	(JPh)	ENA Secretariat
Paul McGimpsey	(PM)	ENA Secretariat

## 1 Welcome and introductions

- 1.1 JP welcomed the Delivery Group members to the meeting, there was a round table of introductions, and JP provided a brief overview of the agenda and the objectives for the meeting.

## 2 Actions

- 2.1 JPh provided an update on actions from the last meeting. Action DG21, “all code administrators to do an initial assessment of the draft SCR reports and consider if current findings require legislation/code changes” JP said that this is ongoing and will be returned to following the working paper.
- 2.2 Action DG28 “Delivery Group members and Ofgem to consider what else Citizens Advice could investigate before the small user work stream is initiated.” SO provided an update that she is in touch with James from Citizens Advice but he is now on parental leave, she will provide an update at the next meeting in July.

## 3 Project Update and Forward Work Plan

3.1 JP provided an update on the first working paper. He said that the working paper timing is changing and the paper will now come out in August. They are currently considering how to present the materials to the Challenge Group. MH asked whether this would affect delivery dates. JP answered that unless there is a delay in the production of the second working paper, due to be published at the end of the year, delivery dates will not be impacted. JP confirmed that the date of the Challenge Group would remain the same.

3.2 JP provided an update on Ofgem’s May open letter (“Update on timing and next steps on Future Charging and Access reforms”). JP advised that the open letter provided an update on timelines and next steps for the Access reform SCR, the Targeted Charging Review (TCR), and the Balancing Services Taskforce. The following key changes are announced in the open letter:

- TCR – the preferred implementation date for embedded benefits reforms is April 2021.
- TCR – range of preferred implementation dates for new residual charging arrangements: either April 2021 or phasing between 2021 and 2023 or implementation in April 2023.
- Access reform – target for all reforms to be implemented is April 2023.

3.3 JP confirmed that following the publication of the working papers this year, Ofgem will shortlist options and do further analysis. Ofgem will then publish a consultation mid next-year on the draft conclusions. MH asked for clarification on the timing of TCR decision and implementation. JP said that Ofgem was due to publish a decision in early autumn. JP noted that even though some future charging and access timelines have changed they still closely align with RIIO T2 and ED2 dates.

3.4 JP provided an update on the analytical framework. JP noted that Ofgem had slightly changed their approach. Instead of commissioning consultants to complete all the work (including reference network models and tariff calculations), Ofgem is now seeking for some of this work to be led by members of the Delivery Group. The ESO has volunteered to take forward the transmission tariff modelling. Ofgem are discussing with DCUSA panel whether CEPA and TNEI could undertake the distribution work under the existing DCUSA funding framework. It is further been agreed that the DNOs will help to develop reference network models.

3.5 BH provided an update on the charge design work-stream. BH summarised the results from the DNO survey about what data DNOs need to be able to provide to Ofgem. BH highlighted that the information coming out of the cost model subgroup will be very helpful with assessing the charging design options. TM commented that in order to meet the timelines of the SCR a clearer definition of charge design is needed. TM noted that we could launch a charge design subgroup but considered that there was a lot of overlap with the people in the cost models group. BH presented a summary of the interviews conducted with suppliers and an overview of the data that we had received from some network companies on temporal difference in network peaks. BH suggested that there could be benefit in having a session with the network planners to identify whether there is a link between the information provided and how the network is planned. JD questioned the timing of future work. BH confirmed that she would provide further information about the timing of future work at the next DG.

3.6 DM provided an update on the Connection Boundary subgroup. DM noted that he expected to provide a further update at the next Delivery Group meeting. NB and JP suggested that the effect on investment decisions should be added to the criteria for evaluating options.

3.7 SO provided an update on the Small Users subgroup progress. SO noted that a large number of organisations had volunteered to be on this subgroup and that Ofgem are reviewing membership. SO stated that the Small Users subgroup plans to have its first meeting in late August or early September.

## 4 DNO Access to Disaggregated Consumption Data

4.1 BH provided an update on DNO access to disaggregated consumption data and that one option to address the current restrictions is for a third party to undertake the calculations. SP noted that DNO access to disaggregated consumption data would be useful from an access perspective to help monitor compliance (e.g. calculation of exceedance charges). The Delivery Group considered that it might be useful to map out what data is required to implement each charging option to better understand if disaggregated data is required.

## 5 Pros/Cons of Different Flexibility Models

5.1 AC provided an overview of the advantages and disadvantages of different flexibility models and invited the group to challenge them. It was noted that the more dynamic we make access and charging arrangements charges, the less that the ESO and DNOs need to procure flexibility. NB considered that protections might be needed to protect small users from possible curtailment under some access rights options.

## 6 Cost Models Update

6.1 PC provided an update on the Cost Model and Forward-looking Cost Drivers subgroup. PC presented an overview of their work. JP noted that Ofgem would be outlining their initial thoughts on the options in the first working paper, which will be circulated in draft in July. The interactions between cost models subgroup and BH's time of use work was noted by the Delivery Group.

## 7 Access Subgroup Update

7.1 SP provided an update on the Access subgroup. He stated that the monitoring and enforcement document would be circulated for Delivery Group comment offline. SP updated the group on the survey sent to the Challenge Group about the value of different access choices.

## 8 Close and AOB

8.1 PM provided a verbal update on the non-SCR industry-led subgroup and the four ongoing products. Product 1 looks at non-firm DG curtailment obligations. Product 2 looks at the exchange of capacity between customers with non-curtable capacity. PM noted that this work has been brought forward to take advantage of learning from industry innovation projects. The principles and rules developed in products 1 and 2 have been sent to the relevant innovation project for challenge over the summer. Product 4, which looks at charging for flexible connections, was being presented to the Open Networks Steering group today for approval and the plan is to submit a DCUSA mod to the July panel.

8.2 JP closed the meeting at 15:00

### Next Delivery Group meeting:

Time / Date	Location
10.00 – 15.00 26 <sup>th</sup> July 2019	ENA Offices, 4 More London Riverside SE1 2AU

## Annex 1: Ofgem Access and Forward Looking Charges Significant Code Review

### Delivery Group Actions

Meeting held on 27 <sup>th</sup> June 2019			
Action	Description	Lead	Status
DG32	Beth to email those who have provided locational data for charge design to find out where the data came from specifically so better comparisons can be made	Beth Hanna	Open