

Ofgem Access and Forward Looking Charges Significant Code Review

Minutes

Meeting name	Delivery Group – Meeting 3
Time	10.00 – 16.00
Date of meeting	6th March 2019
Location	ENA Offices, 4 More London Riverside SE1 2AU

Attendees

Name	Initials	Organisation
Jon Parker	(JP)	Chair-Ofgem
Stephen Perry	(SP)	Ofgem
Amy Freund	(AF)	Ofgem
Patrick Cassels	(PC)	Ofgem
Scott Sandles	(SS)	Ofgem
Bethany Hanna	(BH)	Ofgem
Andrew Conway	(AC)	Ofgem
Bryan O'Neill ☎ (Part)	(BO)	Ofgem
Rebecca Cailles	(RC)	IDNO (CNA)
Jennifer Doherty	(JD)	ESO
Richard Woodward	(RW)	NGET
Paul McGimpsey	(PM)	SPEN
Nigel Bessant	(NB)	SSEN (DNO)
Chris Ong	(CO)	UKPN
Simon Brooke	(SB)	ENWL
Simon Yeo	(SY)	WPD
Andrew Enzor	(AE)	NPG
Aileen Mcleod	(AM)	SSE Transmission
Tony McEntee	(TM)	ENWL
Ross Thompson	(RT)	UKPN
Claire Campbell	(CC)	SPEN
Dylan Townsend ☎	(DT)	ElectraLink (DCUSA)
John Spurgeon	(JS)	ENA Secretariat
Katie Stanyard	(KS)	ENA Secretariat

1 Welcome and agenda

1.1 JP welcomed the Delivery Group members to the meeting, introduced new attendees and provided a brief overview of the agenda and the objectives for the meeting.

2 Actions update from second Delivery Group meeting

2.1 JS reviewed the actions from the previous Delivery Group meetings. Actions were discussed and updates reflected in Annex 1 to these minutes. Action DG10 was discussed, it was confirmed that two of the sub-group delivery plans had been updated, but the outstanding plans will be updated in due course, with the intention of using them for the workstream updates at the Delivery Group meetings.

Actions agreed under this item:

DG14: Ofgem reiterated the call for Delivery Group members to approach them with ideas for future trials that may generate learning for the SCR

3 Work stream update – Access rights

3.1 SP gave a briefing on the access rights discussion in the first Challenge Group (CG) session, explaining that they received valuable feedback from the group, that the group expressed interest in improving the definition of choice of access rights, and that there were some interesting differences in view from the generators.

3.2 **Report 1 (Current approach to planning and diversity assumptions):** PM updated the group on the status of Report 1, noting that the report had been reviewed amongst the sub-group and shared with Delivery Group (DG) for comment. AC queried that the report is very detailed from the outset and should have a section explaining the context and objectives of the paper to show why this work is important. RW raised that the paper did not state a recommendation and that the introductory section should make it clear what the other two access rights reports will cover. It was agreed that there should be a standard format and structure for all reports, including an introductory section explaining the context. In addition, JP raised that the report was demand focused and needed more detail on distributed generation and planning.

3.3 **Report 2 and 3 (Access choice design and cross-cutting issues for new access):** RT summarised the progress on Report 2, explaining that the sub-group is undertaking a first assessment of the options against the SCR guiding principles, following this the report will be circulated with DG for comment. The group had a discussion on the definition of physical firmness at transmission vs distribution, and what approaches are applied to connection in terms of curtailment risk and compensation. The group discussed the need for the drivers of firmness to be well and wholly articulated in either Report 1 or Report 2. RT provided an overview of the content of Report 3 and explained that the group would have opportunity to review the long list of options included.

