



Charging
Delivery Body

Charging Delivery Body

8th May 2018



Agenda Item	Lead	Timing
1. Introductions	Frances Warburton – Ofgem	10:00 – 10:10
2. Review of Actions log	Frances Warburton – Ofgem	10:10 – 10:25
3. Access and Forward Looking Charges Task Force update	Ofgem	10:25 – 10:55
4. Targeted Charging Review discussion on practical considerations	Ofgem	10:55 – 11:40
Coffee break - 11:40 – 11:50		
5. Charging Futures forum Agenda	David Wildash – Lead Secretariat & Ofgem	11:50 – 12:05
6. Standing Agenda Item – Updates on new & existing Charging Modifications	Code Administrators & Ofgem	12:05 – 12:25
7. Standing Agenda item – Key messages to be shared with Code Panel meetings	All	12:25 – 12:35
8. Next steps – timings of next CDB and CFF meetings	All	12:35 – 12:50
9. Any other business	All	12:50 – 13:00

2. Review of Actions Log



Charging Delivery Body Action Log – from meeting held on 19th March

Action number	CDB Meeting action raised	Min ref no.	Owner	Action	Status	Due by	Status
CDB02	27 Sep 17	2.3	CDB Members	Review in September 2018 of how effectively CDB is achieving its objectives		Sept 18	Open
Action CDB50	19 th March 18	2	Lead Secretariat	Include a question in the Lead Sec survey to ask CFF members if feel they have the opportunity to contribute on future changes for GB charging and access arrangements	Question included in the survey	22 March 18	Complete
Action CDB51	19 th March 18	3.6	Lead Sec/Ofgem	Look at messaging of the purpose of the CFF, possibly a slide at the forum	Recap to be given at May Forum	May Forum	Open
Action CDB52	19 th March 18	3.11	Lead Secretariat and Ofgem	Confirm the CFF date for June/July	23 rd May 2018	April 18	Complete
Action CDB53	19 th March 18	5.4	Ofgem	To confirm TCR input for the Forum		May 18	Complete
Action CDB54	19 th March 18	6.1	Code Administrators	JT to provide NR with Workgroup dates for CMP280 & CMP281		End March 18	Complete
Action CDB55	19 th March 18	6.2	Ofgem	Engage with Code Panel regarding Storage Modifications		May 18	Open
Action CDB56	19 th March 18	6.3	CUSC Code Administrator	Engage with the CUSC Panel regarding the Charging Guidance Document	Update to be given at CDB meeting	May 18	Open



Charging Delivery Body Action Log



Action CDB57	19 th March 18	6.5	DCUSA	Forward details DC314 to the Lead Secretariat to include in the Charging Modifications tracker		End March 18	Complete
Action CDB58	19 th March 18	8.3	Lead Sec/Ofgem	CDB meeting 4 bullets points to summarise for the CF newsletter after each meeting	To happen after May CDB meeting	End March 18	Open
Action CDB59	19 th March 18	8.4	Lead Secretariat	Publish the revised Terms of Reference on the website		End March 18	Complete



3. Access & Forward Looking Charges Task Force update

Ofgem



Access Project

Task Forces

- The Task Forces have recently published their interim report, assessing the initial options based on the agreed assessment criteria.
- The Task Forces are now working on finalising their final report, outlining the TF's conclusions on what changes should be taken forward for further consideration. They are due to publish this on 18 May 2018
- The final Task Force is being held on 15 May to discuss the conclusions of the report.

Baringa

- We are working with Baringa to finalise their report on the materiality of the distortions with the current arrangements. We are expecting to publish their report but date tbc.

CFF

- There will be a session at the next CFF for TF Members to present and seek views on the conclusions of their report. We will also present and answer questions on the way forward.

Way forward

- We expect to publish a consultation on the direction of travel in this area in Summer 2018. We then envisage making a decision on around the end of the year.

