

Network-Led Access Rights Allocation Working Group

Delivery Group meeting

13 February 2019

Product 1 – Non-firm generation trading of curtailment obligations

This product will identify and assess options for the trading of curtailment obligations by non-firm generation with other relevant parties (including demand and/or generation).

Product scope to include:

- Identification of range of users' actions that can alleviate a constraint
- Trades with parties with firm or non-firm rights and position within merit order (e.g. LIFO)
- Trades across network boundaries, including IDNOs
- Definition/visibility of constraints and when this is made available to users
- Consideration of timeframe for trade (short-term or permanent and when trades happen)
- Consideration of network companies' and ESO role in facilitation of trades
- Rules and compliance obligations
- Reference to work being conducted elsewhere
- Consideration of use of trials to assess outcomes

Timing: TBC

The output of this product is expected to feed into Open Networks WS1A (Flexibility Services), Product 6: "Consider how to facilitate other markets that DSOs might be able to enable or support in the future".

Product 2 – The exchange of access rights between users

This product will provide recommendations as to how the principles developed under Product 1 (“Non-firm generation trading of curtailment obligations”) can be applied to firm connections.

Product scope to include:

- Exchange of access rights between users across network boundaries, including IDNOs
- Consideration of (and lessons learned from) the ESO’s current TEC trading product

Timing:

- This product will be commenced following conclusion of key findings from Product 1

This product takes forward the work done under the Open Networks Project in 2018. This product will outline longer term improvements to the connection queue through the development of a consistent queue management policy across electricity networks.

Product scope to include:

- Development of improved queue management approaches across transmission and distribution, including:
 - Agreed principles of queue management
 - Improved queue management for storage
 - Suitable milestones
 - Opportunities for alignment of approaches across T and D

Timing:

- Jan – Dec 2019

This product will develop a consistent approach across all DNOs for charging associated with Active Network Management (ANM) schemes.

Product scope to include:

- Development of change proposals to the Common Connection Charging Methodology, giving consideration to:
 - Transparency of charges
 - Consistency of approach
 - Cost reflectivity
 - Application of ‘Minimum Scheme’ principles
 - Consistency with current arrangements applicable to traditional network reinforcement, i.e. one-voltage rule and high cost cap

Timing:

- Draft proposal for common charging approach and regulatory treatment submitted to Ofgem
- Ofgem indication that they are not opposed to the proposal being progressed through the governance process
- Modification to CCCM submitted into DCUSA process - Summer 2019