



Charging
Delivery Body

Charging Delivery Body

7 February 2019





**Charging
Futures**

Reforming electricity charging together

**Charging
Delivery Body**

Date: 7 February 2019

Time: 10:00am to 1:00pm

Venue: National Grid

1-3 Strand, London, WC2N 5EH

Teleconference details: 020 7108 6317

Meeting Number (Access code): 594 721 735

Meeting Password: 6FmpMP2a

Agenda Item	Lead	Timing
1. Introductions & apologies	Ofgem / Chair	10:00 – 10:05
2. Review of Action log	Ofgem / Chair	10:05 – 10:10
3. Targeted Charging Review update	Ofgem	10:40 – 11:00
4. Balancing Services Charges Task Force update	ESO	11:00 – 11:10
5. Access Project update	Ofgem	11:10 – 11:25
6. Forum Feedback	Lead Secretariat	11.25 – 11:35
Break		
7. <u>Programme Plan</u>	Lead Secretariat	11:50 - 12:05
8. Updates on new & existing Charging Modifications	Code Administrators & Ofgem	12:05 – 12:20
9. Key messages to be shared with Code Panel meetings	All	12:20 – 12:25
10. Timings for CDB and CFF meetings in 2019	All	12:25 – 12:40
11. Any other business	All	12:40 – 13:00
a) Industry strategic projects	All	
b) <u>TNUoS</u> Charging of Co-located Generation	ESO	

2. Review of Actions Log



Charging Delivery Body Action Log – from meeting held on 13 December 2018

Action number	CDB Meeting action raised	Min ref no.	Owner	Action	Status	Due by	Status
CDB70	13 December 2018	6.2	Charging Delivery Body	CDB to review the program plan at the next meeting	To be discussed at January meeting	January 2019	Open
CDB71	13 December 2018	6.4	Lead Secretariat	Amend the Terms of Reference	In progress	January 2019	Open

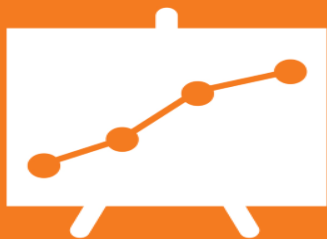
3. Targeted Charging Review update

Ofgem

Targeted Charging Review

Charging Delivery Body

7 February 2019



The TCR Minded to decision consultation closed on Monday 4 February.

Stakeholder engagement during the consultation period

- During the consultation window we **met with a variety of stakeholders**, to clarify various aspects of our policy.
- Provided **teach in sessions** and help stakeholders respond to consultation.
- Published an **open letter on the implications of charging reforms on electricity storage**.
- Provided clarity on how residual charges are allocated **per MPAN**.

Charging Delivery Body: Implementation challenges, 16 January

- Identified a series of **implementation challenges** and had an open discussion with you.
- Northern Powergrid submitted customer segmentation options.

