

Minutes

Meeting name	Charging Delivery Body - Meeting 10
Time	1pm – 4pm
Date of meeting	13 December 2018
Location	Ofgem's Office, Canary Wharf, London

Attendees

Name	Initials	Organisation
Charging Delivery Body Members		
Andy Burgess	(AB)	Chair - Ofgem
Ren Walker	(RW)	Technical Secretary - National Grid (Lead Secretariat)
Angelo Fitzhenry	(AF)	ElectraLink (Code Administrator)
Gareth Davies	(GD)	National Grid ESO (Code Administrator)
Colm Murphy	(CM)	National Grid ESO (Electricity System Operator)
Nigel Bessant	(NB)	Scottish & Southern Electricity Networks
Nicholas Rubin	(NR)	Elexon (Code Administrator)
Oliver Day	(OD)	UK Power Networks
Paul McGimpsey	(PMcG)	SP Distribution and SP Manweb
Rob Marshall	(RM)	National Grid ESO (Lead Secretariat)
Tony McEntee	(TMcE)	Electricity North West
Lee Wells	(LW)	Northern Powergrid
Simon Yeo	(SY)	Western Power Distribution
Ofgem Attendees		
Chris Brown	(CB)	Ofgem
Andrew Self	(AS)	Ofgem – part meeting
Paul Guillon	(PG)	Ofgem
Stephen Perry	(SP)	Ofgem
Scott Sandles	(SS)	Ofgem – part meeting
Apologies		
Rachel Lenton-Leigh	(RLL)	Haven Power (Observer)

1 Introductions & apologies

- 1.1 Gareth Davies, Colm Murphy and Ren Walker from National Grid were introduced to the group as new representatives for the Charging Delivery Body (CDB).
- 1.2 Apologies were received from Rachel Lenton-Leigh who was due to attend the CDB as an observer.

2 Review of Charging Delivery Body Actions Log

- 2.1 CDB advised that actions CDB67 and CDB39 will be addressed later in the meeting.

3 Targeted Charging Review update

- 3.1 AB advised that Ofgem published a consultation on the Targeted Charging Review (TCR). The consultation was in two parts, the first part focusing on residual charging and the second in relation to embedded benefits. AB noted Ofgem have also published a letter launching a Balancing Services Charges (BSUoS) Task Force.
- 3.2 AB confirmed Ofgem are announcing the formal start of the review for Access and Forward Looking Charges. This announcement will be published alongside the next stage of RIIO-2 price control methodologies and overall policy development.
- 3.3 RM advised that within the TCR minded to position, Ofgem proposed changing the BSUoS embedded benefits. In addition, the BSUoS task force will consider how a better signal could be provided to enable users to alter their behaviour and to review how practical the solutions are. The BSUoS task force will be report back to Ofgem. NB questioned how industry will be engaged with the task force. RM confirmed that this is the role of National Grid ESO, to ensure that the correct representation is on the task force and that there is sufficient engagement with industry. TMcE asked if the task force would require any DNO representatives. RM confirmed that a view from DNOs would be preferable.
- 3.4 RM advised that the Task Force membership was still open and National Grid ESO will publish the membership list when finalised. NB questioned who would manage to Task Force and what role would the CDB play in relation to the Task Force. RM confirmed this will be discussed further at the Charging Futures Forum in January.
- 3.5 AS delivered a presentation on the TCR consultation. AS advised Ofgem want to see an efficient use of energy systems, this means also reviewing forward looking charges and ensuring that the correct plans are in place to ensure an efficient use of the system.
- 3.6 AS addressed the timelines for this consultation. Ofgem have published the TCR consultation and the next steps will be the engagement period. Ofgem will present a summary of their consultation at the Charging Futures Forum in January. AS advised the implementation timeline is set for either 2021 or a phased approach between 2021-2023 for residual reforms. Reforms to other embedded benefits are to

implemented in either 2020 or 2021. AS advised that Ofgem has developed a framework of principles and has assessed options against these principles.

a) Review of Balancing Services Charges Task Force, Terms of Reference

3.7 RM sought comments from the CDB members on the BSUoS Task Force Terms of Reference. NR raised a question in relation to the Terms of Reference (Section 2, point 3) NR asked what was meant by feasibility. NR addressed the cross-code impacts that this could have for the BSC. The first being meter data to support BSUoS and how BSC would work to support this.

The second point was in relation to RCRC (Residual Cashflow Reallocation Cashflow). NR stated if you change BSUoS, the consequence could be changing RCRC, and questioned whether that also needed to be reviewed. NB questioned if this had the potential to overlap with TNUoS. RM confirmed that when the ESO look at longer term options, they will then be able to give a view on this. TMcE noted that the some BSUoS costs are geographic, therefore how would transmission costs reflect against distribution costs. RM advised that this is the advantage of the Task Force, as it enables the group to review the work that needs to be considered. These discussions will also be held at the BSUoS Task Force.

3.8 Under ToR Section 2, b) NR questioned the meaning of the statement that the Task Force should not duplicate the work of workgroups. TA confirmed that this is within a standard ToR for a Task Force and is to clarify that Task Forces are involved in development prior to any modification proposals being raised, which would then be taken forward by workgroups. NR also asked if the Task Force has the potential to overlap with existing workgroups. Ofgem advised that they will and have given as much direction to industry as possible in an attempt to avoid duplication.

4 Access & Forward-looking Charging Reform update

4.1 AB confirmed Ofgem will publish the Access and Forward Looking Charging Reform decision in the week commencing 17 December 2018.

