

## Meeting report

<b>Meeting name</b>	Transmission Charging Methodologies Forum
<b>Date of meeting</b>	07 <sup>th</sup> September 2016
<b>Time</b>	11:00 – 12:30
<b>Location</b>	National Grid House, Warwick

## Attendees

<b>Name</b>	<b>Initials</b>	<b>Company</b>
Paul Wakeley	PW	National Grid (Chair)
Urmi Mistry	UM	National Grid (TCMF Technical Secretary)
Katharine Clench	KC	National Grid (Presenter)
Taran Heir	TH	National Grid (Presenter)
Graham Neale	GrN	National Grid (Presenter)
Claire Warren	CW	Haven Power
Karl Maryon	KM	Haven Power
Garth Graham	GG	SSE
Matthew Bacon	MB	Vattenfall
Jean-Phillipe Marty	JPM	SmartestEnergy
Michael Rieley	MR	Scottish Renewables
Simon Vicary	SV	EDF Energy
Robert Longden	RL	Wanadoo
Aled Moses	AM	Dong Energy UK
Lars Weber	LW	Neas Energy
Nicola Fitchett	NF	RWE
Marlon Day	MD	UK Power Reserve

All presentations and supporting papers given at the TCMF meeting can be found at:  
<http://www2.nationalgrid.com/uk/Industry-information/System-charges/Electricity-transmission/Methodology-forum/>

## 1 Update on new and ongoing CUSC modification proposals (charging and non-charging) – Urmi Mistry, National Grid

1. Ongoing and new CUSC modification proposals (charging and non-charging) were presented with updates / information for each.

## 2 Discussion item – Lars Weber, Neas Energy

2. LW introduced his slides, explaining that the purpose was to get people's views and opinions on the treatment of non-BM users. He went on to say that distribution connected users are not *directly* liable for the cost associated with the CUSC but instead liable for charges agreed with the supplier. In particular, he noted that embedded generation causes obligations for suppliers, but the supplier is left with the risk if the generator defaults for example. This was highlighted by parties that attend the CMP264/265 workgroup, where around half of the parties involved were affected indirectly by other contracts for the realisation of demand TNuoS embedded benefits. It was further noted that the options of BEGA (Bilateral Embedded Generation Agreement) and BELLA's (Bilateral Embedded License Exemptible Large Power Station Agreements) were available for certain embedded generators wanting to contract, and receive embedded benefits, directly from National Grid.
3. LW went on to discuss the possibility of OFGEM creating a Distribution System Operator (DSO) role, where the DSO would have the power to impose system use charges more fairly and take this element of governance away from the supplier. This led to a further discussion on the role of suppliers, which needs to become clearer, generators and transmission system operators in an increasingly complex and decentralised network
4. These topics were discussed further and appear in areas other than the CUSC. RL raised the issue that the way we treat non-BM users may have been appropriate 5years ago however it may not be applicable to the current system. Leading on from these points a holistic approach to this topic was favoured, to look at the whole system as a lot of issues and possible proposal consequences for this would be interlinked and have an impact on other parties within the energy market.
5. LW asked for feedback and thoughts on the subject as a whole. There was support from attendees to raise this issue possibly in response to OFGEM's open letter and in another forum. Overall, there was a general consensus that this topic – and how the market / contracts will work in the future, needs further consideration.

## 3 Update on National Grid Charging Review and associated industry work streams – Paul Wakeley, National Grid

6. PW gave an overview of when the charging seminars took place, attendees, discussions and next steps. The drivers for change were also discussed along with the derived long term vision and ideal state which would be a continually changing thing based on customer feedback and needs.
7. The information from the seminar can be found in [http://www2.nationalgrid.com/UK/Industry-information/System-charges/Electricity-transmission/charging\\_review/](http://www2.nationalgrid.com/UK/Industry-information/System-charges/Electricity-transmission/charging_review/)
8. A question was raised regarding a timetable for the suggested holistic review. PW noted Ofgem's open letter on embedded benefits and the need for the industry to act in a joined up way. He hoped it would be clearer by the end of this year on the direction of travel, with a view to a review kicking off in earnest in early 2017. It was questioned if there was executive level support within National Grid for a review, and this was confirmed.

#### **4 Update on staff movements in TNUoS revenue, charging and billing and code governance teams – Katharine Clench, Paul Wakeley and Taran Heir, National Grid**

9. KC, PW and TH gave an overview of each team and their responsibilities. An attendee requested the same for the Charging and Access Arrangements team which will be created once the structure has been agreed.

#### **5 Next meeting**

10. No further issues were raised.

#### **6 Next meeting**

**Next meeting: Wednesday 9<sup>th</sup> November 2016**

**Time : 11am**

**Venue : National Grid House Warwick**