

# Future Role of the System Operator



**FSO Programme Overview**

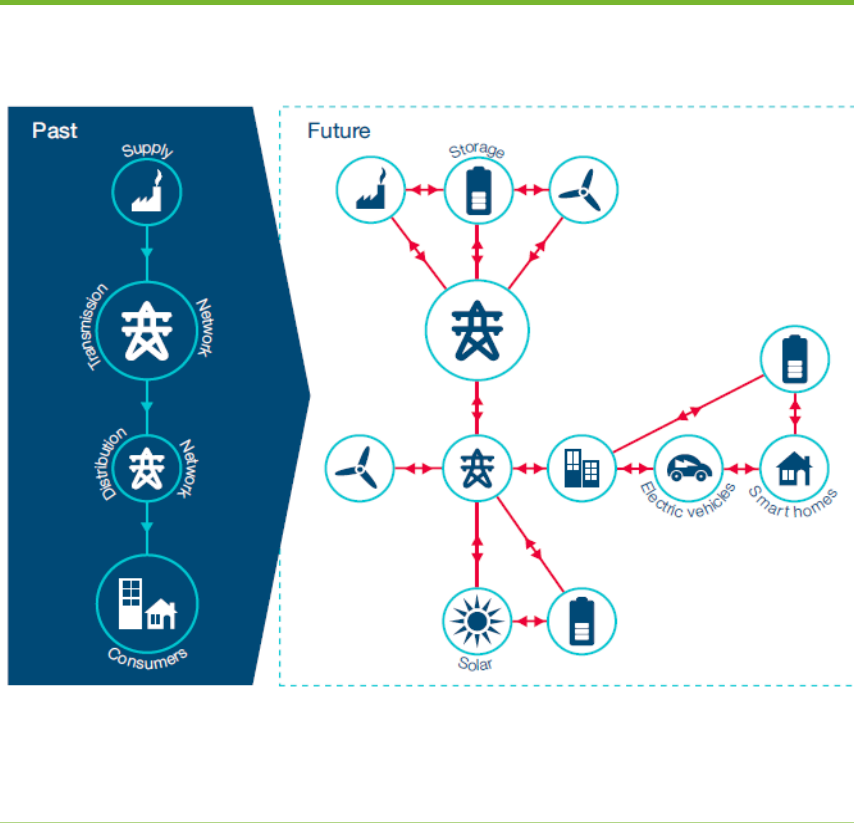
**National Grid ESO**

**October 2017**

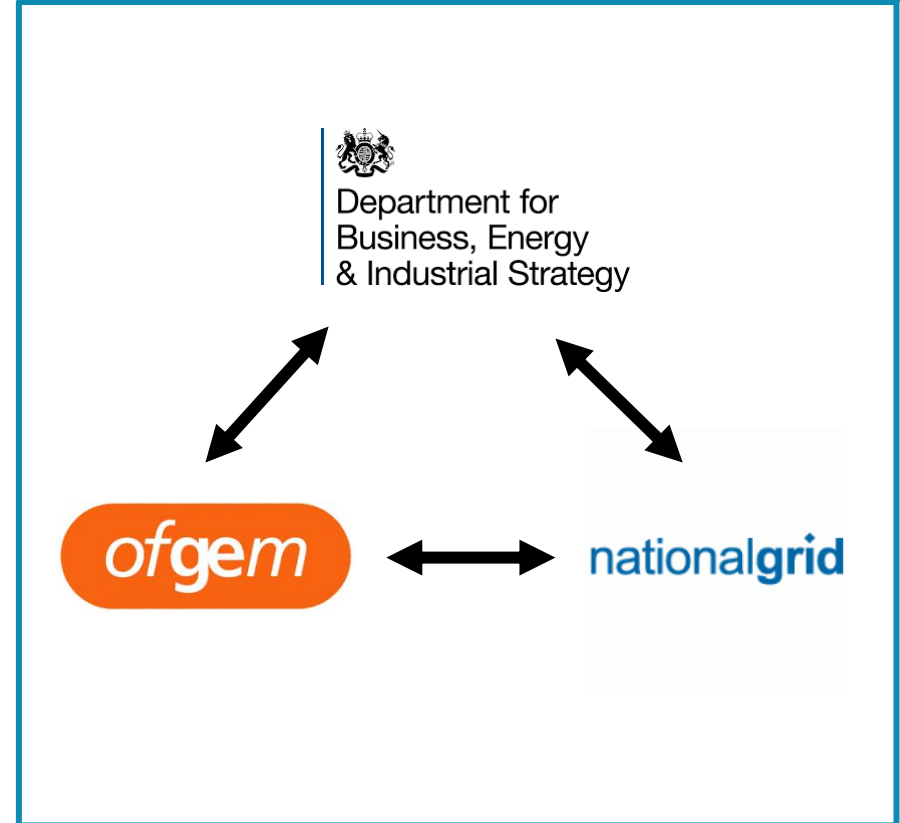
**David Wildash - Head of Transmission Charging Review**