4.2 Ofgem delivered a presentation on the stakeholder engagement approach following the Access and Forward looking Charging decision. Ofgem identified that the main objective is how networks can be used in a more efficient way. Ofgem confirmed following their publication of the SCR consultation in July, 77 responses were received. Since, Ofgem have developed an approach of how they will engage stakeholders. The CDB will continue as normal to provide guidance and co-ordination. The Charging Futures Forum will also continue to ensure wider engagement with the reform.

4.3 Ofgem advised two further groups will be introduced. These will be a Delivery Group and a Challenge Group specifically for the SCR. The Delivery Group will provide expertise and knowledge on how networks are operated and planned. Smaller working groups will be formed to focus on specific tasks. The Challenge Group will provide an external challenge function to the delivery group, and will meet every 6 weeks.

4.4 NB questioned if the two groups would be a closed group. Ofgem confirmed the challenge and delivery groups will feed into each other for transparency purposes. Ofgem continued by stating the Delivery Group is needed to physically deliver outputs and engage the Charging Futures Forum.

- 4.5 PMG asked how industry members will nominate themselves to participate in the challenge and delivery groups. Ofgem stated they will ensure there is appropriate representation within the groups. AB advised that the plan was to get industry to lead the two groups, but following feedback from the consultation it was determined that Ofgem should lead them to help coordinate overall delivery.

5 Charging Futures Forum

- 5.1 RM presented a draft Agenda for the Charging Futures Forum (CFF) for discussion.
- 5.2 As usual, there will be an opportunity to learn, ask and contribute. The main agenda items for discussion are Balancing Services Charges and the Targeted Charging Review. NB asked if there will be a BREXIT update provided at the CFF meeting. AB advised this would be covered within the introductions section on the agenda.

6 Draft Charging Delivery Body Terms of Reference

- 6.1 RM presented the revised Charging Delivery Body Terms of Reference for approval.
- 6.2 CDB members raised further questions before approving the Terms of Reference. Section 2 'Purpose and Responsibilities' refers to a programme plan. NR questioned who is responsible for producing the programme plan. RM confirmed the responsibility sits with the Lead Secretariat. NR continued by asking when the plan will be available. RM confirmed this was written as an enduring process, therefore was unable to agree to time frames currently.

Action CDB70: CDB to review the programme plan at the next meeting

- 6.3 Once the programme plan is produced, GD asked how this will be tracked going forward. RM confirmed the programme plan will become a standing agenda item for the CDB to review along with the wider ongoing pieces of work. NR questioned if this piece of work would require liaising with Code Panels due to the prioritisation. RM confirmed the programme plan will be available on the Charging Futures website.
- 6.4 NR identified an incorrect reference within the expertise table. The BSC has been referred to as 'Balancing Services Code' and this should be 'Balancing and Settlement Code'. The Lead Secretariat confirmed this will be amended in the Terms of Reference.

Action CDB71: RW to amend the Terms of Reference

- 6.5 CDB members highlighted some typographical changes within the Terms of Reference. The Lead Secretariat noted these errors and took an action to amend the Terms of Reference.

7 Updates on New and Existing Charging Modifications

- 7.1 **Connection and Use of System Code (CUSC)** – currently there are fourteen CUSC Charging Modifications in flight.

- 7.2** GD stated that another request for information (RFI) for CMP286 will be sent to industry shortly. No further RFI is needed for CMP287, therefore this modification will continue in the process.
- 7.3** CMP288 is still at Workgroup phase, the next Workgroup will be held week commencing 17 December 2018. CMP292 has been granted an extension until April 2019 from the CUSC Panel.
- 7.4** GD confirmed quoracy has been met for CMP300 and a timetable is to be established accordingly. The Authority determined that CMP301 should be sent-back as further work is needed to form a decision on the modification. GD stated that CMP302 is currently on hold.
- 7.5** NR advised that ELEXON have proposed an alternative for CMP280. NR confirmed a letter was submitted to the CUSC Panel Secretary advising that ELEXON would not be withdrawing their alternative as they feel that the solution is already defined within the proposal.
- 7.6 Distribution Connection and Use of System Agreement (DCUSA) - AF** updated CDB members on the 11 DCUSA Change Proposals in flight. AF confirmed that two change proposals have been approved and implemented. AF advised seven change proposal are still being progressed and will be discussed at the DCUSA Panel on 10 January 2019.
- 7.7** AF stated that the two change proposals relating to storage residuals, DCP319 and DCP321, have been withdrawn by the proposer, however no industry participants have come forward to take proposer ownership. AF continued by saying that Electricity Storage Network (ESN) are keen to raise a proposal to replace the withdrawn mods, however would need Ofgem to approve them raising the proposal. AB stated that it would be sensible to wait until DCMDG on 10 January 2019 to see if any industry participants come forward to raise the proposal and before ESN raising any proposals.
- 7.8** LW advised he would like to see the change proposals in the process before the TCR SCR decision in June as there is still a lot of work to be done. AB confirmed that storage is part of the TCR. LW and Ofgem are to further discuss this offline.

8 Key Messages to be shared with Code Panel Meetings

- 8.1** AB advised key messages to share with Code Panel meetings are the updates on TCR, Access and Forward looking charges, and the BSUoS Task Force.

9 Timings for CDB and CFF meetings in 2019

- 9.1** The CDB advised that there were two potential dates for the next meeting; 7 February and 13 February 2019. The date is to be confirmed by CDB members.

10 Any Other Business

a) Industry strategic projects

- 10.1** The Charging Delivery Body advised there are no further updates on Industry strategic projects.