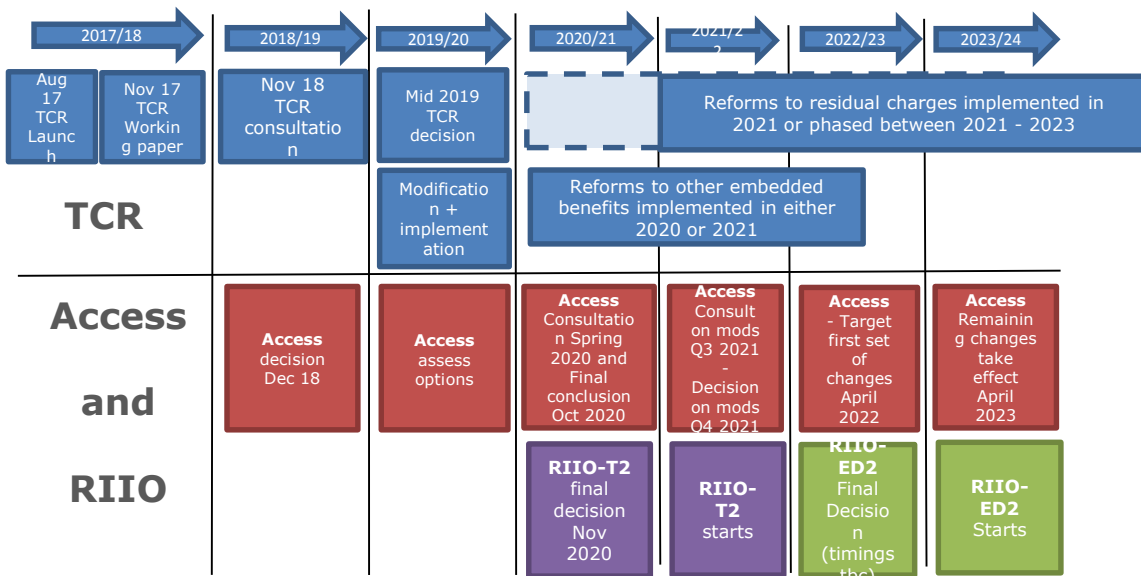
Charging Futures Forum, 15 January

- Presented our Minded to decision and draft impact assessment at the CFF.
- Sought **initial stakeholder views** whilst the consultation window was open.
- Identified **key areas of stakeholder concern**.

Next steps

- We are currently **reviewing the consultation responses** and considering stakeholder views.
- Identifying those areas of **stakeholder concern and developing our position**.
- We are keen to utilise your skills and knowledge, and will **be in touch for future involvement**.

We are reviewing the charging framework holistically; working closely with the Electricity Network Access and RIIO project teams to ensure a consistent approach is taken to the different reforms underway across the energy system.