# We are in a period of fundamental change

## LANDSCAPE 'Operability Drivers'

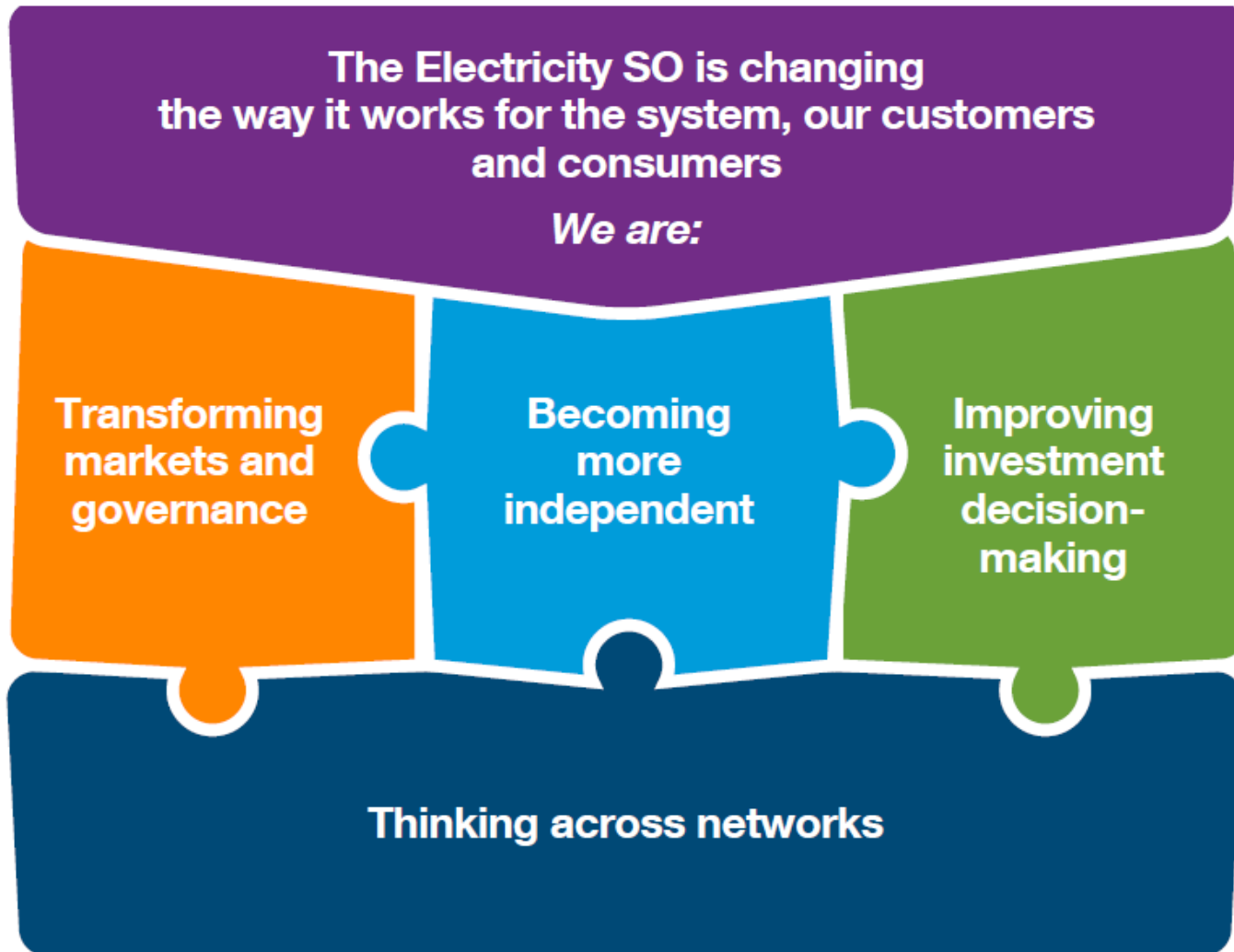


## POLITICAL / REGULATORY



# What are we trying to achieve through the programme?

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# The FSO programme will be delivered through four work-streams