4. Targeted Charging Review

Ofgem



Practical Considerations: Practicality and Cost

Targeted Charging Review: Significant Code Review

Dominic Green
May 2018

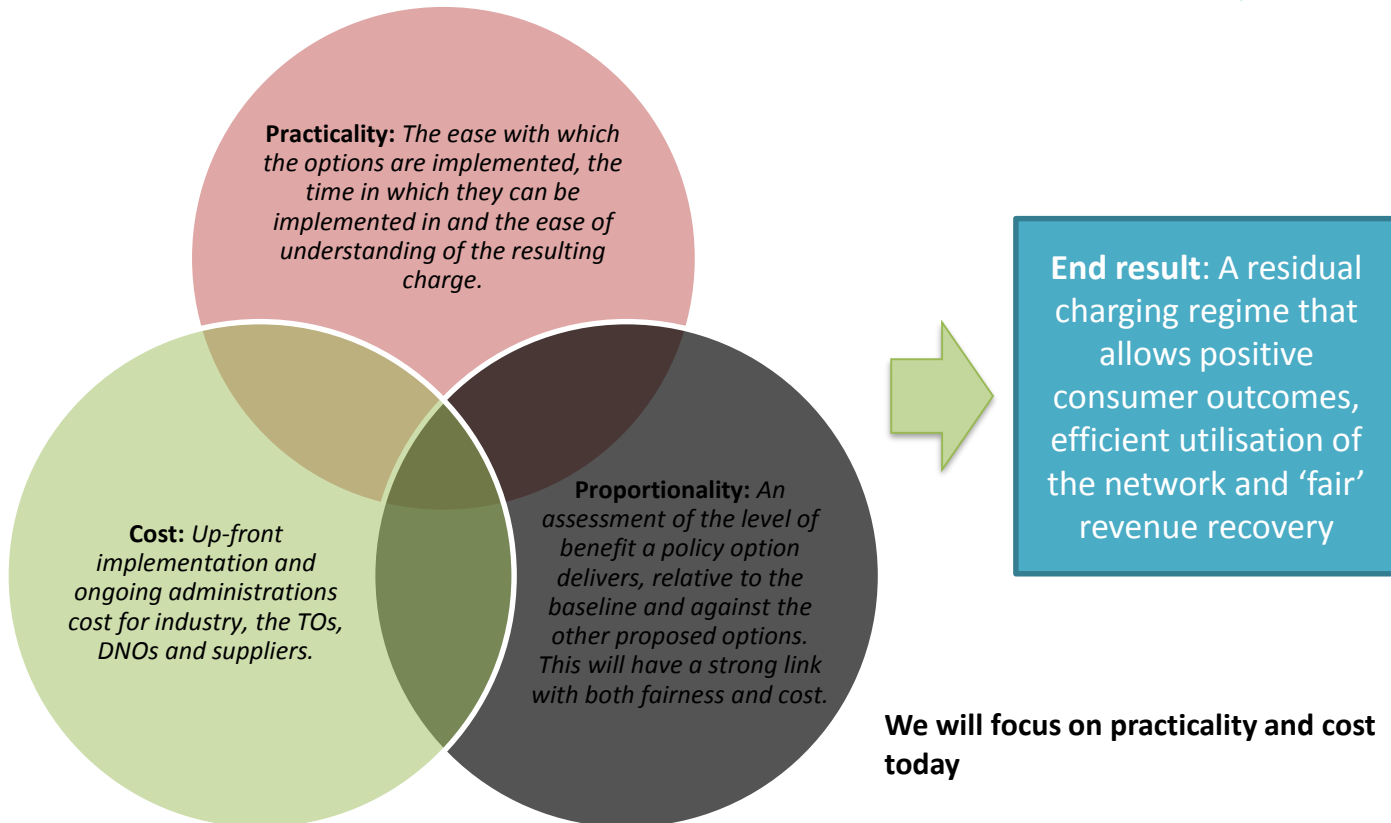
ofgem

Update: Quick overview of how we plan to assess the options

Feedback on our proposed assessment: are there other aspects which would be useful

“We will aim to be proportionate in considering changes to residual charges... we will also have regard to practical considerations.... We will take account of the availability of metering information, along with wider implementation costs, and the desirability of simplicity in tariff structures.”