4. Balancing Services Charges Task Force update

ESO

5. Access Project update

Ofgem



CDB – Access Project update

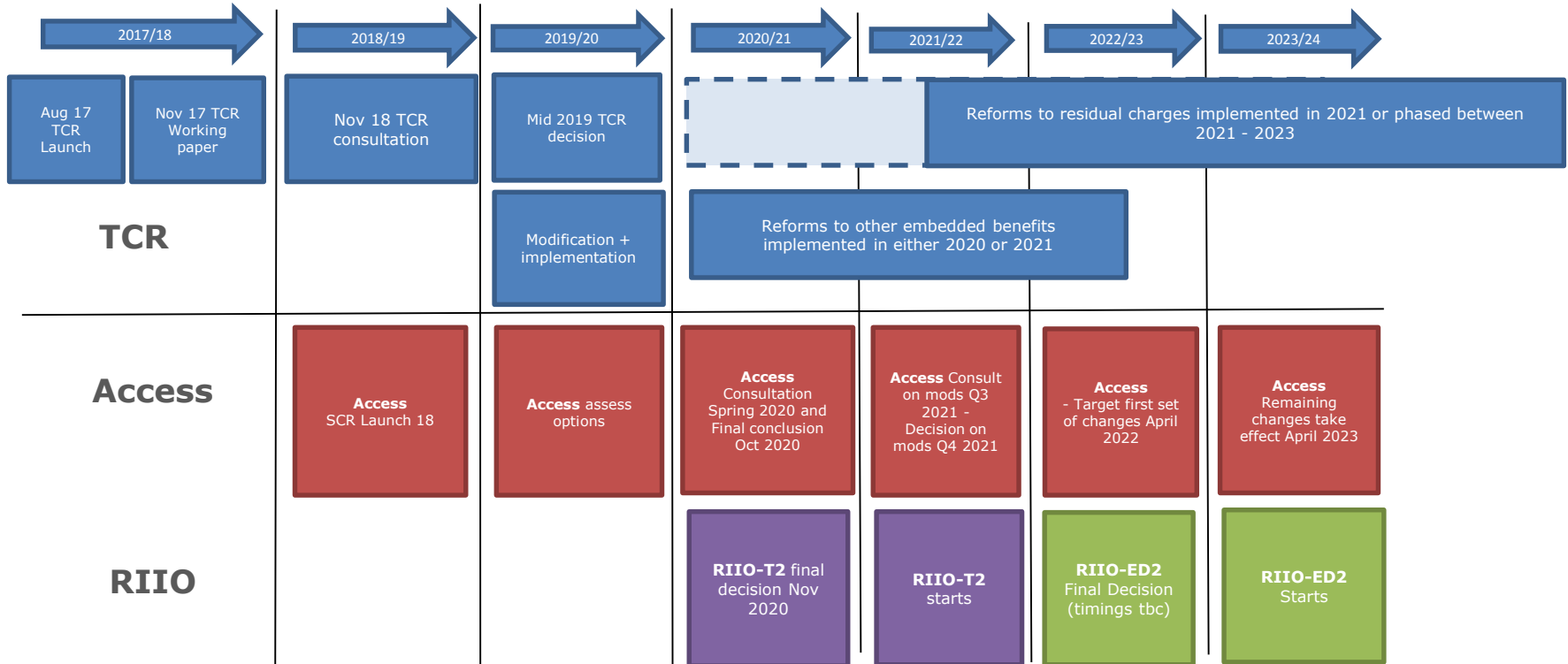
Update



We want to ensure electricity networks are used efficiently and flexibly, reflecting users' needs and allowing consumers to benefit from new technologies and services while avoiding unnecessary costs on energy bills in general.



- Launch of the SCR – December 2018
- Charging Futures engagement – CFF / Webinar / Podcast
- Planning for the year ahead (eg sequencing, product descriptions)
- First Delivery Group meeting
 - Creation of Working Groups
- Setting up the Challenge Group
- Processing information request returns



By November, aim to decide on shortlist of options that we will undertake more detailed assessment (including modelling)

To support this, we propose to publish two working paper over summer setting out the options development we have done in different areas and our (largely qualitative) assessment to date of them. We propose splitting the different areas of scope into two tranches to allow the work to be staggered:

- **June:** options for access right definition/choice, charge design and DUoS cost/locational models
- **September:** potential approach for small users, TNUoS charging of DG/reference node, distribution connection charging boundary and user commitment

- Second Delivery Group meeting – **13th Feb**
- Identifying gaps in information request - **Feb**
- First Challenge Group meeting – **26th Feb**
- First three deliverables for working groups finalised – **end of March**

Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.

We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.