Actions agreed under this item:

DG15: ENA to create a feedback template and circulate to the Delivery Group via Huddle

DG16: Group to review draft access report 1 and the long list of options presented feedback by 11th March

DG17: Access sub-group to review Report 1 based on feedback received from Delivery Group

DG18: ENA to produce standard template and brand guidelines for the sub-group reports

4 Work stream update – Charge design

4.1 The group were informed that Ofgem had produced a charge design note, based on literature and international review, and shared with CG and DG along with a survey. The content of the note was explained, including the five high level demand charging options and the two aspects from which to assess these options:

- Individual, half-hour settled, demand users (charged on individual basis)
- Supplier aggregated charging (charged based on customer base usage)

AE questioned whether the volumetric option covers a broad range including the critical peak option. The group discussed the difference between these two options, specifically that critical peak was dynamically determined and volumetric was not, then agreed that the difference needed to be better articulated. It was also explained that the presentation was just setting out the options but that blending options together may be required once feasibility assessment of each had been undertaken. A suggestion was also made to assess how the cost signals would be interpreted by users, especially small users, and whether suppliers would respond or pass on the signal to end users.

4.2 The feedback from the CG was presented and then the survey questions were posed to the group. On these questions it was raised that reactive power hadn't been referenced and should be considered a driver of cost, similarly, fault level drivers should be considered as it is becoming a bigger driver in generation. Ofgem agreed the subgroup should investigate this further. JP asked them to consider alignment with the planning standards work to ensure that the charge design options are not contrary to planning standards outputs.

Action agreed under this item:

DG19: Group asked to review and respond to survey on Charge Design Note

5 Work stream update – Locational granularity

5.1 PC provided an overview of the feedback received in the first CG meeting and explained the consensus in the session was for improved granularity.

5.2 PC introduced the approach taken and content of the draft Locational Granularity report. He explained that the sub-group had identified a long list of options, grouped them into five categories and undertaken an initial high-level feasibility assessment of each option. The group reviewed the long list of options and PC explained the feasibility assessment of each. It was proposed that an additional option could be added to use location zones based on groups of primaries that are interconnected, and that option 3A could be considered 'partially feasible' on the basis that it could use the same data required for option 2B. It was agreed that the sub-group would relook at the feasibility assessment of option 2B. In addition, the sub-group were asked to assess what the specific blockers were to the options deemed unfeasible, and to consider what it might take to overcome them, especially in regard to data sets being unavailable.

5.3 PC explained that the next steps in the process are to undertake cost reflectivity assessments on each option, excluding those deemed unfeasible at this stage, recognising that there may be multiple implementation approaches within each option. In parallel, Ofgem is coordinating an academic review to support the assessment of each option.

6 Work stream update – Cost drivers

6.1 CO gave a progress update on the Cost Drivers report, explaining that they have reviewed the RFI submissions and other publications to create a skeleton document, and that the draft report is due at the end of March. He also noted that progress had been constrained by the small size of the cost drivers sub-group and encouraged the DNOs to engage in reviewing the draft report if they did not have a representative on the sub-group. There were a number of volunteers to attend the next cost drivers sub-group teleconference on 8th March.

6.2 SS and BH gave an overview of the Cost Reflectivity questions identified by the sub-group and invited views from the Delivery Group. In reference to Seasonality, it was proposed that the sub-group assess the spectrum of cost drivers within seasons, not just the distinction between seasons.

6.3 The group discussed the role of the cost drivers report as an input to all other SCR reports. The group agreed that the cost driver report should capture the full variety of cost drivers but focus on the fundamental drivers. Each sub-group was asked to identify and feedback the requirements they have from the cost drivers report.

Action agreed under this item:

DG20: Locational Charging sub-group to confirm requirements for the cost drivers sub-group report (Ofgem to raise at the Locational Charging sub-group meeting 08/03/19)

7 Discussion – first Challenge Group meeting

7.1 SP provided an overview of the feedback from the CG meeting held on 26th February. The group had a discussion on ways to address feedback on the format of the challenge session, and on ways to ensure the Challenge Group input was used effectively throughout the SCR. It was agreed that the sub-groups should ensure that information shared with the CG was accessible to all members of the CG, recognising the diverse range of representatives in the group. It was proposed that all documentation shared with the CG clearly set out the context of the subject under discussion, the rationale for undertaking the work and the intended outputs. The Ofgem work stream leads agreed to think about the most effective way to engage the CG. TM proposed that the sub-groups also think about the best way to articulate what outcomes of the SCR products may mean to end users.

