

Meeting report

Meeting name	Transmission Charging Methodologies Forum and CUSC Issues Steering Group
Date of meeting	Wednesday 12 th July 2017
Time	10:30 – 12:00
Location	Webinar

Name	Initials	Company
Jon Wisdom	RM	National Grid (Chair)
Urmi Mistry	UM	National Grid (TCMF Technical Secretary)
Caroline Wright	CW	National Grid (Presenter)
Paul Wakeley	PW	National Grid (Presenter)
Rachel Tullis	RT	National Grid
John Spurgeon	JS	ENA (Presenter)
Daniel Hickman	DH	NPower
Garth Graham	GG	SSE
Aled Moses	AM	Dong Energy
Nicola Fitchett	NF	RWE
Robert Longden	RL	Cornwall
Paul Youngman	PY	Drax Power
Charlie Friel	CF	Ofgem
Paul Mott	PM	EDF Energy
Karl Maryon	KM	Haven Power
Nasos Markopoulos	NM	
Sarah Wetherhead	SW	
Oyvid Bergvoll	OB	
Esther Sutton	ES	

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 – Caroline Wright, National Grid

1. Ongoing CUSC modification proposals were presented with updates/ information for each, including any decisions made by the Authority.
2. An update was given regarding the open letter being drafted for CMP271/274. The workgroup are finalising this document and then will present this to the CUSC panel before they publish it.
3. CW reminded attendees of the CUSC panel election timeline.

3 Implementation of CMP264/265 to 2018/19 tariffs – Paul Wakeley, National Grid

4. PW gave an overview of the CMP264/265 modifications. Currently Half Hourly charges are based on net flow, however since Ofgem have approved WACM4, this will now be split into a gross demand half hourly (HH) tariff and an embedded export tariff. This will be a phased implementation over three years. Non-half hourly (NHH) tariffs will remain the same, recovering on a net basis.
5. The new embedded export tariff will create an explicit tariff paid for exports and will be floored at zero to avoid negative tariffs. It contains a locational element and avoided GSP infrastructure cost (AGIC) with a phased residual amount for the first three years. The value of the embedded export tariff was then represented by zone followed by data tables, to give attendees an idea of indicative tariffs. PW emphasised that these are based on current forecasts and so are not the final tariffs for 2018/19.
6. PW then explained the gross demand HH tariff and how this will be forecasted. It is a function of the locational and residual elements. In order to calculate this, quantities of embedded generation and gross demand will need to be calculated for each zone. Following on from the decision on P348/349 (BSC mods raised to ensure the implementation of CMP264/265), National Grid will be receiving historical data regarding embedded generation which will help prepare for October's TNUoS forecast.
7. Over the summer, the team are going to create guidance documents to provide industry with information and data to help understanding ahead of the forecasts being published.
8. AGIC was then explained in more detail. Analysis to determine the AGIC is on-going but an initial example was given of between £3-7/kW with information being collected from TOs. GG asked whether broad information on TO schemes will be published. PW responded that National Grid notes that some of the data is commercially sensitive but will publish as much as possible.
9. The proposed timetable was then shared with attendees. GG asked if PW could return to TCMF after dates stated to discuss the topics/publications in more detail. PW confirmed that he will bring back high level information to TCMF and recognised that this was a significant change so NG wants industry to have as much information as possible to increase their understanding.

4 ENA Open Networks Project – John Surgeon, ENA

10. JS introduced the ENA Open Networks project which was launched in January 2017. One of the drivers behind setting this up were BEIS and Ofgem's call for evidence, which highlighted the need to transform how the distribution and transmission networks work.
11. JS then detailed the market challenges facing the project, such as the increase in the generation mix, the growth in electric vehicles and storage and increase capacity

based services from the distribution network to mention a few. The transition from the historical DNO to DSO was also mentioned. GG asked that as this is a major energy initiative, are generation and demand parties involved in the project. JS said that they have an advisory group which is made of industry parties such as Energy UK. This project is still in its early days, with a work stream responsible for communications and engagement where this will look to expand around the wider energy industry.

12. The project is split into 5 work streams (more detail can be found in the slide pack)
 - i. Transition from DNO to DSO
 - The purpose of this stream is to provide a starting point to develop a DSO framework. The group has created a roadmap to layout a pathway for transition which will evolve.
 - ii. Customer experience
 - This group aims to assess the experience of different types of customers. Categories have been created which will evolve and they expect customers to move through the categories. Work is ongoing in this area as the categorisation is not about the journey but how these work for different customers. A connection map is being developed and more information on work in this area will be published in due course.
 - iii. T-D processes
 - So far this work stream is mapping current SO, TO and DNO processes. A 50 page document has been produced detailing these processes, where the next step is to present this to the advisory group which will be happening later in the month. This is the most complex of the 5 work streams however they have developed a good foundation to build on.
 - iv. Charging requirements
 - The aim is to look at charging requirements for an enduring solution, through understanding drivers, opportunities and benefits. A number of short term actions were detailed, also that there are a number of products being developed and these scenarios will be included in three papers from the workgroup. These will be presented to the advisory group where their feedback will be considered. The group is currently on hold whilst they wait for the CCG to meet and for more direction from Ofgem.
 - v. Communicate and engage
 - Mentioned above.
13. An update on the current status of the project was then given. JS confirmed that all material is available to view on the ENA website and more will follow.
14. Questions from attendees followed the presentation. The first was from GG who asked whether DSOs would be able to provide balancing services where JS confirmed that DSOs will be able to procure but not provide balancing services from their own assets. GG then asked whether all the changes the ENA are considering are compatible with the EU Clean Energy Package which JS agreed to take away.
15. GG asked a further question regarding the customer experience work stream, which led to a discussion about how many customers are involved in this group, where JS advised that this group was made up of network companies. The output of this group was shared with wider audiences such as the Advisory Group (mentioned above). There was some concern that there were no actual customers sitting on the workgroup as they would provide a different perspective to the network companies and work with them daily and so can give a better view. Another attendee then raised the point that this group was looking at fundamental issues that could impinge on other issues such as the Targeted Charging Review and whether Ofgem's future scenarios fits into this work. The discussion led to the point that there could be some disparity when co-ordinating opportunities and the communications around how

preferred approaches were reached. This then brought up the point that this project could potentially cut across work that has other stakeholders involved, JS mentioned that both Ofgem and BEIS sit on the working groups. Responding to these discussions, JS confirmed that this project was still in the early stages so he will take all the comments received on board.

5 AOB – Jon Wisdom, National Grid

16. GG asked about European Network Codes, what changes and plans were in place associated with this. Also, will there be any changes to the CUSC arising from this. This action was noted with a view to bring this back to a following TCMF.

6 Next meeting

Next meeting: Wednesday 9th August 2017

Time : 1030 (unless otherwise notified)

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