



The quarterly Charging Futures Forum is the primary place for users of the electricity network to learn, contribute and shape the future of charging arrangements.

This summary gives an overview of the key topics presented and themes discussed at the Forum on 28 February 2018 at Prospero House, London. It includes a forward look at how these discussions will shape the next quarter of work on future access and charging arrangements.

The next Forum will take place in the summer (date tbc).

Objectives of the Forum

On 28 February, 67 organisations representing users of the GB's electricity transmission and distribution networks came together for the second Charging Futures Forum. The objectives for the day were for attendees to:

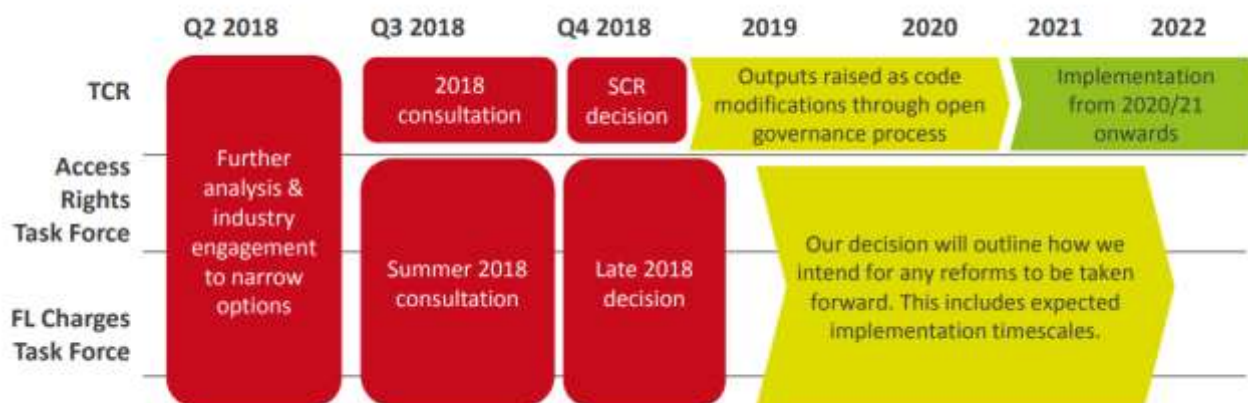
- › **Learn** about initial options on Access Rights and Forward Looking Charges from Task Forces
- › **Learn** about how the wider landscape and developments in technology are relevant to charging and access reform.
- › **Contribute** their thoughts on initial Access Rights and Forward Looking Charges options
- › **Ask** questions to Ofgem and Task Force members around these developments

The agenda included a look back and ahead at Charging Futures programme; a European regulatory update; a presentation on the domestic consumer perspective; a panel on Electric Vehicles; and an afternoon workshop looking at possible scenarios for Access Rights and Forward Looking Charges.

Charging Futures: Looking back and looking ahead

Looking back: Rob Marshall from the Lead Secretariat (National Grid ESO) and Judith Ross from Ofgem gave an overview of what's happened in Charging Futures so far. They covered the key discussion topics such as the next steps in analysis for the Targeted Charging Review, and the Task Force's initial options on future Access Rights and Forward Looking Charges. They also covered the last quarter's Charging Futures resources and activities that had been developed using the last Forum's feedback e.g. webinars, summary notes and a preparatory podcast ahead of this Forum.

Looking ahead: Ofgem's Judith Ross covered the future timeline for the TCR and Task Force work (see below).



- › [View slides from Charging Futures: looking back and ahead.](#)

Wider landscape and technological developments impacting reform: Europe, domestic consumers and Electric Vehicles (EVs)

Andy Burgess from Ofgem provided a **European policy and regulatory update**, reiterating that the UK is still bound by European legislation, and that Ofgem was continuing to work closely with other European regulators on the Clean Energy Package. Under this package, there are a number of Electricity Market design proposals, of which the most relevant to access and charging arrangements are:

- › Detailed billing info and consumer right to smart meter & dynamic pricing contracts
- › 15 minute settlement for wholesale and smart metering
- › Harmonising electricity transmission and distribution network tariffs
- › New rules and network codes for flexibility market and distribution systems

Stew Horne from Citizen's Advice presented the view of the **domestic consumer**, providing another perspective that Forum attendees could consider in the afternoon workshop's scenarios.

Chris Brown from Ofgem hosted an **industry panel on Electric Vehicles** to explore some of the challenges and opportunities new technologies like EVs will bring to networks, and how future charging arrangements could flex to new developments.

- › View [European update](#) and [Citizen's Advice](#) slides.

CONTRIBUTE Workshop: Access and Forward Looking Charges scenarios

The afternoon workshop gave attendees the opportunity to learn about the two Task Force's initial options for change. Andy Burgess provided an overview of the Ofgem's Electricity Network Access project, outlining the project's scope, objectives and timescales. Andy noted that Ofgem published

its working paper on ‘Reform of electricity network access and forward-looking charges’¹ in November 2017 and that Ofgem anticipates consulting on its Initial Proposals for Reform, if needed, in Summer 2018.

Andy also noted that the Task Forces published their first report identifying the initial options agreed for further assessment in early February 2018.² The Task Forces are currently working to identify how the options for reform fit together. Attendees were then able to hear from task force members on the Task Forces’ initial thinking and then contribute their own views in two breakout sessions.

