

Ofgem Access and Forward-looking Charges Significant Code Review

1 Minutes

Meeting name	Delivery Group
Time	15.00 – 16:00
Date of meeting	9 June 2021
Location	Teleconference ☎

2 Attendees

Name	Initials	Organisation
Patrick Cassels (Chair)	(PC)	Ofgem
David McCrone	(DM)	Ofgem
Beth Hanna	(BH)	Ofgem
Mike Harding	(MH)	BU UK
Jennifer Doherty	(JD)	ESO
Claire Campbell	(CC)	SPEN
Nigel Bessant	(NB)	SSEN
Chris Allanson	(CA)	NPG
James Devriendt	(JDe)	UKPN
Chris Ong	(CO)	UKPN
Ross Thompson	(RT)	UKPN
Nicholas Rubin	(NR)	Elexon
Matthew Paige-Stimson	(MP-S)	National Grid
Peter Turner	(PT)	NPG
Chris Barker	(CB)	ENWL
Deborah MacPherson	(DM)	SPEN
Simon Yeo	(SY)	WPD
Angelo Fitzhenry	(AF)	Electralink
Lee Wells	(LW)	NPG
Simon Yeo	(SY)	WPD
Thomas Cadge	(TC)	BUUK
Tim Hughes	(TH)	WPD
Tony McEntee	(TM)	ENWL
Andrew Urquhart	(AU)	SSE
Julia Phillips	(JPh)	ENA
Paul McGimpsey	(PM)	SPEN
Katie Stanyard	(KS)	ENA

1 Welcome and introductions

- 1.1 PC opened the meeting and introduced himself as he has recently been appointed the Head of Electricity Network Access, succeeding Jon Parker who has left Ofgem. Prior to the meeting Ofgem had shared draft chapters from their Minded-to consultation document that is due for publication at the end of June. PC explained that the purpose of the meeting was for the Delivery Group (DG) members to ask further questions on the Minded-to consultation, to suggest areas of the document that could be better clarified and/or where further detail might be required.
- 1.2 BH explained that Ofgem had already accommodated a lot of the feedback received into the document.

2 Minded-to Consultation

- 2.1 The DG provided a range of feedback and suggestions for the document including:
 - Ofgem need to be clear on what the definition of Access Rights is and who they are intended for. MH explained that DNOs, IDNOs, generators, demand users etc all require different types of access rights or may understand them in a different way.
 - TH raised that time profiled access is described in the document as though it is only applicable to access and asked if Ofgem intend to align it to time profiled DUoS signals. He suggested this needs thinking about from a whole system approach and that Ofgem declare their intent on DUoS in the document.
 - MH asked if Ofgem intend to phase the implementation of the reforms in the minded-to or have phasing of the implementation as further decisions (i.e. on DUoS reforms) are made.
 - RT asked if the document will include information on what level Ofgem expect the access rights to be implemented at i.e. would it be contained in industry codes or would it be at a bilateral contract level between DNO and customers. He explained that some DNOs are offering the types of access rights set out in the minded-to but that they may not be consistent across LDSOs. He asked if that was acceptable or if the minded-to will set out that it should be codified standard approach to each type of access right? PC suggested that this would need more detailed assessment by the DG and other Access SCR groups.
 - Specifically on the reforms to TNUoS for Small Distributed Generation (SDG) TM asked if the minded-to will be specific on billing and who is going to bill who. BH explained that this would be consulted on, that Ofgem have set out a range of options and the potential challenges of each.
- 2.2 DM thanked those who reviewed the Connection Charging chapter of the consultation document. He explained that most of the comments had been addressed in the latest version although he had one question on the treatment of transmission works triggered by distribution connection. Having looked back at earlier discussions on this he understood the proposal was to stop charging individual connectees for these works and to recover it through targeted DUoS regime. LW asked how this would work in practice. Ofgem agreed they needed to consider this further and DM took an action to speak to LW and others to clarify their concerns.
- 2.3 On the timing of the reforms the group asked some questions of Ofgem:

- RT asked if there would be a time gap between the change in arrangements for connection charging and changes to DUoS. Ofgem confirmed that there is a possibility of a gap.
- AU asked if the proposals for TNUoS for SDG would be included given that other aspects of TNUoS are being looked at outside of the Access SCR? PC explained that in principle the arrangements set out would be decided on but that Ofgem need to explore the implementation timing of these reforms given timing of DUoS reforms and wider regime. BH explained that the work on Full Chain Flexibility is looking at pricing signals and where the right signals should come from. Ofgem want to avoid making changes that only work in the short term and are not cost reflective in the medium-long term. She explained the consultation sets out options for when to implement the changes to TNUoS for SDG.

3 Implementation Planning

- 3.1 The group had a discussion about the need to consider how the Minded-to consultation proposals would be implemented in practice. PC recapped that an implementation workstream was established in August 2020 but put on hold. He explained that Ofgem saw merit in starting that work up and establishing a working group under the DG so that Ofgem can understand what is needed in order to implement on time. Ofgem asked views on how to develop a short Terms of Reference (ToR) for the group, setting out scope, membership, timeline and objective. Ofgem took an action to start developing this with ENA.
- 3.2 The group made some suggestions regarding the implementation planning:
- NB suggested that lessons should be learnt from the Targeted Charging Review (TCR) as there were quite a few areas that needed to be reassessed and looked at as they weren't specified in the Final Decision. The more detailed the Final Decision for the Access SCR the quicker the implementation can be achieved.
 - LW agreed with NB and explained that a similar group was set up for the TCR but when the Final Decision was published it was hugely different to the Mined-to that the group had based the assessment on. MH added that the group needs to make sure it is using time efficiently and not focusing on areas that have high risk of change. The onus would be on Ofgem to identify which areas should and shouldn't be evaluated.
 - AU agreed that more detail is needed to understand what is needed to implement and for that to be decided on in time to include in the DNOs Business Plans. He expressed concern that if this decision is not reached quickly then there will be large variances in what the DNOs include in their Plans.
 - NR asked for clarity on the scope of the implementation working group as previously the group was focused on what needed to be done to implement a more locationally granular DUoS signal. PC explained that for now the group would only focus on the scope of the Minded-to proposals.
 - PC asked if the group should draw on members of the Access SCR Challenge Group as well as the DNOs and IDNOs. TM suggested there was merit in having other stakeholders on the group but there needs to be a clear scope and focus for the group. It should be clear it is to explore solutions and potential blockers to implementation and not to challenge the Minded-to proposals.

4 Next Steps

- 4.1 Ofgem agreed to have a meeting with the ENA to begin scoping out the implementation working group. Once a Skeleton ToR was in place they would share widely with the DG members.
- 4.2 PM mentioned that the ENA group 'Commercial Operations Group – Connections' known as COG Connections was doing a piece of work to assess the Connection Boundary proposals and list out implementation considerations. This can act as an input to the implementation working group.