

Meeting report

Meeting name	Transmission Charging Methodologies Forum
Date of meeting	Wednesday 12 th April 2017
Time	14:00 – 16:00
Location	National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA

Name	Initials	Company
Paul Wakeley	PW	National Grid (Chair)
Jon Wisdom	JW	National Grid
Urmi Mistry	UM	National Grid (TCMF Technical Secretary)
Jodie Cartwright	JC	National Grid (Presenter)
Ryan Place	RP	National Grid (Presenter)
Wayne Mullins	WM	National Grid (Presenter)
John Brookes	JB	National Grid
George Douthwaite	GD	Npower
Zoltan Zavody	ZZ	Electricity Storage
Robert Longden	RL	Cornwall
Garth Graham	GG	SSE
Simon Vicary	SV	EDF Energy
Peter Bolitho	PB	WWA
Nicola Fitchett	NF	RWE
Jeremy Guard	JG	First Utility
Aled Moses	AM	Dong Energy
Paul Mott	PM	EDF Energy
Joseph Dunn	JD	Scottish Power
Kate Dooley	KD	Energy UK
Fruzina Kemenes	FK	Innogy
Callum Elkin	CE	EON

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, including any decisions made by the Authority.
2. An attendee raised a question about whether there were any possible alternatives to CMP268. It was confirmed that it is unlikely at this time due to the nature of the modification.

2 Delay Charges – Wayne Mullins, National Grid

3. WM presented on a possible future modification relating to delay charges. Background was given on the topic where the aim is to provide clarity within the CUSC. A guidance note has been published but this proposal would provide more transparency to industry.
4. Previous modification CMP249 was discussed as this was raised around the same subject however was withdrawn. This then led to debate on generation parties, differing delay compensation types due different agreements and whether the STC has also been considered as an impacted code, which will be taken away and looked at in more detail. There was then discussion around the cost reflectivity of the charge and whether there were TO allowances, where it was stated this was taken into consideration within the price control. Strategic Wider Works were mentioned however this was deemed to be too much detail and best thought about further if this goes to Workgroup.
5. This led to a debate on cost allocation, recovery and what the drivers were behind raising this potential modification. WM and JB clarified that this is a combined effort between National Grid SO and TO and there are additional drivers from customer modification applications. ZZ asked about timescales, where WM explained that this had already started to become an issue for Transmission Operators and customers also, therefore there is motivation to get this started as soon as possible. FZ queried if there will be any retrospective actions taken but WM thought this is unlikely to be applied retrospectively and expect there to be an interim measure before the license change is implemented.
6. Finally AM raised the question as to whether this modification would be raised in the same way as the previous modification. WM and JB noted this and said the defect needs to be clear that it is about creating a method that is cost reflective.

3 Targeted Charging Review (TCR) – Jodie Cartwright, National Grid

7. PW took the opportunity to let attendees know that Ofgem had recently announced that they are holding a workshop on 26th April on the Targeted Charging Review. It will be an opportunity to discuss and share initial views on the consultation.
8. JC began by asking for initial thoughts on the TCR from attendees. ZZ highlighted that the importance of storage highlighted within the TCR was welcome and acknowledged that Ofgem are beginning to address the topic which has been around for a while. It is also heading in the right direction and so is supportive of the TCR from a storage perspective.
9. Drivers for change were presented and so were the potential scope items for a charging review. This then led on to a proposal on a staged approach to a charging review which depicted initial timelines for addressing short term drivers, Ofgem's TCR and Ofgem's future focused strategy. Discussions were had around National Grids own charging review and scope items identified that lay outside of Ofgem's TCR and how these would fit within the staged approach. JC mentioned that

current thinking is that everything should be done together with the TCR, holistically and in a joint up way.

10. RL raised a point for information as there was no representative from Ofgem present, that BSUoS tends to be accepted for what it is. From Ofgem's point of view, do they think there is any way to reduce this or is anyone in the regulatory space thinking about this?
11. Following on from this the scope items were debated and talks on different views on these, levels of certainty and interpretation for different market participants. Whether certain items were within scope of the TCR was mentioned, however it was highlighted that it is a challenge to capture large debates on issues into a few words and so each item may have more substance behind it than the description implies. The complexity of the TCR is yet to be decided therefore this debate raised some interesting areas of thought.
12. Views on the Charging Co-ordination Group were discussed as JC presented National Grid's initial thoughts on the group make up, where questions arose about the steering group and who would be members. An attendee pointed out that the steering group should be a size that can actually do something and are accountable; JC raised the Power Responsive steering group as a possible example to follow. The actual purpose of the group was raised by an attendee that it is meant to pull people together not away from existing procedures so a process to join it all up is needed. It was also mentioned that there needs to be a consistent approach and known objectives for the group to ensure there is direction.

4 AOB – Paul Wakeley, National Grid

13. GG noted an ongoing issue about modification application fee reconciliation which National Grid is investigating.
14. JW invited any attendees who wish to raise any topics at the next or future TCMFs to get in contact.

5 Next meeting

Next meeting: Wednesday 14th June 2017

Time : 1030 (unless otherwise notified)

Venue : National Grid House, Warwick (unless otherwise notified)