

Terms of Reference for the Network Access Task Force and Forward-Looking Charges Task Force

Introduction

The purpose of this Task Force (TF) is to carry out the work assigned to it by the Charging Futures Forum (CFF). Specifically, this TF will help consider what changes should be taken forward to drive benefits to consumers through supporting more efficient use and development of network capacity.

The work of the Network Access TF is closely linked with the work of the Forward-Looking Charges TF. The work of these two TFs must therefore be coordinated.

The objectives of the TF are to assess the issue in detail, develop solutions and agree conclusions based on robust analysis. The TF's work will be informed by Ofgem's working paper published in autumn 2017¹ and will be provided with a clear Terms of Reference identifying specific outputs. The work of the TF will input into Ofgem's consultation in summer 2018 on initial proposals for reform.

The Network Access TF and Forward-Looking Charges TF will, in coordination with each other:

- a) Carry out the work assigned to it;
- b) Liaise closely with the CFF and Energy Networks Association (ENA) Open Networks Project and regularly report back on its progress and findings;
- c) Engage with the wider industry (eg Smart Systems Forum) to help inform their thinking. The TF has flexibility about how it engages with the wider industry (eg formal consultation paper or industry workshops);
- d) Commission work from subgroups where necessary; and
- e) Produce a set of conclusions and present these to Ofgem, the CFF and the Charging Delivery Board (CDB).

1. Scope

- a) In accordance with the timetable identified in paragraph 8 below and in coordination with each other, the Network Access TF and Forward-Looking Charges TF will:
 - i. Inform Ofgem's assessment of the issues with the current arrangements. This will build on the list of issues identified in Ofgem's working paper published in November 2017;
 - ii. Develop a set of detailed options to address these issues. The detailed options should be informed by the options identified by Ofgem in its working paper;
 - iii. Agree a set of criteria for assessing the advantages and disadvantages, as well as the risks and opportunities, of each detailed option. The criteria should be informed by the desirable characteristics for access and forward-looking charging arrangements identified by Ofgem in its working paper;

¹ Reform of electricity network access and forward-looking charges: a working paper, 6 November 2017; <https://www.ofgem.gov.uk/publications-and-updates/reform-electricity-network-access-and-forward-looking-charges-working-paper>

- iv. Undertake an assessment of each detailed option, based on the agreed assessment criteria. The analysis should include a reasonable qualitative and, to the extent possible, quantitative assessment of the impact of each option. It should also have regard to the questions about different options set out in Ofgem's working paper; and
 - v. Agree a set of conclusions.
- b) Be mindful of, but not duplicate, the work of workgroups under the code modification development process and the work being completed by other Ofgem projects ((eg the Targeted Charging Review², plan for a smart, flexible energy system,³ the introduction of Half-hourly settlement⁴, RIIO-2⁵ and the Future SO⁶).

2. Chair

The TF will be chaired by Jon Parker or Andrew Burgess from Ofgem. The TF chair may nominate a deputy to chair the meeting in their absence.

The Chair will provide clear leadership to the TF and will be responsible for ensuring that each meeting is conducted in accordance with the ToR and in an orderly efficient manner. The Chair will ensure that all TF Members are able to contribute their views to the TF. The Chair will coordinate with the Secretariat to ensure that appropriate policies and procedures are in place for the effective management of the TF.

3. Membership

TF members

Membership will be drawn from members of the Charging Futures distribution list (CFF Members are able to nominate an alternative representative).

The TF should include Members that are representative of a range of industry viewpoints. This will include representation from system and network operators but also from wider industry.

If a TF Member is unable to attend a meeting, the TF Member should inform the Secretariat and identify an alternate that will attend the meeting on their behalf.

Ofgem will provide at least one member to the TF, in addition to the Chair.