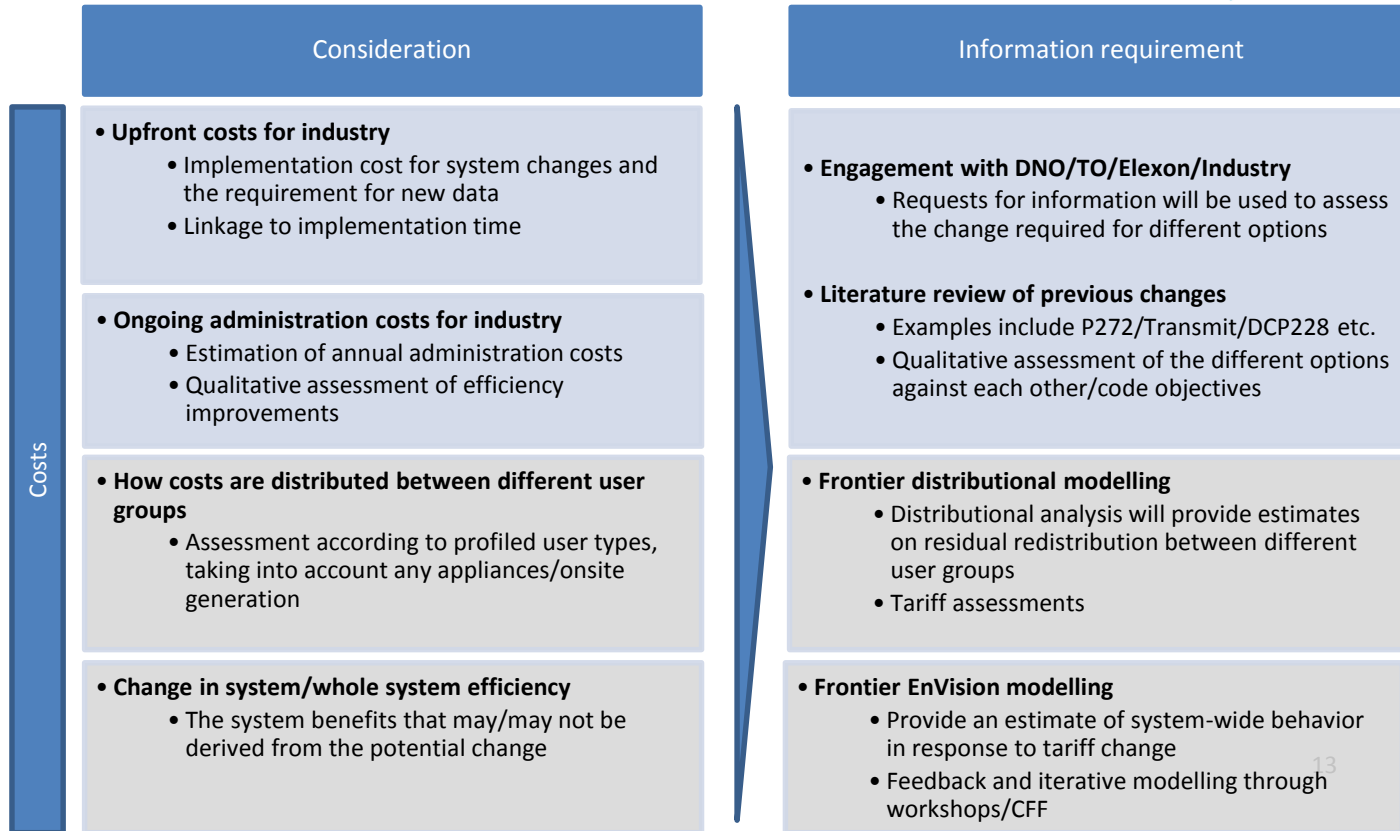
Reminder - Definitions and considerations for charge design



Many of the CDB members will have been present at the stakeholder workshops, as such, today it would be useful to:

