

Minutes

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| Meeting name | Charging Delivery Body - Meeting 9 |
| Time | 1pm – 4pm |
| Date of meeting | 27 th September 2018 |
| Location | National Grid Offices, Strand, London |

Attendees

| Name | Initials | Organisation |
|---------------------------------------|-----------------|--|
| Charging Delivery Body Members | | |
| Andy Burgess | (AB) | Chair – Ofgem |
| Shazia Akhtar | (SA) | Technical Secretary - National Grid ESO |
| Angelo Fitzhenry | (AF) | ElectraLink (Code Administrator) |
| John Twomey | (JT) | National Grid ESO (Code Administrator) |
| Louise Schmitz | (LS) | National Grid ESO |
| Nigel Bessant | (NB) | Scottish & Southern Electricity Networks |
| Nicholas Rubin | (NR) | Elexon (Code Administrator) |
| Paul McGimpsey | (PMcG) | SP Distribution and SP Manweb |
| Rob Marshall | (RM) | National Grid ESO (Lead Secretariat) |
| Simon Yeo | (SY) | Western Power Distribution |
| Lee Wells | (LW) | Northern Powergrid |
| Chris Barker | (CBa) | Electricity North West |
| Ofgem Attendees | | |
| Chris Brown | (CBr) | Ofgem |
| Paul Guillon | (PG) | Ofgem |
| Jon Parker | (JP) | Ofgem |
| Apologies | | |
| Tony McEntee | (TM) | Electricity North West |
| Oliver Day | (OD) | UK Power Networks |
| Observers | | |
| Michael Harding | (MH) | BUUK Infrastructure |

1 Introductions and apologies

- 1.1 Michael Harding from BUUK Infrastructure was introduced to the group as an observer.
- 1.2 Apologies were received from Tony McEntee, Electricity North West and Oliver Day, UK Power Networks.
- 1.3 Shazia Akhtar was introduced to the group as the Technical Secretary for the Charging Delivery Body (CDB).

2 Review of the Charging Delivery Body Actions Log

- 2.1 CDB members noted that all actions were completed bar one. CDB067 will be discussed at the next CDB meeting.

3 Feedback from Charging Futures Forum

- 3.1 RM presented feedback from the Septembers Charging Futures Forum. RM confirmed there were 70 attendees, this was slightly lower than previous Forums but not significantly different. Since the Forum that was held in February 2018, there had been an increase in attendance from Distribution Connected Generation, Demand, Transmission Connected Generation, Storage Providers and a decrease in attendance from Suppliers, Energy Related Trade Bodies, Code Administrators and Aggregators.
- 3.2 CDB members requested numbers on the bar graph providing the breakdown of attendees. CDB members highlighted they knew they had not picked an ideal week to hold the Forum in the first week of September, as people may be on annual leave, however they were driven to do this because of the Access and Forward-looking Charging Arrangements consultation. The question that we should really be asking is are we seeing a fair representation of everyone we would like to see at these Forums.
- 3.3 RM stated that the feedback to the Slido question “How much would you recommend this event to a friend or a colleague?” gave the Lead Secretariat an overall score of 7.9. This was higher than previous Forums where they achieved a score of 7.2 and 7.1. If this is broken down further into user groups, the scores demonstrate that Energy Related Industry or Trade Bodies, Suppliers, Network Owners and Consultant/Advisors would highly recommend the forum to others, but Demand and Interconnector users were less likely to do this.
- 3.4 CDB members questioned if there was a big difference within the range of individual scores for demand and Interconnectors. RM confirmed there was a narrower spread of scores in comparison to the last Forum, with most scores ranging being between 6 and 9.
- 3.5 NR stated they need to be targeting demand connected stakeholders to understand why they are not getting what they need out from the Forums.
- 3.6 CDB members stated that the TCR modelling which was presented at the last Forum would have been beneficial to demand representatives, so it is difficult to understand what they want. In relation to interconnectors they can understand the low score, as a lot of the stuff covered at the Forum would have been out of scope for them.
- 3.7 RM explained that a score of 9 or 10 would mean you were a promoter, whilst a detractor would be a score of 7 or below and anything in between would be neutral. CBr highlighted that there were more promoters than there were detractors at this Forum.