TF Members will:

- a) have relevant expertise and experience;
- b) be committed to making improvements to delivering benefits to consumers through more efficient use and development of network capacity;

² Targeted Charging Review: update on approach to reviewing residual charging arrangements https://www.ofgem.gov.uk/system/files/docs/2017/11/tcr_working_paper_nov17_final.pdf

³ Our Smart systems and flexibility plan, joint with government, is available here: <https://www.ofgem.gov.uk/publications-and-updates/upgrading-our-energy-system-smart-systems-and-flexibility-plan>

⁴ Further details on the launch of the electricity Settlement Reform Significant Code Review can be found here: <https://www.ofgem.gov.uk/publications-and-updates/electricity-settlement-reform-significant-code-review-launch-statement-revised-timetable-and-request-applications-membership-target-operating-model-design-working-group>

⁵ Further information on RIIO-2 is available here: <https://www.ofgem.gov.uk/network-regulation-riio-model/riio-2-price-control>

⁶ Further information can be found in our recent working paper, here: https://www.ofgem.gov.uk/system/files/docs/2017/07/future_so_req_framework_july_2017_working_paper.pdf

- c) be available to attend all meetings (or send an appropriate alternate representative);
- d) be able to work collaboratively with other industry participants that may have different views and seek to find consensus, where possible;
- e) actively contribute towards the work of the TF outside of TF meetings. This will include being responsible for completing tasks (eg undertaking analysis) that have been allocated to a Member by the TF and reporting back to TF; and
- f) be expected to contribute towards the milestones outlined in paragraph 8. For example, collectively, TF Members will be expected to draft the final report outlining the conclusions of the TF.

All TF Members are expected to contribute to the work of the TF. It is recognised that there may be situations where a lower level of contribution is acceptable for representatives from smaller organisations. If a TF Member fails to contribute to the work of the TF, then the Chair will engage with that specific TF Member to understand the reasons for this. Ultimately, if a TF Member continues to fail to contribute to the work of the TF without adequate justification, the Chair is able to replace the TF Member with another individual.

TF Members will input based on their individual experience and the perspective of the organisation of which they are employees. TF members are not expected to formally represent wider stakeholder groups. TF Member names, organisations and contact email addresses are available online, so that individuals from other organisations can contact them to discuss the work of the TF.

The Chair will keep the composition of TF Members under review and the Chair can invite additional parties to be a TF Members, if they consider it beneficial for the work of the TF.

CFF members

The TF will provide regular reports and updates to the CFF Members on its work and progress. CFF and the CBD Members will be able to review all published TF documents and be able to contribute opinions and analysis to the TF via the Secretariat. Ofgem will also continue to engage with the industry directly. For example, Ofgem will host several workshops to discuss issues and options for reform.