- Focus on the assessment of *cost*, *practicality* and *engagement* in more detail
- *Cost* – Discuss how estimates could be provided for our assessment and at what stage cost estimates could be provided
- *Practicality* - Have a discussion on how the options might work from each of your respective stances. It will be useful to particularly draw out the differences between transmission and distribution charging regimes
- *Engagement* – best method to gather the information

Assessment information - Cost



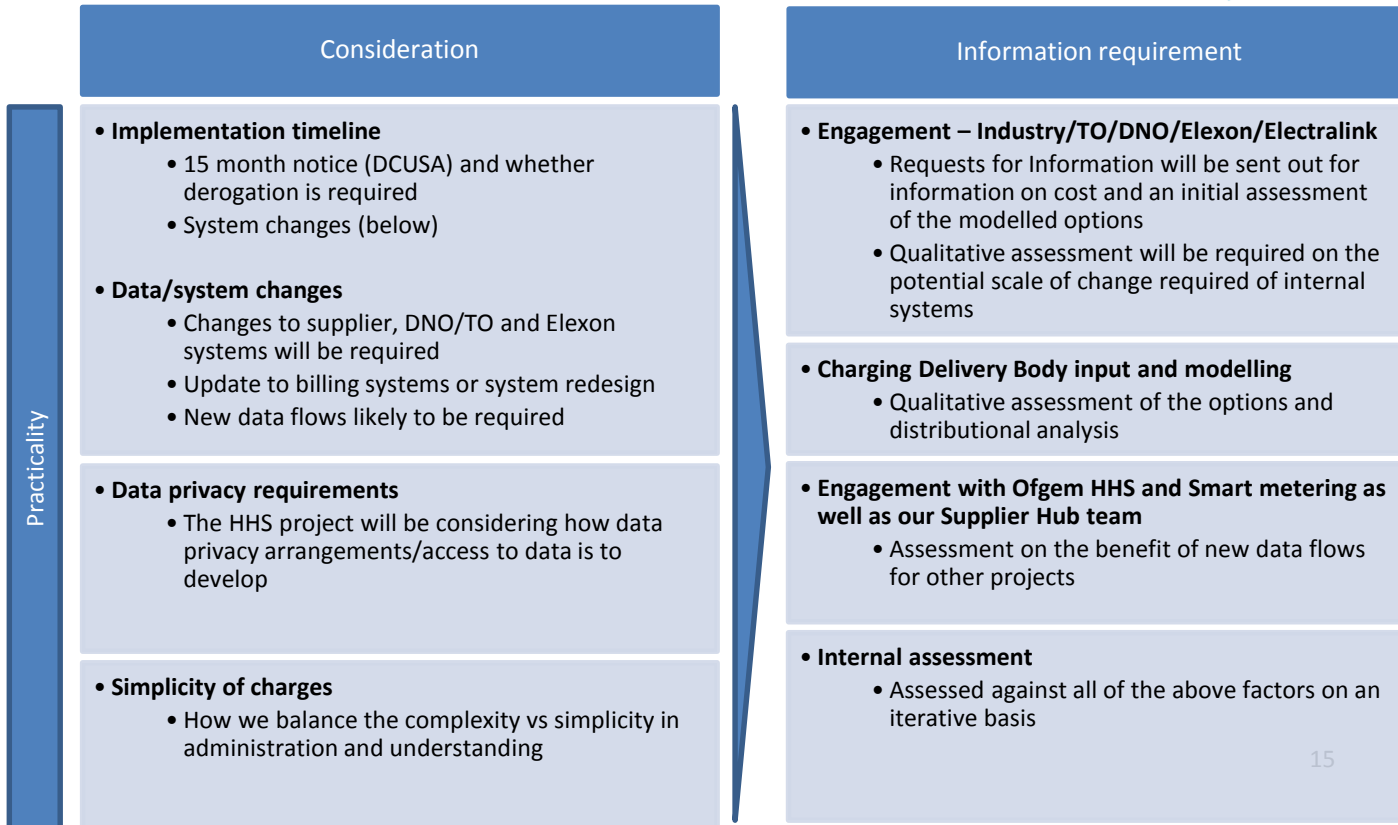
At the point of our minded-to decision we want:

- An estimate for the up-front cost of implementation
 - An estimate for the on-going costs for administration
 - An assessment on how these costs might fall on users
- } Industry input

We would like your thoughts on:

- Ability of the DNOs/TOs/Elexon/Electralink to be able to provide estimated costs for the broad options?
- Reasonable ranges for cost assessment? E.g. >£1mIn, <£1mIn, no change.
- Benchmark against previous large scale industry changes?