- 3.8** NR questioned what the score would have been if CDB members did not vote.
- 3.9** CDB members stated they need to be careful not to take too much out of this score. This should only be used as a comparative tool/indicator rather than an absolute benchmark.
- 3.10** RM summarised the feedback responses to the question, what went well. RM explained that users liked the venue, format, structure, timing of the event, wider updates, discussions, advance summary material, podcasts, webinars and stakeholder engagement.
- 3.11** CDB members highlighted that the frequency of CDB meetings should be aligned to the Charging Futures Forum. This will tie into the ToR which states that the CDB should take its lead from the Forum and also allow appropriate input into the CDB ahead of future forums.
- 3.12** RM summarised the responses to the question, what would you like to see improved. CDB members questioned if the venue limited the number of attendees, if London was the right place to host the Forum and if the format of the event needed to be changed if there were to be an increase in attendees. RM confirmed that they have not yet hit their maximum capacity and there were 20 spare seats at the last Forum. London is quite central, so works quite well and is easy to get to, but if needs be they could hold regional events in Scotland and Wales.
- 3.13** CDB members highlighted that there needed to be better recording and feedback of the major themes that are drawn out of the round table discussions. This can be done by consistent facilitation recording discussions into menti sessions. All pre-reading material should be made available in advance, prioritisation and delivering change should be a key area of discussion at future Forums and should they consider giving more direction to future Q&A sessions.
- 3.14** RM summarised the feedback on what people would like to hear at future sessions. CDB members highlighted that there may be a need to touch upon Trading Arrangements due to the large level of change currently going on in the industry. AB confirmed that Ofgem will be doing some work on future retail markets and are planning events for January 2019. The events will touch upon different themes such as network charging, RIIO 2 and give stakeholders an opportunity to understand how things will fit together.
- 3.15** RM highlighted that the CDB email distribution list has grown to 589 emails addresses and the most linked item was Access and Forward-Looking Charging arrangements final report and conclusions (Access Task Force- May). The average open and click rate continues to be above the Industry average. The volume of click rates are also relatively consistent, this shows there is a good level of engagement for any future emails that may go out.
- 3.16** RM summarised the upcoming engagement activities and stated that the summary notes are going down well, but they are at a high level which means they do end up losing some of the content but maker the content easier to understand. CDB members agreed this was the trade-off and that users found them very useful.

4 Targeted Charging Review update

- 4.1** AB provided an update on the Targeted Charging Review (TCR) Significant Code Review (SCR) and confirmed the Ofgem team was preparing for an Ofgem board meeting in October to try and reach a consultation position on a preferred set of options. They are hoping that a decision will be made by the end of October and that the consultation will be published by November/December 2018.
- 4.2** AB confirmed that they had considered several options including the distributional impact of them before narrowing them down to two which will be consulted on, and with Ofgem noting which is its preferred option. They have also considered the timing of changes and transitional arrangements.

- 4.3** CDB members highlighted that once the consultation is published parties may start to think more about the financial impact of future changes.
- 4.4** AB explained that the build up to the next Charging Futures Forum is quite important, as parties will need to get their heads around what Ofgem is recommending and what this means for all parties involved. Ofgem's objective was to do what is best for consumers as a whole. Users will need to try and understand the impact of the changes for different users, along with how this will change over time to a fairer allocation of costs.
- 4.5** AB said that Ofgem's current thinking was to provide a clear direction on the changes that would be needed but to leave it up to the industry to develop the modifications. A decision is expected in Spring/Summer 2019.
- 4.6** CDB members discussed any benefit in developing the different types of modifications that will be needed across the codes during the consultation phase, especially if Ofgem would like these implemented in the following charging year (2020/21). CDB members highlighted that it will take some time to develop new charging models and billing systems.
- 4.7** AB confirmed that Ofgem would like the benefits of the new charging system to be implemented as soon as possible but recognised they would have to allow business enough time to prepare for this.

5 Access & Forward-looking Charging Reform update

- 5.1** AB confirmed that the Access and Forward-looking Charging arrangements" consultation closed on the 18th September and they have received just under eighty responses. AB confirmed that they will be looking to make representations to their board by November, and will hopefully publish a decision just before Christmas. This will include detail on the scope of the work, how it will be structured (in terms of key milestones) and how Ofgem would like stakeholders input into this process.
- 5.2** CDB members discussed if there was anything that they could do in the interim to support these future changes, such as reviewing current governance arrangements to see if they were appropriate and tweaking Industry Codes sooner rather than later.

6 Review how effectively the CDB is achieving its objectives

- 6.1** RM highlighted that it was the CDB's first birthday and it was a good time to review its effectiveness.
- 6.2** RM recapped the CDB Terms of Reference (ToR), which can be found [here](#).
- 6.3** RM posted three questions up on the wall. What elements of the CDB: 1). Don't add value (stop doing)? 2). Do add value (continue to do)? 3). Could add value in the future (start doing)? RM requested that the CDB break into three groups, one group per question. RM invited the groups to discuss their individual questions and to collectively represent their views on post-it notes on the wall. RM then directed the groups to rotate to another question, until each group had answered all three questions.
- 6.4** RM summarised the CDB views from this exercise as follows: 1) Stop doing – less time spent reviewing analytical feedback from forums, discussing DNO/ESO resources being made available to task forces as it is expected, CDB membership being network company led and discussing topics that are out of scope. 2) Continue to do – Developing roadmaps which give greater clarity and scheduling of programme of works. 3) Start doing – Building a clearer overall plan with a view on scheduling implementation and policy developments. Better communication with Transmission Charging Methodology Forum (TCMF), Distribution Charging Methodologies Development Group (DCMDG) and Code Panels, in terms of agenda

items and CDB priorities. The need for the CDB to step up as a group, as the process goes on.