8 Risk mitigation workshop

8.1 **Risk session:** AC presented the output of the risk identification session that took place in the previous Delivery Group meeting, and explained the risk categorised that had been applied. The group were then asked to identify mitigation actions to the risks. The outputs of this session will be documented, to create a risk register with mitigation actions that can be assigned to owners and monitored for progress.

9 Network Company Access Allocation Update

9.1 PM presented the latest delivery plan for the industry-led Network Access Group. The group were given an overview of the scope of work, the key milestones and the associated outputs. A

discussion was had on the approach to ensure sufficient levels of engagement was undertaken on the products during development. PM confirmed that the group planned to engage but needed to determine which format and groups to engage with. JP raised a query as to whether the detail needed to be presented at the Charging Futures Forum (CFF) or if webinars advertised through Charging Futures would be more effective. JP also asked that PM ensure that Ofgem were kept informed.

8 Summary, AOB and close

Next Delivery Group meeting:

Time / Date	Location
10.00 – 16.00 Thursday 4 April 2019	ENA Offices, 4 More London Riverside SE1 2AU

**Annex 1: Ofgem Access and Forward Looking Charges Significant Code
Review
Delivery Group Actions**

Meeting held on 06 March 2019			
Action	Description	Lead	Status
DG14	Ofgem reiterated the call for Delivery Group members to approach them with ideas for future trials that may generate learning for the SCR	All	Open
DG15	ENA to create a feedback template and circulate to the Delivery Group via Huddle	ENA	Open
DG16	Group to review draft access report 1 and the long list of options presented feedback by 11 th March	All	Open
DG17	Sub-group to review Report 1 based on feedback received from Delivery Group	SCR Access sub-group	Open
DG18	ENA to produce standard template and brand guidelines for the sub-group reports	ENA	Open
DG19	Group asked to review and respond to survey on Charge Design Note	All	Open
DG20	Locational Charging sub-group to confirm requirements for the cost drivers sub-group report (Ofgem to raise at the Locational Charging sub-group meeting 08/03/19)	Ofgem	Closed

Meeting held on 13 February 2019			
Action	Description	Lead	Status
DG10	ENA to update sub-group delivery plans.	ENA	Ongoing
DG11	Network companies to review their RFI submissions and if content to share with others companies. ENA to collate and respond to Ofgem with any concerns by 15 February.	Networks	Closed
DG12	Ofgem to capture risks and produce a risk register. A session on risks mitigation to be scheduled for next delivery group meeting.	ENA / Ofgem	Closed
DG13	DG sub-groups were asked to consider: <ul style="list-style-type: none"> i. What inputs CA might provide that would be useful to their work, and ii. What further topics/research/data might be useful for CA to obtain (kick-off) ahead of the start of Small User workgroup 	Networks	Closed

Meeting held on 21 January 2019			
Action	Description	Lead	Status
DG01	Map the 'code objectives' in the CUSC and DCUSA against the three SCR Guiding Principles.	Networks	Closed
DG02	Overview slides to be refined with updated plans and presented to first Challenge Group meeting. They will be published at that point.	Ofgem	Closed
DG03	Group to review Terms of Reference (ahead of first Challenge Group meeting) to ensure clear differentiation between the roles of the Delivery Group and the Challenge Group.	All	Closed
DG04	Group to suggest academics with suitable capability to support work under the Locational DUoS workstream.	Networks	Closed
DG05	Include risk session future DG meeting agenda.	Secretariat	Closed
DG06	Group members to identify relevant previous or live trials underway and outputs that could be available to inform the Small User workstream, particularly user behaviours/analysis.	Networks	Open
DG07	Working Groups to be establish and take three priority products forward with first meetings scheduled during w/c 28 January.	Secretariat	Closed
DG08	Code Administrators to consider need for legislation / code changes for all scope areas.	ESO & ElectraLink	Ongoing
DG09	ESO to circulate webinars used for Charging Futures Task Forces.	ESO	Closed