Assessment information - Practicality



Similarly to our assessment of cost, at the point of our minded-to decision we want:

- Estimated implementation time for different user groups
- Scale of change and system requirements
- The different requirements between transmission and distribution charging
 - Identify new information which may be required/need to be shared

Please provide the CDB's thoughts on:

- The point in the project, at which an estimate could be provided?
- The method by which industry could assess the above – within a range/RAG rating/relative assessment?
- The difference between the charging regimes and ability to incorporate the options.

In order to understand the potential bill impact on different user types, we need to estimate the residual charges under a range of different options and compare them to charges under the current EDCM residual charging arrangements.

It is not possible to carry out this analysis using published charging information alone, and therefore additional information is required from the DNOs.

We intend to circulate a request for information to the DNOs to submit the relevant data so that we have the sufficient information to carry out our analysis.

Specifically for the current charging year (2017/18), we require information related to:

- the size of the total residual to be recovered;
- the individual residual charge (demand scaling) applied to each customer (per customer information is required because the residual charge varies by user); and
- a number of other statistics related to each user (e.g. connection size, annual import/export and peak import/export) from which alternative charges could be calculated.

We are asking each DNO to complete the table below for each customer for the charging year 2017/18.

	2017/18						
	Total residual recovered (£)						
Customer	Voltage level of connection (i.e. 22/33/132kV)	Maximum import capacity - Connection size (kVA)	Maximum export capacity - Connection size (kVA)	Annual import (kWh)	Annual export (kWh)	Individual peak import (kW)	Demand scaling ('Residual charge') - (p/kVA/day)
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Do you foresee any challenges with this?

Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.

We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.

Coffee break



6. Charging Futures Agenda

Lead Secretariat &
Ofgem



Charging Futures Forum – 23 May 2018 **TCR**, **HHS** & **Access**

<i>Activity</i>	<i>Lead</i>	<i>Supporting</i>
Registration and Breakfast etc.		
Welcome and introduction of the day <ul style="list-style-type: none"> Agenda; Objectives of the day 	Frances	
TCR <ul style="list-style-type: none"> Brief overview: The TCR and residual charges Project objectives and timescales Interactions with HHS and the Access project 	Andrew S	
TCR clarification Q&A	Frances/Andrew S	
Update on Frontier's analytical work Clarification Q&A	Frontier	TR Team
Morning break		
Overview of HHS work, Q&A	Anna Stacey	HHS team
Lunch		
Access Project <ul style="list-style-type: none"> Brief overview: What are Acces Rights and Forward Looking Charges Project objectives and timescales Overview of the Task Forces	Andy B	
Overview of the Baringa work	Baringa	
<ul style="list-style-type: none"> Access clarification Q&A 	Andy B/ Jon P	
Afternoon break		
Access/FLC TF conclusions and recommendations Overview of work since last TF (15 minutes). Overview of the key conclusions and recommendations (30 minutes) Opportunity to engage with specific topic areas (30 minutes)	Task Force Member	TF Member presenting on topic area.
Discussion: Access, TCR and HHS	All	
Close	Frances	