- 6.5 CDB members suggested that all the codes should have a timeline based on potential implementation dates which can then be shared with the wider industry. They can then use these dates and have meaningful discussions around timescales, key milestones and the level of work needed across the codes to deliver these changes.
- 6.6 RM stated that there were some existing timelines that provided an overall plan which could be developed further to incorporate the CDB recommendations mentioned above.
- 6.7 NR stated that all the ideas that they have raised should be critically appraised before they making a group recommendation on how they feel the CDB should be changing.
- 6.8 NR suggested that the CDB should also review its individual CDB member requirements along with its mission statement. NR questioned how far the CDB had actually come in delivering its mission statement which states that: "The CDB will work to deliver a programme for the development of Electricity, Network Charging and Access Arrangements".
- 6.9 CDB members recognised that they are still at the first stage of the process which is working out what the requirements of the programme are. However, once they start to receive more clarity around the changes that will be coming out of the SCR/TCR and Access Review they can then collectively start to plan how to deliver this programme of change.
- 6.10 NR suggested they could start planning this now whilst things are quite rather than having to rush around later.
- 6.11 CDB members discussed having the correct people to carry out the analysis along with a strawman of options which could then feed through into the codes.
- 6.12 CDB members stated that it may also be worth considering if the Charging Futures Forum is doing everything it should be doing.
- 6.13 RM stated that all the feedback will be put together and a new action will be created for them to continue to review this at the next CDB meeting.

Action CDB069: Discuss potential additions and changes to the existing ToR.

7 Updates on New and Existing Charging Modifications

- 7.1 **Connection and Use of System Code (CUSC)** – JT confirmed that there were currently eighteen in flight CUSC Charging Modifications, this included CMP251/296 and 301 which were all currently with the Authority for a decision. CBr stated that Ofgem were very close on reaching a decision on these three modifications.
- 7.2 JT explained that CMP294 will also be going to the Authority for a decision in October along with all the other legal separation modifications.
- 7.3 JT updated CDB members on the remaining CUSC Charging Modifications. CMP271/274 and 276 were all still on hold pending the outcome of the SCR/TCR. CMP281/286/287 and 288 will all be going out to Workgroup consultation within the coming weeks. The First Workgroups for CMP292, 303 and 304 have been planned in for late September/early October. The first Workgroup for CMP300 has been postponed due to the Workgroup not obtaining quoracy, this will be discussed at tomorrow's CUSC Panel to decide how best to proceed with this modification. An urgency request for CMP302 has been sent to the Authority and resources have been lined up to hold Workgroups over the next two months. CMP305 will be going out to Code Admin Consultation within the next few days, once the legal text has been finalised.

- 7.4** JT went on to highlight that there will be two new charging modifications which will be raised at Septembers CUSC Panel, CMP306 which is linked to connection charging and CMP307 which is looking to expand the BSUoS charging base to include embedded generation.
- 7.5** AB stated that in relation to CMP280 Ofgem were concerned that Workgroup discussions were too broad and that the Workgroup needed to concentrate on a) the original purpose of the modification which is storage and b) bringing a quicker change to industry.
- 7.6** AB stated CMP281 is a bit trickier as it starts to look at what BSUoS is for and to what extent you can separate out the residual elements of BSUoS from the other elements. Ofgem have also had discussions during the Access and Forward-Looking Charges Arrangements consultation on whether the ESO needs to lead a piece of work on BSUoS.
- 7.7** AB confirmed that they are thinking of getting a message out along these lines to tomorrows CUSC Panel.
- 7.8** LS confirmed that the ESO have already initiated some workshops on BSUoS because of the level of interest they have had from their transmission customers on the reforms to the BSUoS charging arrangements. Parties have signed up to the workshops, within minutes of the emails being sent, so this clearly indicated there is an appetite for this. After these initial workshops, the ESO will look to understand the scale and scope of the changes that may or may not be needed before continuing with an ESO lead taskforce that will also look at wider topics.
- 7.9** LS stated that she is concerned by the increasing number of modifications that are currently being raised which have a cross over with the SCR/TCR or the Access work that Ofgem are currently doing. LS highlighted CMP302, CMP307 and confirmed she had also had discussions with at least two other parties who are interested in raising BSUoS modifications. LS felt this was very inefficient from a process point.
- 7.10** AB stated that as part of the TCR they will be making a broad decision on embedded benefits, so it may be a bit premature for this new modification CMP307 to be raised at this stage.
- 7.11** LS stated that the governance arrangements do not allow a modification not to exit once it has been raised. Ofgem would need to give an instruction that this modification sits within the scope of the SCR/TCR. The Proposer can then choose to withdraw or suspend the modification until the outcome of the review.
- 7.12** LS highlighted that they are also awaiting an Ofgem decision on CMP302 and whether this should be granted urgency. The quicker Ofgem reaches this decision or highlights any cross overs with the SCR/TCR the quicker resources allocated to this modification can be used elsewhere.
- 7.13** AB confirmed that their current view was that CMP302 should not be treated as urgent and that there was a crossover with the SCR/TCR. AB stated that their final position would be confirmed in their decision letter, but they would aim to get a view to the following day's CUSC Panel on both these modifications.
- 7.14** LS highlighted that there may be some new modifications on the horizon in relation to Interconnectors and Brexit.
- 7.15** JT confirmed that some parties were starting to look at what Brexit may look like, the commercial opportunities it could give them and how to potentially unwind certain elements of the third package. JT highlighted that they have had discussions around the need to raise these modifications at this stage, given that they do not currently know what Brexit will look like and have signposted parties to BEIS for further clarity around this. If parties still chose to