## FSO WORKSTREAMS



## IMPLEMENT LEGAL SEPARATION

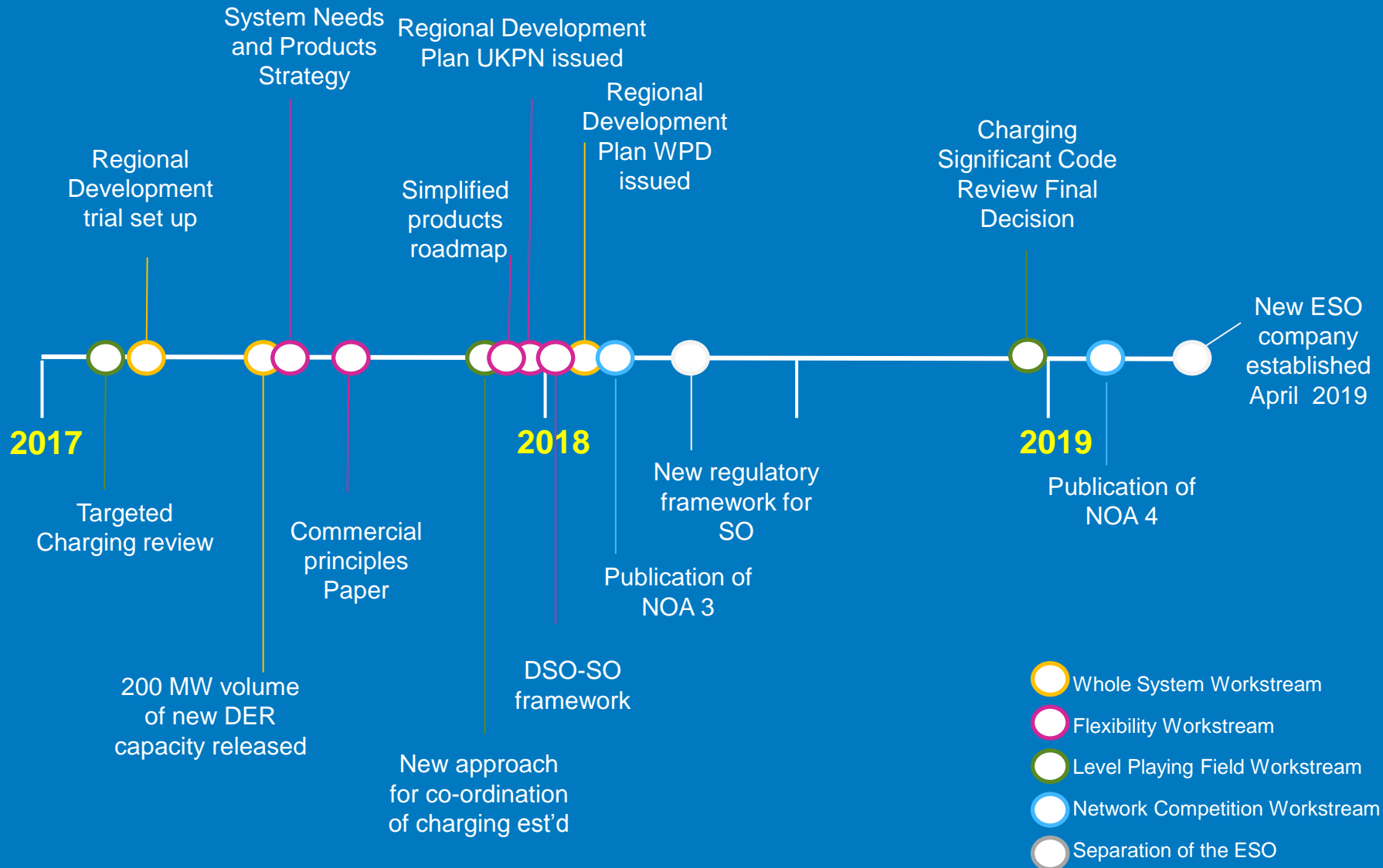
### Practicalities

- Creation of new licence
- Separate ESO Board
- ESO managers incentives based on SO
- Separable premises

### Behaviours / Ways of working

- Create distinct ESO & ETO identities
- One SO: Gas & Electricity

# High level milestones



# What is the scope of Ofgem's Significant Code Review?

## In Scope

Residual charges for Tx and Dx – both Generation and Demand

