

Meeting report

Meeting name	Transmission Charging Methodologies Forum
Date of meeting	Wednesday 8 th March 2017
Time	13:30 – 16:00
Location	Hilton Warwick/Stratford upon Avon, Warwick, CV34 6RE

Name	Initials	Company
Jon Wisdom	JW	National Grid (Chair)
Urmi Mistry	UM	National Grid (TCMF Technical Secretary)
Rob Marshall	RM	National Grid (Presenter)
Jodie Cartwright	JC	National Grid (Presenter)
Ryan Place	RP	National Grid (Presenter)
Steve McAllister	SM	National Grid (Presenter)
Nick Pittarello	NPi	National Grid
Kate Dooley	KD	Energy UK
Will Chilvers	WC	ESB
Laurence Barrett	LB	E.ON
Garth Graham	GG	SSE
Nicola Percival	NPe	Innogy Renewables UK Ltd
Paul Youngman	PY	Drax Power
Paul Mott	PM	EDF Energy
Robert Longden	RL	Cornwall Insight
John Tindall	JT	SSE
Paul Jones	PJ	Uniper
Charlotte Friel	CF	Ofgem
James Anderson	JA	Scottish Power Energy Management
Aled Moses	AM	Dong Energy
Karl Maryon	KM	Haven Power
Bill Reed	BR	RWEST
George Douthwaite	GD	npower
Peter Bolitho	PB	WWA

All presentations and supporting papers given at the TCMF meeting can be found at:
<http://www2.nationalgrid.com/uk/Industry-information/System-charges/Electricity-transmission/Methodology-forum/>

1 Modifications and CUSC Panel Update – Ryan Place, National Grid

1. Ongoing CUSC modification proposals were presented with updates/ information for each.
2. This also included modifications which have been sent back by the authority. An attendee raised a point regarding the send back of CMP268. That in light of the CMP261 send back discussions had centred around whether new alternatives or current Proposals can be amended under send back powers that it may be prudent to also share this discussion with the CMP268 Workgroup.

2 SO/TO Modification – Steve McAllister, National Grid

3. SM presented to the forum on a new license condition 4J, introduced by Ofgem. He provided background on the reason for this change relating to the gap in what the System Operator (SO) can do to save money. This is only applicable to Scottish Transmission Operators (TO) in the pilot year and allows the SO to look into innovative solutions to save money.
4. GG raised the point of the England and Wales TO being owned by National Grid and whether this will be come under this license as legal separation is under way. SM responded noting that this is currently not part of discussions with Ofgem. The license condition applies to SPT and SHETL for 17-18 only. This then led to an attendee asking whether there was any visibility on TO spend and will there be in the future. SM replied that there is none currently but there will be in the future as part of this license condition on reporting.
5. The area of demonstrating cost savings led to a discussion regarding multiple year savings as this could be recovered in one year instead of over the period which the savings occur and how this will be handled under this change. SM detailed that the amount that can be recovered is capped unless it is a joint work project. However the claim must not be able to be funded via another mechanism and is envisaged to focus on services, therefore there is low risk that cost savings will become multi-year. However the license condition does not preclude purchasing assets, but National Grid does not see how an asset could be planned and delivered within the one-year 'pilot' time frame of the scheme.
6. It was also pointed out that this is a pilot scheme so there is room for debate. This is also part of a statutory consultation which came out on the 1st March 2017.
7. This license change will need a CUSC modification to facilitate the pilot scheme; therefore an attendee suggested that NG send out a note to Forum attendees detailing this modification and also the legal separation process. This can then explain how this change will apply post-separation and what will be visible to industry. SM clarified that there has been no discussions about post-separation as there is no position from the Authority as to whether this will be extended.
8. NP discussed that this will need a CUSC change and asked the forum regarding feedback on how to raise this i.e housekeeping or full Workgroup process. It was agreed that this modification did not meet housekeeping criteria as it is a material change. It may be able to be fast tracked and may not need to go to Workgroup.

3 CMP264/265 – Ofgem minded to position – Rob Marshall, National Grid

9. RM went through Ofgem's minded to position on CMP264/265 and then detailed WACM4 in more detail. BR asked whether NG was putting anything together regarding tariff changes etc... where RM confirmed that teams within NG were in the process of pulling together data on what tariffs could look like. Timescales for this

work were questioned as to whether this would be completed by the 10th April (consultation deadline), where NG will try and confirm as soon as possible.

