

Open letter: Offshore Charging Methodology

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Open Letter: Offshore Charging

- We have published an Open Letter in the following [location](#).
- **Purpose is to provide clarity of current process .**

Open Letter Summary

- OFTO allowed revenue is set for a 20 year period.
 - Can be subject to adjustments such as IAEs
- Offshore Local tariffs are collected as part of TNUoS
 - Local substation and local circuit tariffs only paid by offshore generators.
 - Set at the point of asset transfer and increased annually by inflation only.
 - Then revised at the start of each price control period

Open Letter Summary

- As local tariffs are set, any changes in revenue (positive or negative) are not reflected.
- To ensure this happens an adjustment is made at the start of each price control.
 - Section 14 of the CUSC – 14.15.80 to 14.15.84
- This will take effect from 2021/2022 and will be spread over the duration of the next price control period (RIIO-T2).

Open Letter: Feedback or Queries

- Any feedback or queries please email:
 - charging.enquiries@nationalgrid.com

Open letter consultation: Investment Ahead of TEC guidance document

John Brookes, National Grid

Summary

- On 1st June 2017 National Grid issued an open letter consultation to seek views on changes being proposed to the Investment Ahead of TEC guidance note.
- Seven responses were received; one being a joint response from Scottish Renewables and Renewable UK.

Summary

- The other responses received were from;
 - Innogy Renewables UK Limited
 - ScottishPower
 - EDP Renewables
 - EDF Energy plc
 - DONG Energy UK
 - Uniper Energy

Questions

1. Do you agree with the principle that inefficient costs related to early transmission investment, which occurs as a result of a Customer request, should be recovered from the customer who makes the request?
2. What are your views on the changes we are proposing to the guidance note and methodologies?
3. What are your views on the benefits of publishing separate guidance notes for each of the two charges currently outlined in the guidance document?
4. Are there any further changes you would like to see made to the guidance note?

Responses

1. Respondents broadly agree with the principle; when it supports cost reflectivity and is under appropriate circumstance.
2. View on changes largely called out that guidance is not sufficient to apply a charge. Reiterating the different interpretation of CUSC between NG and those who responded.
3. There was widespread agreement that backfeed should be dealt with separately to ensure the correct treatment of both charges.
4. Common theme around the need for evidence of cost impact and the benefit of transparent spend profiles relevant to a charge.

Options being considered

- Feedback received is being considered in making further changes to the guidance document. Intention is to make available to industry in September.
- Modification to be brought forward in the near future; responses are being used to inform the defect and original proposal.