

SCR Delivery Group

Minutes

Meeting name	Delivery Group
Time	10.00 – 13.00
Date of meeting	9th Oct 2019
Location	WebEx/ENA Offices, 4 More London Riverside, London SE1 2AU

Attendees

Name	Initials	Organisation
Amy Freund ☎	AF	Ofgem
Andrew Conway ☎	AC	Ofgem
Angelo Fitzhenry ☎	AFi	Electralink
Chris Ong ☎	CO	UKPN
Claire Campbell ☎	CC	SPEN
Courtney Madden	CM	ENA
David Fogg ☎	DF	Ofgem
David McCrone ☎	DM	Ofgem
Jenny Doherty ☎	JD	NG ESO
Jon Parker	JP	Ofgem
Julia Phillips	JPh	ENA
Lee Wells ☎	LW	NPG
Matthew Paige-Stimson ☎	MPS	NGET
Mike Harding ☎	MH	BUUK
Nicholas Rubin ☎	NR	Elexon
Nigel Bessant	NB	SSEN
Nigel Turvey ☎	NT	WPG
Patrick Cassels ☎	PC	Ofgem
Paul McGimpsey	PM	ENA
Rebecca Cales ☎	RC	BUUK
Ross Thompson	RT	UKPN
Stephen Perry	SP	Ofgem
Tony McEntee ☎	TM	ENWL

1 Welcome, introductions and actions

1.1 JP welcomed the Delivery Group members to the meeting and provided a brief overview of the agenda and the objectives of the meeting. JP noted that the agenda is shorter than usual and that the aim is to finish the meeting at 1.00pm.

2 General project update (including IA and network planning)

2.1 JP gave an update on the progress of the SCR to date. Ofgem published their first working paper in September. At the September Charging Futures Forum Ofgem received good feedback on the working paper. Ofgem's main focus at this point is working toward the second paper which will be published later this year.

2.2 DF gave an update on the impact assessment, expanding on the information contained in the slides. The next stage would require an information request to DNOs which will be circulated to this group. An indicative list of questions will go out this week. NR offered to assist with the provision of data where possible.

2.4 DF noted that Ofgem published their Invitation to Tender for consultancy support to help develop their impact assessment. The deadline for responses had passed and six bids have been received. The responses are being reviewed and Ofgem hopes to commence the contract later this year.

2.5 Ofgem approached their academic panel to test thinking around location signals and charge design. The team received feedback and they are in the process of following up with the academics to discuss specific points. JD requested that high level feedback be shared with the Delivery Group. JP said that Ofgem will clarify the feedback received and then share it with the DG.

2.6 Ofgem are running a workshop with network planners on 23 October to look at how different options are likely to drive behaviour. Materials for this session will be shared in advance.

3 Discussion about resourcing

3.1 JP emphasised the importance of all subgroup members consistently picking up actions and contributing to meetings and deliverables.

3.2 PM noted that he has spoken with the ERG following their recent discussion with Ofgem. He stated that, as secretariat, the ENA is looking at improved ways of working across the subgroups and how actions are shared. The cost model subgroup has implemented a new strategy to review of actions prior to lunch and close of play to ensure actions are allocated evenly and captured accurately. This will be implemented in the other subgroups in the coming weeks.

3.3 JP raised that it would be helpful if networks can flag for where and when resources are going to be stretched moving forward.

3.4 PM agreed that there is a wide range of skills and experience across the programme and it is about finding the best ways to utilise these resources. The ENA and the networks are committed to supporting this SCR and looking at the best ways to improve ways of working.

3.5 NB expressed that it would be really helpful if Ofgem can, on a one-to-one basis, communicate to networks about where their gaps are. JP confirmed it would be worth having discussions with individual companies regarding gaps in support and that all companies should be thinking about ways to bring in more people with the necessary skills.

4 Work stream updates: Access subgroup

4.1 SP started by providing an update on the progress on products within the subgroup. The group is very near completion of the note on Monitoring & Enforcement. In addition to this there is a lot of work coming up regarding small user's access. This work will be split across the Small Users Subgroup and the Access Subgroup. RT sits across both groups and is providing a key link between them.

4.2 Next SP provided an update on the distribution access to the transmission network product. The group have started thinking about options to better define distribution users' access to the transmission network. JD has been leading on this work, capturing the existing access arrangements and starting to look at options of how this could work going forward.

4.3 The next product that SP shared an update on was on sharing and trading. The Challenge Group questioned the definition of sharing and the differences between sharing and trading. ENWL are leading on a paper to better define and assess the two approaches.

4.3 NB asked a question whether there were any parallels with the outcomes of 'tertiary winding' work. RT responded that there had been a workshop with ESO and there were four potential CUSC modifications to implement a proper process for 'tertiary windings'. NB noted that the current approach outlined in the CUSC, was not designed for this situation. SP requested that any discussions on 'tertiary windings' be fed into the options for distribution users' access to the transmission network. MPS said that this was already flagged as part of the paper on distribution users' access to the transmission.

5 Work stream updates: Charge design

5.1 JP provided an update regarding charge design. There are several pieces of work ongoing under charge design and they are feeding into various products in different work-streams. First, a workshop with network planners is scheduled for later this month at ENA.

5.2 Next, there is work being done on network monitoring and additional work is needed to assess any gaps between what each DNOs current level of network capabilities for monitoring are and what may be required.

5.3 SP presented and expanded on the next point regarding the literature review. Ofgem's academic panel will be doing some more work and the literature review will likely be published alongside Ofgem's second working paper before the end of the year. NB asked if the panel have been looking at any of the many UK DNO innovation projects and JP confirmed that yes they are being reviewed.