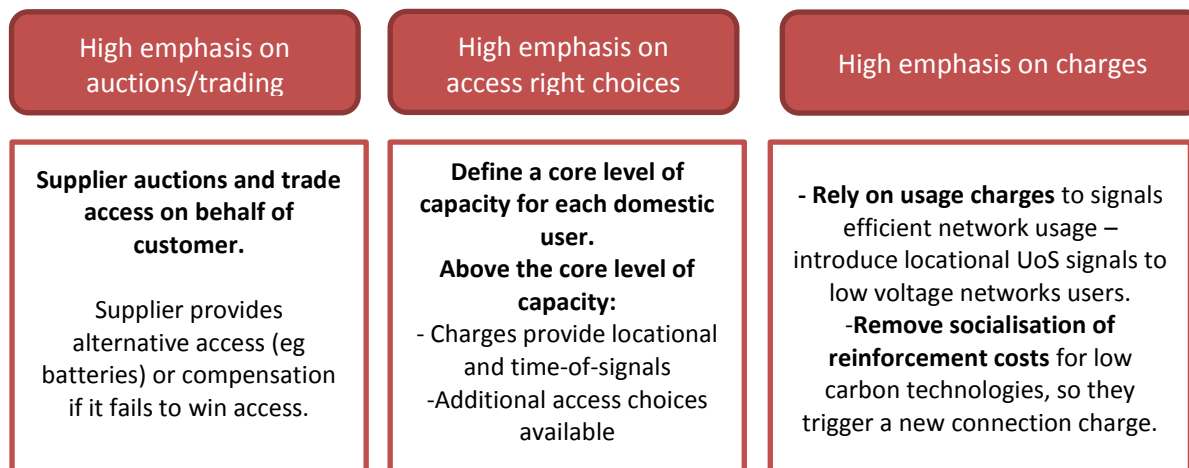
The first breakout session discussed possible high-level scenarios for large users. A common question in this session was around how auctions would work. The breakout groups discussed which scenario would best meet their requirements, as well as supporting timely and efficient network investment. They also discussed which scenarios would best support competition by providing a level playing field.

High emphasis on auctions/trading	High emphasis on access right choices	High emphasis on better usage charges
<p>Access choices are well-defined (including being financially firm) They are purchased via auctions, with scope for re-sale. Charging models still used to set robust reserve prices, with potential changes to ensure they reflect differential value of access adequately.</p>	<p>Access rights are granted broadly on a first come first served basis. There is a range of choice around type of access to maximise use of capacity. Capacity charges reflect impact of different choices on network costs. Non-firm holders can trade curtailment obligations through a market-based mechanism.</p>	<p>Limited changes to access, with reliance on usage charges.</p> <p>Most charges focused on usage at system peaks. Could include more locational charging (eg for constraint costs).</p>

The second break out session discussed the high-level options scenarios for smaller users. A key theme that came out in discussions was around the diversity of domestic users and the potential future changes in domestic usage (e.g. electric vehicles). There were divergent views about whether domestic users should face purely cost reflective charges, or whether arrangements should take into account the essential service requirements of domestic users. In particular, some breakout groups considered that smaller users may be less able to predict and to respond to price signals.

¹ <https://www.ofgem.gov.uk/publications-and-updates/reform-electricity-network-access-and-forward-looking-charges-working-paper>

² <http://www.chargingfutures.com/media/1130/access-and-flc-options-paper-final-published-12022018.pdf>



We received a wide range of feedback from stakeholders. The feedback will be used by the Task Force Members to inform their assessment the options. Ofgem will also use the feedback to inform its consultation on Initial Proposals for Reform which will be published summer 2018.

- > View full [workshop slides](#)
- > View workshop feedback overview on [large user](#) and [small user](#) scenarios

Feedback and next steps

You said

You **like the breakout sessions** – their format and the use of technology to structure opportunities to contribute. You suggested that future Forum’s should have more time for ‘contribute’ sessions.

You like the **pre-forum podcast** to warm up to the day’s key questions. You also want to reduce the time for context setting presentations in the morning.

You valued hearing the domestic consumer perspective from Citizen’s Advice, but want to **hear other consumer perspectives** at future Forums.

You found the **summary notes** published before the forum useful.

You want to hear more about the **Targeted Charging Review**, as well as the Access and Forward Looking Charges.

Next steps

> Future Forums will have more breakout time and use similar approaches to collect ideas from table discussions. This will be important with two significant **contribute** opportunities coming up – formal consultations around both the TCR and Access and Forward Looking Charges.

> We will continue to explore ways to provide attendees ahead of the Forum with the context and information they need to jump into the **contribute** sessions. This may involve pre-forum webinars, podcasts and other activities.

> The wider consumer view and other network user-type perspectives will be brought into future Forums.

> The summary notes will continue to be updated where there is progress on the TCR, Storage, Task Force work or BSUoS charges.

> Soon, the Lead Secretariat will share what opportunities are coming up in the next few months to **learn, ask** and **contribute** to both the TCR and Task Force work.

Next Forum and how to contact us

- › The next Forum will take place early summer in June/ July in London – date tbc.
- › You can continue to [register your interest](#) to go on the mailing list or attend future meetings.
- › National Grid Lead Secretariat, National Grid SO - chargingfutures@nationalgrid.com.
- › Ofgem Chair – CFF@ofgem.gov.uk
- › For more information on:
 - › Targeted Charging Review - TCR@Ofgem.gov.uk
 - › Access and Forward Looking Charges – chargingtaskforces@energynetworks.org

Other resources

- › Visit www.chargingfutures.com for:
 - › [Educational webinars](#) on how network charging works today and may develop in the future.
 - › Pre-forum and post-forum [podcast](#).
 - › Summary notes on [TCR](#), [Access & Forward Looking Charges](#), [Storage](#) and [BSUoS](#)