



Access and Forward Looking Charges Significant Code Review GC0117 Workgroup Update

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Access and Forward Looking Charges SCR

- In June 2021 Ofgem published a consultation on Access and Forward Looking Charges Significant Code Review (Access SCR) minded-to positions.
- One proposal is that Distributed Generators (DG) 1MW and above should be subject to TNUoS Generator charges and that the ESO enters into some form of access agreement with DG to establish their capacity.
- Ofgem outline that current arrangements for charging TNUoS across different generator types create a boundary distortion, and that the growth in DG means that it is starting to have an effect on the transmission system.
- Different options for the introduction of TNUoS Generator charges for DG 1MW and above were presented:
 - ‘big bang’ implementation
 - Delay implementation to link with wider TNUoS reform
 - Limited period grandfathering
- The consultation also sought views on the contractual and charging arrangements that should be established to formalise DG’s access to the transmission system and facilitate TNUoS generator charging:

ESO agree capacity with...	TNUoS Charge Levied via...
DG direct	Supplier
DG direct	DG direct
Supplier	Supplier
DNO	DNO -> Supplier

ESO Position and links with GC0117

National Grid ESO response to the Access SCR: Consultation on Minded to Positions

- If DG are to be subject to TNUoS generator charges, they should also have the same opportunity to access revenue streams as generators connected to the transmission system.
- A direct contractual relationship between the DG and ESO would provide the DG with easier access to ESO markets and visibility of DG across the whole system.
- Any contractual offering would:
 - apply to 'Small' DG 1MW and above, but below the threshold for a 'Large' generator, as may be revised through GC0117
 - provide formal agreement of DG capacity and access to the transmission system
 - support optional participation in wider markets/ancillary services but would not mandate BM participation
 - minimise obligations/technical requirements on DG
- Currently awaiting further information from Ofgem on how this will be taken forward.