6 Work stream updates: Cost models subgroup

6.1 AC noted that the subgroup is engaging with CEPA/TNEI and looking to contract them to do some of the detail of the locational cost model. The group hopes to commence the contract next week with the aim of mid-November completion. CEPA/TNEI consider that the time scales are quite ambitious and Ofgem are discussing this internally.

6.2 AC highlighted that Ofgem have a number of ongoing data requests. The data that feeds into the reference network models, the connectivity of the assets, half hourly demand data at the primary level, and the asset mix at the primary level. AC said that CEPA/TNEI will quality assure the simplification of the options and the model. Quality assurance is also being done internally by DNOs around the assumptions.

6.3 AC explained that we are seeking to better understand the impact of the options and that we are not attempting to build the final model at this stage.

6.4 TM stated that we need to take a resource efficient approach to give us enough information to say what scale the locational signals are. We have to build a tool that is a reasonable approximation of the numbers, while understanding that this is not the final charging model.

6.5 AC said that perhaps there could be a separate discussion session to allow DG members to critique the model.

7 Work stream updates and policy discussion: Connection boundary

7.1 DM presented the slides on the topic of connection boundary. The SCR Connection Boundary subgroup is developing a long list of the options that have now been shared with Delivery Group and Challenge Group. These have been categorised into 3 groups of options as shown in the slides; shallowish, moving shallower, shallow. No new or alternative options have been proposed by the Delivery or Challenge groups. There is evidence of potential distortions between transmission and distribution and there is an ongoing request for information.

7.2 DM stated that the focus of the subgroup in coming weeks will be a detailed assessment of the options for the final product. In terms of the connection boundary work, the first guiding principle, efficiency, will be one of the most important methods of assessment. The main focus of the subgroup meeting tomorrow will be this assessment work.

7.3 RT highlighted the challenges of introducing user commitment at the lower voltages. He suggested prioritising assessment against the “practical and proportionate” guiding principle. DM assured the group that all guiding principles are still being considered and recognized the gaps around meeting the product descriptions. NB suggested that the group consider the impact on both existing use of system customers and future connection customers. NB also suggested reviewing how best to send efficient signals to users.

7.4 JP expressed surprise about how negative the initial assessment for moving shallower appears. Initial thoughts had been it would encourage more strategic network development.

7.5 MH noted that most DNOs will get connection requests from developers for poorly defined customers, where the load or demand never materialises. MH suggested that if you move to a shallow connection charge, you give the distributor the ability to decide when they (or if they should) reinforce or procure flexible services to manage the additional demand or generation.

7.6 RT said that this area probably has the single biggest impact on the RIIO price control and asked if this has been flagged to those teams. We need to think about this and how this needs to be reflected in price control itself. JP replied that he is very aware of this and Ofgem are joining up on it internally.

8 Work stream updates and policy discussion: Small Users

8.1 AF presented an update on the small users work stream and expanded on the slides presented to the group.

8.2 PM relayed concerns that in some sub-groups the majority of input has been from the networks and there has been difficulty engaging with the wider subgroup membership. PM said that ENA has sent out an email to encourage continued participation and remind everyone of the timelines for actions. AF added that a call has been scheduled for Friday and she will flag the importance of wider involvement from the group.

8.3 RT said that supplier view is really important in this and that, to date, this has not necessarily been captured in the meetings. NB suggested changing the style of the meetings to have a more workshop-based meeting to ensure work is captured on the day.

8.4 AF asked if it is possible to look at different ways of dividing up the work to ensure that they capture input from a range of stakeholders. AF encouraged the chairs to have these discussions within their work streams and seek assistance where needed

8.5 RT asked about the impact of wider retail market reforms on DNOs. NB answered that he has been looking at licensed and unlicensed parties and how the role of DNOs could be impacted. NR raised that thought will need to be given around how user information is stored and collected through network companies. NR also noted that consideration will need to be given to how the user segmentation work overlaps with other projects, such as Targeted Charging Review (TCR). AF agreed that it is a really important part of the assessment. The group is in early stages, but that there is a focus on enabling the initial assessment through a lens of different consumer characteristics.

9 Work stream updates and policy discussion: TNUoS charges

9.1 JP provided an overview of the slides. JP noted that initial thinking on options for TNUoS charge design reform was in the first working paper. JP stated that Ofgem is working with National Grid ESO and will consider what further information to put in the second working paper on TNUoS charge design reform.

9.2 NB asked about places where transmission charges are reduced. JP clarified that if there are areas with reduced charges, then this would need to be balanced in other areas with increased charges.

9.4 JD flagged that there is significant overlap between the work on TNUoS reform and the work in the Access sub-group on distribution users' access to the transmission network. It is important that the groups are aligned.

9.5 TM queried if we were considering introducing "overall user system charging" that combined transmission and distribution network charges. JP stated that this could be an option that we consider.

9.6 NR said that Elexon are doing work with the Low Carbon Contracts Company and Electricity Settlements Company around how to handle complex mixed-use sites. It is not immediately obvious how you allocate metered volumes for different purposes even with secondary metering.

10 Close and AOB

10.1 JP announced that the next meeting will be a full day session focusing on the next working paper. He also announced that there will be a CFF in December, following the publication of the working paper. JP didn't anticipate sharing the full draft of the working paper in advance of publication – however, there will be slides at the next DG and CG that will cover the content.

Next Delivery Group meeting:

Time / Date	Location
10:00 – 16:00 21 st November 2019	ENA Offices, 4 More London Riverside, London SE1 2AU