6. Updates on new & Existing Charging Modifications

Code Administrators
Ofgem

Holistic view of Charging Modifications – In flight 30th April 2018

	2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CUSC Charging Modifications												
CMP250 – Stabilising BSUoS with at least a twelve month notice period Raised: 28/02/2015					Awaiting Authority Decision							
CMP251 - Removing the error margin in the cap on total TNUoS recovered by generation and introducing a new charging element to TNUoS to ensure compliance with European Commission regulation 838/2010 Raised: 28/02/2015 Submitted to Authority 14/10/16	Awaiting Authority Decision											
CMP271 - Improving the cost reflectivity of demand transmission charges Raised: 01/11/2016				On Hold								
CMP274 - Winter TNUoS Time of Use Tariff (TTouT) for Demand TNUoS Raised: 01/11/206				On Hold								
CMP275 - Transmission generator benefits in the provision of ancillary and balancing services – levelling the playing field. Raised: 27/01/2017					Code Admin Consultation							
CMP276 - Socialising TO costs associated with "green policies" Raised: 17/03/2017				On Hold								
CMP280 - Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users Raised: 31/07/207					Work Group							
CMP281 - Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities Raised: 31/07/2017					Work Group							

Holistic view of Charging Modifications – In flight

	2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CUSC Charging Modifications												
CMP286 - Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process Raised : 10/10/2017					Work Group							
CMP287 - Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process Raised: 10/10/2017					Work Group							
CMP288 - Explicit charging arrangements for customer delays and back feeds Raised: 15/02/2018					Work Group							
CMP292 - Introducing a Section 8 cut-off date for changes to the Charging Methodologies Raised: 15/02/2018					Work Group							
CMP294 - National Grid Legal Separation changes to CUSC Section 14 Raised- 19/04/2018					Code Admin Consultation							
CMP296 - Aligning the CUSC to the BSC post-P344 (Project TERRE) to exempt Virtual Lead Parties from BSUoS. Raised 19/04/2018					Code Admin Consultation							
CMP299 - Consequential changes to the CUSC to facilitate the 2018-2021 ESO Incentive Scheme. Raised 19/04/2018					Code Admin Consultation							

Holistic view of Charging Modifications – In flight

	2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Distribution Change Proposals												
DCP243- Treatment of Customer Contributions in the CDCM Category CDCM Target Implementation: 01/04/20						Awaiting Ofgem Decision						
DCP266- The Calculation and Application of IDNO Discounts Category CDCM Target Implementation: 01/04/20						Consultation						
DCP268-DUoS Charging using HH Settlement Data Category CDCM Target Implementation: 01/04/20						Voting (closes 14 May)						
DCP283 - The Calculation of Generation Credits in the CDCM Category CDCM Target Implementation: 01/04/20						Awaiting Ofgem decision						
DCP287 - Generation Credits in the EDCM Category EDCM Target Implementation: 01/04/20						Definition						

Holistic view of Charging Modifications – In flight

	2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Distribution Charging Modifications												
DCP294-Capacity Management Following Acceptance of Connection Offer Category CCCM Target Implementation: Next release following approval						Awaiting Ofgem Decision						
DCP305 -LDNO Boundary Level Definitions in the EDCM Category EDCM Target Implementation: 01/04/20						Awaiting Ofgem Decision						
DCP306 – Treatment of Ofgem License Fees within the PCDM Category PCDM Target Implementation: 01/04/20						Voting (closes 14 May)						
DCP311 -Clarification of NUF Cap & Collar Calculations Category EDCM Target Implementation: 01/04/20						Change Report						
DCP313 -Eligibility Criteria for EDCM Generation Credits Category EDCM Target Implementation: 01/04/20						Change Report						
DCP314 –Appropriate Treatment of Bad Debt Following Appointment of Supplier of Last Resort Category Billing Target Implementation: 01/04/20						Consultation						

7. Key messages to be shared at Code Panel meetings





**8. Next steps
timings of next CDB
& CFF meetings**



2018 meeting dates

- > **Charging Futures Forum** – 23 May, County Hall, London
- > **Charging Delivery Body Meeting** – 21 June, 2pm to 5pm, National Grid Offices, Strand, London
- > **Charging Delivery Body Meeting** – 4 September, 11am to 2pm, National Grid Offices, Strand, London
- > **Charging Futures Forum** – 25 September, venue tbc
- > **Charging Delivery Body Meeting** – 15 October, National Grid Offices, Warwick

9. Any Other Business