4 Charging Review Update – Jodie Cartwright, National Grid

10. JC gave an overview of the Charging Review, timelines and stakeholder forum thoughts going forward. The interdependencies between potential scope items were discussed to reflect the likely scope of a Targeted Charging Review (TCR).
11. National Grid thoughts on a Stakeholder Forum were shared to take into account the scope of a TCR, and to start discussions around how industry the industry could come together to deliver a TCR. It was clarified that this is NGs interpretation only. Access rights and storage were discussed in more detail, which then led to the ENA TSO/DSO Charging Workgroup. Members felt that this route would not be the best for such a big issue, as it is a closed group between network companies that excludes customers, i.e. suppliers. RM clarified that this was just a representation and not the only route NG would be using for the Stakeholder Forum as the aim was to make it open. JC said they would feed this back to the ENA TSO-DSO charging work group.
12. NG clarified that this was not the final model for the Stakeholder Forum and all feedback was welcome. GG suggested whether it was possible to send the list of members of the three working groups identified on the Stakeholder Forum slides, JC will take this away and see if these are accessible and able to be shared around the group.
13. Lastly the matter of authority within the Forum was discussed and how this would help drive the forum, and that it would be in the best interest to get Ofgem on board with this. It was hoped that Ofgem would take into account work in this area when thinking about the TCR. The TCR was also discussed, with the view that the Stakeholder Forum would run alongside this. NPe raised the point that the timeline for a TCR (2-3 years) is too long a period as people will need certainty for investors, and that therefore a 6 month timeline would be more prudent.
14. CF noted that there would be an opportunity for industry to give their thoughts on a delivery mechanism in the imminent TCR consultation. JC encouraged members of TCMF to get in touch if they had feedback on National Grid's thoughts on a stakeholder forum – or any of their own they'd like to share through TCMF.

5 TSO/DSO Charging – Rob Marshall, National Grid / Paul McGimpsey, SPEN

15. RM gave Forum attendees an overview of the TSO/DSO Charging Group set up by the ENA and was formed to look at differences between commercial arrangements for the use of the transmission and distribution networks.
16. Discussions were raised by attendees around connections and generation where issues regarding disconnection of embedded generation were raised through work on emergency instruction. The led to discussion on membership, which was raised by RL and GG, regarding the fact that the group was closed (which was discussed previously) and so there were concerns that topics discussed by the group that would commercially impact suppliers/generators would not have the correct stakeholder input and only be considered from a network point of view. There were also queries raised by RL about the notification given to industry by the group and also their authority. RM commented that the intention was to create a network view and then feedback to the industry, however, he committed to inform the group of the discussion and the concerns raised.

6**Grid Code Modification GC0086 Open Governance – Ryan Place, National Grid**

17. RP took attendees through the Grid Code modification GC0086 Open Governance highlight the key changes and that they are currently going through the election process. The new Panel will first sit in April 2017 and will introduce a new culture of a smaller Panel membership and open to Code to allow Industry to raise modifications.
18. The point of holding Grid Code Workgroups and the Grid Code Development Forum (GCDF) on a single day was discussed as it was felt that this may not give enough time to look into issues properly. RP took this on board but informed attendees that this was a trial and the aim was to move to smart scheduling of meetings in order to suitably use industry resources in the most efficient manner.

7**AOB – Jon Wisdom, National Grid**

19. GG raised an issue about modification application fee reconciliation but agreed to bring this topic to the next TCMF in April.
20. CF clarified Ofgem's position regarding the modification send back process following on from discussions about CMP261. Ofgem is not minded to provide guidance on the send back process or more information on what type of analysis required. This is up to the Workgroup to decide how it should be progressed. There was some discussion about this and whether Ofgem could clarify whether the Workgroup view contradicts Ofgem's view and whether current guidance was satisfactory. CF then went on to reconfirm that Ofgem are not going to provide any more guidance and so the Workgroup needs to work on the basis of their own interpretation.
21. JW invited any attendees who wish to raise any topics at the next or future TCMFs to get in contact.

8**Next meeting**

Next meeting: Wednesday 12th April 2017
Time : 1030 (unless otherwise notified)
Venue : National Grid House, Warwick