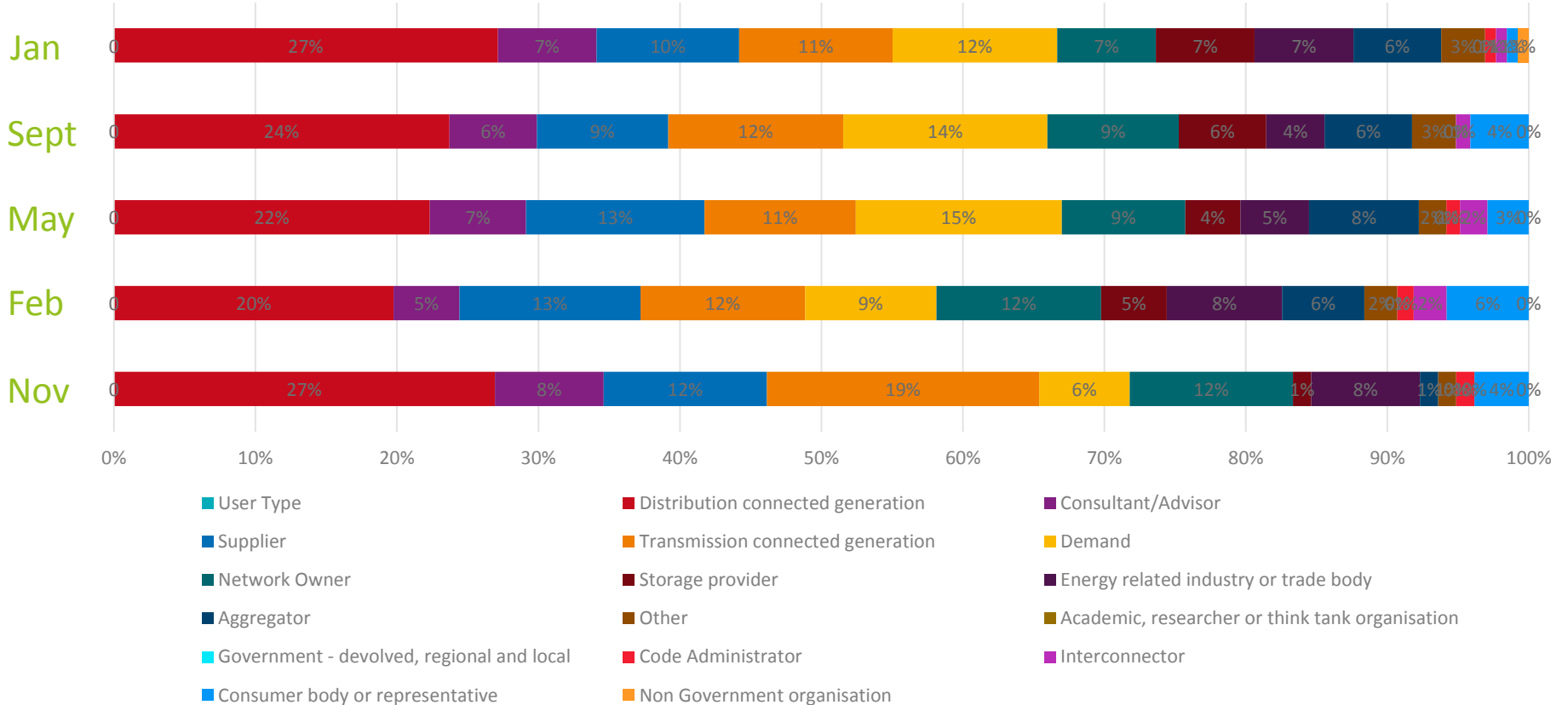
6. Forum Feedback

Lead Secretariat



Breakdown of Attendees

Attendance: 88





Feedback Scores

On a scale of 1-10 (10 being highly-recommend) how much would you recommend this event to a friend or colleague?

Overall Score: 7.5

User Type	Average Score
Consumer Bodies / representative	6.0
Network Owners	7.8
Energy related industry or trade body	7.5
Demand	6.0
Government	8.0
Storage	8.2
Code Administrator	8.5

User Type	Average Score
Transmission	7.7
Distribution	7.5
Consultant/Advisor	7.0
Supplier	8.3
Aggregator	7.7
Other	7.7



Q: What went well?

- **Well briefed**
 - Pre-Forum Podcast
 - Consultations and webinars available ahead of time
- **Open discussions**
 - Participation from wide range of delegates
 - Good engagement from Ofgem
 - Plenty of interaction
 - Mixed tabled with good discussion
- **Scheduling**
 - Lots of questions answered in Q&A
 - Good venue
 - Time well managed – regular breaks



Q: What would you like to see improved?

- **Discussions**
 - More time to discuss before feeding back
 - More informed facilitators
- **Content**
 - Best sessions had deep content – not notifications that something is out there
 - More specific questions on BSUoS alongside analytics
 - More focus on detailed analysis
- **Getting up to speed**
 - Catch up sessions available at start of day

Coffee Break

The right side of the slide features a large, abstract graphic composed of several overlapping geometric shapes. A large cyan triangle points to the left, meeting the text. To its right, a lime green triangle points to the left, overlapping the cyan one. Below the lime green triangle is a dark blue triangle pointing to the left, overlapping both the cyan and lime green shapes. The overall composition is modern and minimalist.