go ahead and raise these modifications, they will still have to go forward through the process along with all the other modifications.

7.16 Distribution Connection and Use of System Agreement (DCUSA) - AF Stated that there were no significant charging issues raised or modifications developed at DCMDG, but there could be one on the horizon in the coming months. LW confirmed that he had three or four modifications that he was waiting to raise in relation to licence changes.

7.17 AF updated CDB members on the ten DCUSA Change Proposals in flight. AF stated that DCPs 306 and 311 had been approved and were scheduled to be implemented on the 1st April 2020. DCPs 243 and 268 are currently with Ofgem for a decision and Friday 28th September is the last date for them to reach a decision if the changes were to be implemented for the April 2020 charging year. CBr confirmed that it would be hard for them to reach a decision on these modifications by that date, CBr agreed to discuss this further offline. AF explained that leaves six ongoing Change Proposals at definition stage which are still in progress.

7.18 NR updated CDB members on the BSC and explained the only vaguely Network Charge related matter currently being considered was a possible consultation on final consumption levies, which could have a read across to CMP280.

8 Key messages to be shared with Code Panel Meetings

8.1 AB wanted to discourage parties from raising or vigorously pursuing any code modifications that were within the space of the SCR/TCR, Access and Forward-Looking Charging Arrangements and Ofgem's thinking around BSUoS, until their recommendations had been published. AB said that there was no point wasting Industry time and resources developing these code modifications until that point.

8.2 JT thought that the Panels might not be the right place to communicate this message as the modifications may have already been raised by that point. JT suggested that a more proactive industry wide communication using different media channels was needed, to target the entities that are proposing these modifications.

8.3 LS said that there was already a guidance document and tick box in place on modification proposal forms to ensure parties were fully aware of the work currently being carried out by Ofgem, ahead of raising a new CUSC modification. However, this had not prevented modifications with a cross over from being raised.

8.4 NR considered that most parties were raising these modifications because they did not have the time to wait for the outcome of these reviews.

8.5 CDB members discussed the benefits of having an Ofgem representative at TCMF and DCMDG. This would allow parties an opportunity to catch up offline with the Ofgem representative if there were any uncertainty around potential cross overs, ahead of raising new modifications. The only potential downside to this, was that there was no obligation on parties to attend these forums ahead of raising a modification.

8.6 CDB members discussed the future challenges on Industry budgets, time and resources once Ofgem publishes its recommendations on the TCR/SCR and Access Reforms. CDB members discussed how they could provide Industry support by coordinating, prioritising and streamlining the changes that will be required. CDB members suggested that a process could be put in place which would allow them in conjunction with Ofgem and Panels to suspend, defer or prioritise modifications.

9 Future CDB and Forum Meetings Dates

9.1 RM confirmed that the next Charging Futures Forum will be held in January 2019.

9.2 RM stated that all CDB members were in agreement that the next Charging Delivery Body Meeting should be held after the publication of the TCR/SCR or Access reforms, but ahead of the next Charging Futures Forum. This will be scheduled in due course.

10 Any Other Business

10.1 LS stated that she would like to draw the CDB's attention to the re-launch of the ESO Forward Plan on its Principle to Facilitate Competition in Wholesale and Capacity Markets. This was released on the 21 September 2018 and highlights the ESO's visions and plans for the future.