4. Secretariat

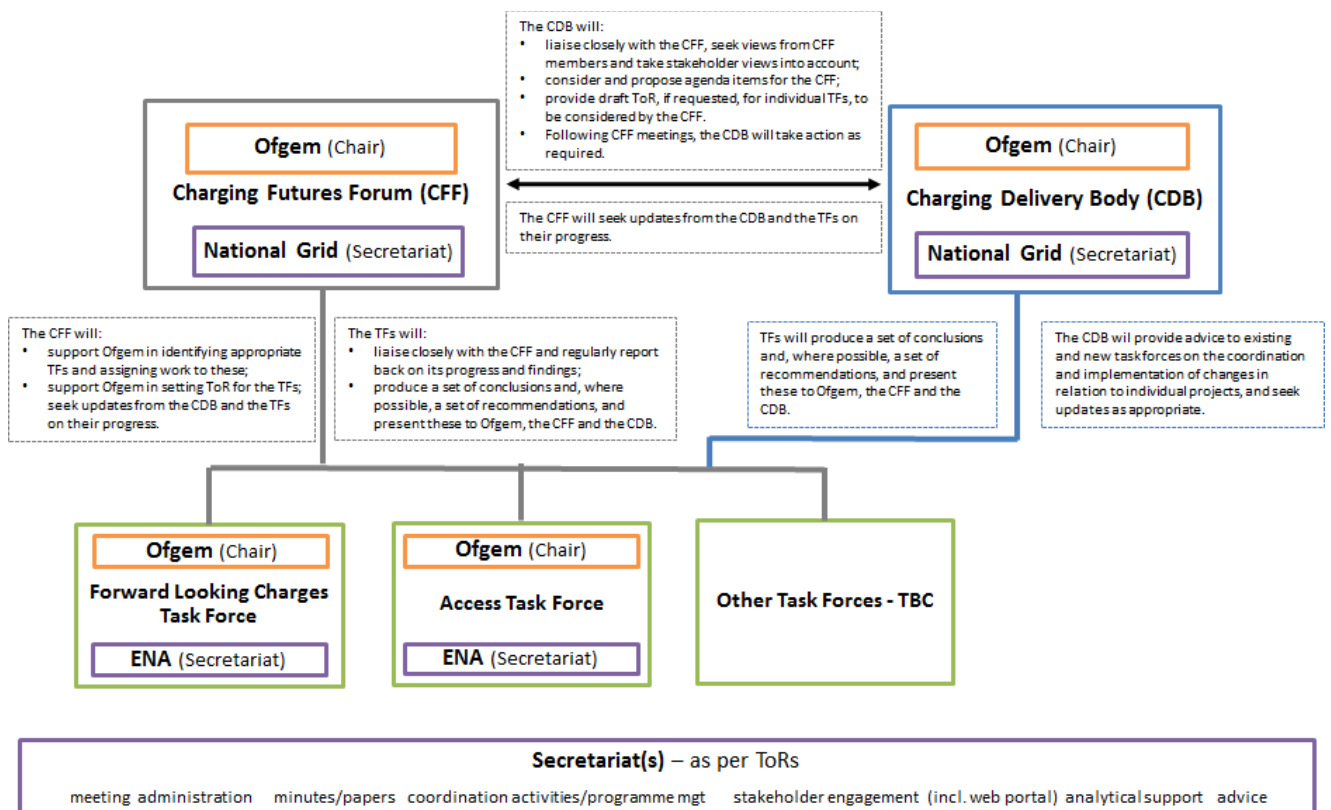
The Energy Networks Association (ENA) will be the Secretariat for the TF. The relevant ENA contact e-mail address is chargingtaskforces@energynetworks.org.

The Secretariat will:

- a. Provide secretariat services to the TF and the Ofgem Chair:
 - i. Organise meetings, including booking venues, in consultation with Ofgem;
 - ii. Send out meeting invitations;
 - iii. Prepare agendas, minutes and collate other papers;
 - iv. Circulate meeting agendas and supporting documents/papers, where possible, five working days prior to each meeting according to the timeline in the TF ToR;
 - v. Circulate minutes to TF Members after each meeting (within 5 working days);
 - vi. Share all agreed meeting documents with the Lead Secretariat who will add them to the TF section of the CFF portal;

- vii. Maintain membership lists of TF meetings. Handle membership applications and refer applications for joining the TF to Ofgem;
- viii. Maintain a list of TF actions and send reminders to TF Members to complete their actions; and
- ix. Produce and update a detailed project plan to allow the TF to deliver its outputs in accordance with the timetable outlined in paragraph 8.
- b. Have sufficient understanding of the issues being discussed in order to successfully complete its role.
- c. Manage stakeholder engagement for the TF arrangements:
 - i. Act as first point of contact for stakeholders who wish to contact the TF; and
 - ii. Create and maintain a distribution list of TF Members.
- d. Provide the necessary information to enable the Lead Secretariat for the CFF and CDB to maintain the TF section of the CFF portal. The TF section of the CFF portal will provide stakeholders with information including:
 - i. A calendar of upcoming meetings of the TF;
 - ii. Membership of the TF;
 - iii. Papers and other documents for TF meetings; and
 - iv. Contact routes for stakeholders wishing to communicate with the TF.
- e. Collate, edit and publish the final TF report on behalf of the TF.

5. Relationship with related bodies



6. Reporting and output

The TF is required to publish;

- the TF Terms of Reference;

- a list of TF Members and contact email addresses;
- all finalised TF minutes;
- all finalised TF presentations; and
- all TF reports.