Keeping other embedded benefits under review

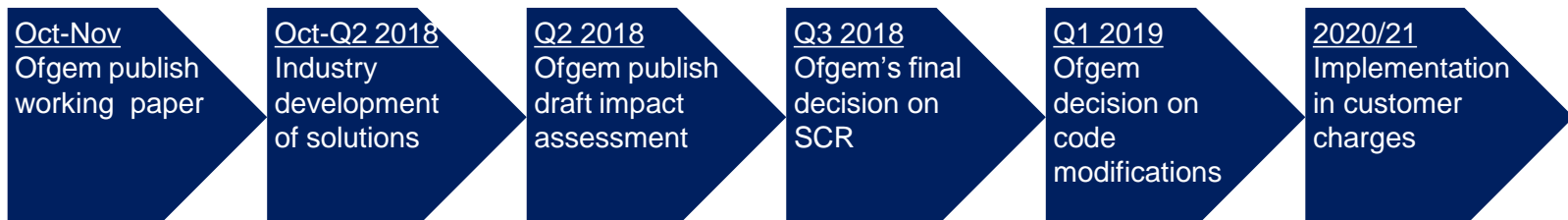
## Out of Scope

Forward looking use of system charges

Connection charges

Charging arrangements for storage

## SCR Timeline



## What is the purpose of the Charging Futures Forum?

### Situation

Evolution of our energy system provides opportunity to operate the whole system more flexibly and more efficiently