7. Programme Plan

Lead Secretariat





8. Updates on new & Existing Charging Modifications

Code Administrators & Ofgem







Holistic view of Charging Modifications – In flight 30th January 2019

Implementation 

	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CUSC Charging Modifications												
CMP271 - Improving the cost reflectivity of demand transmission charges Raised: 01/11/2016	On Hold											
CMP274 - Winter TNUoS Time of Use Tariff (TToUT) for Demand TNUoS Raised: 01/11/2016	On Hold											
CMP276 - Socialising TO costs associated with "green policies" Raised: 17/03/2017	On Hold											
CMP280 - Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users Raised: 31/07/2017					Work Group							
CMP281 - Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities Raised: 31/07/2017					Work Group							







Holistic view of Charging Modifications – In flight

Implementation 

	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CUSC Charging Modifications												
CMP286 - Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process Raised : 10/10/2017					Work Group							
CMP287 - Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process Raised: 10/10/2017					Work Group							
CMP288 - Explicit charging arrangements for customer delays and back feeds Raised: 15/02/2018					Work Group							
CMP292 - Introducing a Section 8 cut-off date for changes to the Charging Methodologies Raised: 15/02.2018 Submitted to the Authority:					Work Group							
CMP294 - National Grid Legal Separation changes to CUSC Section 14 Raised- 19/04/2018 Submitted to the Uauthority: 12 /09/2018					Awaiting Authority Decision 							
CMP300 Cost reflective Response Energy Payment for Generators with low or negative marginal costs Raised 17/05/2019					Work Group							

Holistic view of Charging Modifications – In flight

Implementation 

	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CUSC Charging Modifications												
CMP301- HVDC Subsea Circuits Raised : 17/05/2018					Sendback							
CMP302 – Extending the Small Generator Discount in to the CUSC Raised: 2308/2017	On Hold											
CMP303 – Improving Local Circuit Cost reflectivity Raised: 15/02/2018					Work Group							
CMP304 – Improving EPRS Raised: 23/08/208					Work Group							
CMP305 –Removing EPRS Raised- 23/09/2018					DFMR							
CMP306 – Cost of Capital Raised - 20/09/2018					Work Group							
CMP307 – Removal of BSUoS from EG Raised – 20/09/2018	On Hold											
CMP308 – Removal of BSUoS from Generation					Work Group							

Holistic view of Charging Modifications – In flight

Implementation 

	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Distribution Change Proposals												
DCP 243 - Treatment of Customer Contributions in the CDCM Category CDCM Target Implementation: REJECTED					REJECTED by The Authority							
DCP 266 - The Calculation and Application of IDNO Discounts Category CDCM Target Implementation: 01/04/21					Definition							
DCP 268 -DUoS Charging using HH Settlement Data Category CDCM Target Implementation: 01/04/21					Awaiting Ofgem Decision							
DCP 287 - Generation Credits in the EDCM Category EDCM Target Implementation: LIKELY SUSPENSION					SCR Interaction							
DCP 306 – Treatment of Ofgem License Fees within the PCDM Category PCDM Will be Implemented: 01/04/20									To be Implemented 01/04/20			
DCP 313 -Eligibility Criteria for EDCM Generation Credits Category EDCM Target Implementation: 01/04/2021					Change Report							
DCP 311 -Clarification of NUF Cap & Collar Calculations Category EDCM Will be Implemented: 01/04/20									To be Implemented 01/04/20			

9. Key messages to be shared at Code Panel meetings



10. Next steps – timings of next CDB and CFF meetings





Meeting dates

- > **Charging Delivery Body Meeting**

- > **Charging Futures Forum**

- > January 2019 - London

11. Any Other Business