The TF is not required to publish documents that are still in draft version (eg draft minutes, slides or reports). The published minutes and reports will not attribute comments to individual organisations, unless agreed otherwise with the relevant organisation.

Ofgem will ensure that the TF is kept up-to-date with related policy development in Ofgem-led projects (eg the Targeted Charging Review, plan for a smart, flexible energy system, the introduction of Half-hourly settlement, RIIO-2 and the Future SO).

The TF will provide regular updates to the CFF and CDB on its work and progress. The TF will also keep up-to-date with, and provide regular updates to, wider industry groups. These groups include the ENA Open Networks Steering Group,⁷ ENA Open Networks Project Advisory Group,⁸ ENA Distributed Generation Steering Group,⁹ and the Distribution Charging Methodologies Development Group (DCMDG).¹⁰

The TF will be required to provide reports to the CFF, the CDB and Ofgem. The report will provide deliver the outputs identified in paragraph 8, in the timescales outlined.

The report should be a joint report on behalf of both the Access and Forward-Looking Charges TFs. Whilst Ofgem will chair the TF and will actively contribute to the work of the TF, the TF is an industry forum that is independent of Ofgem. The TF's report represents the conclusions of the TF, not Ofgem. Ofgem will consider the TF's conclusions, but is not bound to act in accordance with them.

Opinions expressed in the report will be those of the TF and do not bind individual TF Members from expressing alternative views. Where TF members are not able to agree on conclusions then the different opinions, and which stakeholder group they are held by, should be noted by the report.

TF members will draft sections of the report. The Secretariat will compile the report and have editorial control over the document.

7. Meetings

TF meetings are expected to be at least 180 minutes long. The TF meetings will be primarily face-to-face, however the TF can decide to meet via alternative methods (eg teleconference). The Secretariat will make alternative arrangements (eg teleconferences) for those that are unable to attend in person.

Meetings of this TF will be held roughly on a monthly basis, in the first instance. Meeting frequency will be reviewed on a regular basis, as decided by the Chair, in consultation with the TF members, as appropriate.

Generally, all TF Members are free to use the information discussed at TF Meetings and identify the affiliation of the speaker (or any other participant). Where the Chair

⁷ <http://www.energynetworks.org/electricity/futures/open-networks-project/open-networks-project-overview/>

⁹ <http://www.energynetworks.org/electricity/regulation/working-groups.html>

¹⁰ <https://www.electralink.co.uk/services/governance-management/dcmdg/>

specifically identifies, the TF will operate discussions under 'Chatham House Rules' (ie TF Members are free to use the information, but neither the identity nor the affiliation of the speaker, not that of any other participant, may be revealed).

8. Timetable

The joint TF reports to the CFF/Ofgem should be completed in accordance with the following timetable, although the timeline below should be kept under constant review to ensure that it remains relevant and achievable. The final report must be completed by the end of April so that it can be considered by Ofgem, prior to their decision on next steps in Summer 2018.

Date	Task
December 2017/January 2018	<p>Produce a document identifying the initial options agreed for further assessment.</p> <p>Identify a set of criteria for assessing the advantages and disadvantages, as well as the risks and opportunities, of each detailed option. The TF criteria will take into account the CFF criteria for prioritising changes.</p> <p>This will be informed by Ofgem's working paper published in Autumn 2017.</p>
February/March 2018	<p>Produce a document assessing each of the detailed options, based on the agreed assessment criteria.</p> <p>The analysis should include a reasonable qualitative and, to the extent possible, quantitative assessment of the impact of each option.</p>
End of April 2018	<p>Produce a report outlining the TF's conclusions on what proposed changes should be taken forward.</p> <p>The TF Members should try to find consensus on the drafting of the report. Where consensus is not possible, then the report should highlight any points where TF Members have conflicting views.</p>

Following the production of the TF report by the end of April 2018, the TF will have completed the work outlined in this ToR and it is expected that the TF will close. This may be revisited subject to the outcome of Ofgem's decision on next steps.