### Challenge / Opportunity

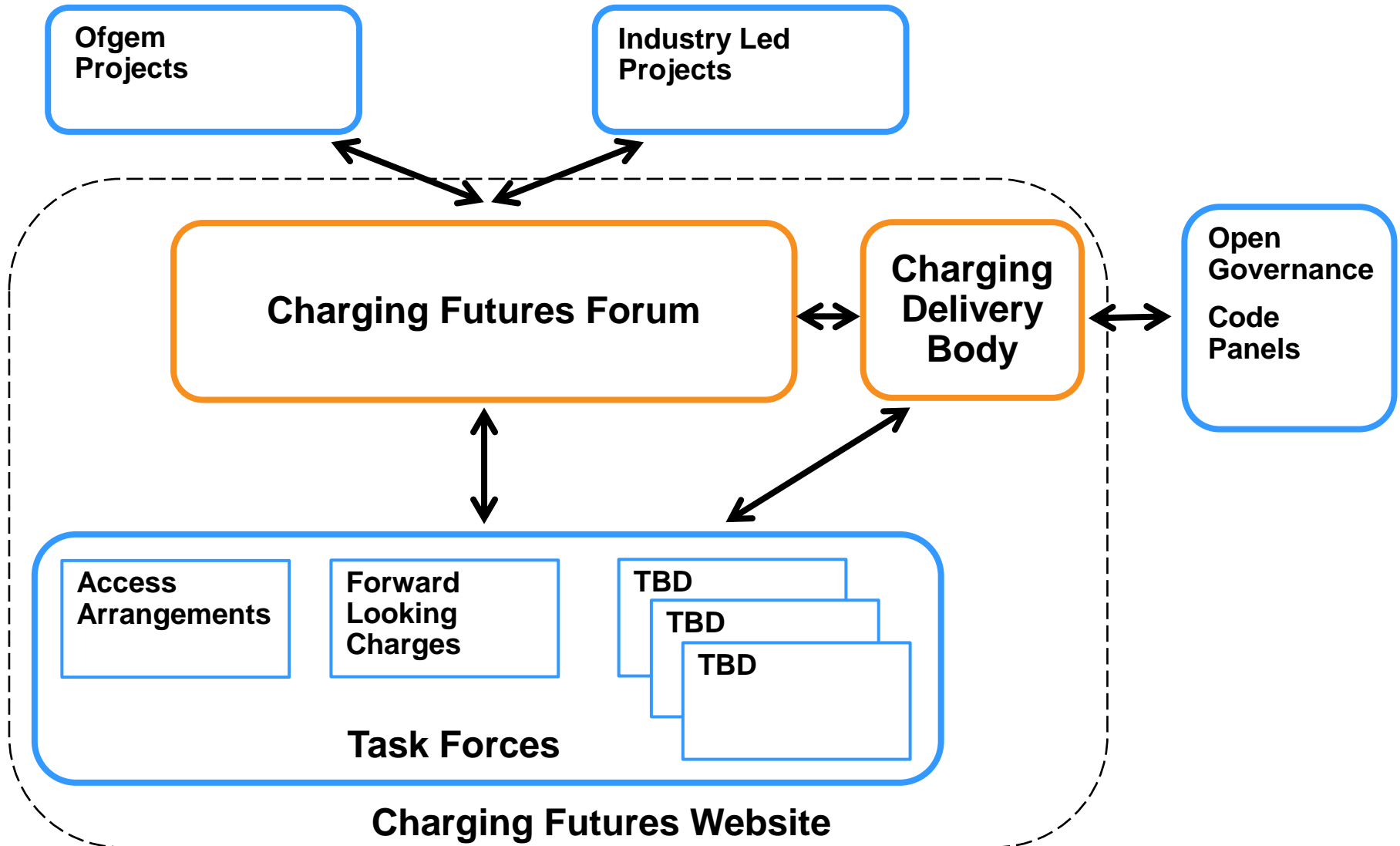
Charging arrangements need to adapt to make the most of this opportunity to ensure:

- 1) Competition on a level playing field – Reducing distortions
- 2) Fair reflection of costs and benefits each user brings
- 3) Improving signals for network optimisation
- 4) Increasing level of change requiring industry attention

### Solution

**Charging Futures** set up to answer Industry's call for better coordination of charging reforms - where every network user can contribute to change no matter their size or how they use network

## What is the charging futures structure?





## Roles and responsibilities within Charging Futures

### Ofgem

- Chair the CDB, Forum & Task forces
- Direct on output from Task Forces
- Decide on creation of new task forces, membership and milestones

### Industry

- Participation in Forum, Task Forces and CDB
- Observer role on CDB
- Task Force Secretariat support
- Provision of new topics for consideration (Following Coordination Guidance document)
- Provision of analysis

### Lead Secretariat (SO)

- Provision of admin & tech sec support to the CFF and CDB
- Programme Management support
- Stakeholder engagement and communication
- Build and maintain a web portal
- First point of contact for stakeholders

## How can interested parties get in touch?

### FSO Programme



- <http://www2.nationalgrid.com/uk/industry-information/future-of-energy/>



- [Joseph.donohoe@nationalgrid.com](mailto:Joseph.donohoe@nationalgrid.com)



- 07811 975 364 (Joseph Donohoe)

### Charging Futures



- Charging Futures Website (Go live scheduled for end of October 2017)



- [ChargingFutures@nationalgrid.com](mailto:ChargingFutures@nationalgrid.com)



- 0777 197 4218 (David Wildash)