

## Minutes

<b>Meeting name</b>	Access Task Force – Meeting 2
<b>Time</b>	10.15 – 16.00
<b>Date of meeting</b>	18 December 2017
<b>Location</b>	ENA Offices, Horseferry Road, London

## Attendees

Name	Initials	Organisation
Jon Parker	(JP)	Chair-Ofgem
Andy Burgess (part meeting)	(AB)	Ofgem
Amy Freund	(AF)	Ofgem
Nathan Macwhinnie	(NM)	Ofgem
William Kirk-Wilson	(WK)	BEIS
Jeremy Nicholson	(JN)	Energy Intensive Users Group
Poppy Maltby	(PM)	RegenSW
Andrew McKenna	(AM)	Drax Group
Paul Mott	(PM)	EDF Energy
Simon Lord	(SL)	Engie
Bill Reed	(BR)	RWE Supply & Trading/Generation
Thomas Cadge	(TC)	BUUK (IDNO)
Simon Brooke	(SB)	Electricity North West Limited
David Wildash	(DW)	National Grid
Chris Allanson	(CA)	Northern Powergrid
Paul McGimpsey	(PM)	Scottish Power Energy Networks
Rick Parfett Energy	(RP)	Association for Decentralised
Robert Longden	(RL)	Cornwall Energy
John Harmer	(JH)	Flexible Generation Group
Patrick Smart	(PS)	RES
Joe Dunn	(JD)	Scottish Power Renewables
John Spurgeon	(JS)	ENA Task Force Secretariat
<b>Apologies</b>		
Stephen Perry		Ofgem
Stew Horne		Citizens Advice

### 1 Welcome and Introductions - Ensuring successful task force outcomes

1.1 JP welcomed the Access Task Force members to the meeting and provided a brief update and reminder to the group of the task force objectives and associated timelines for

the delivery of outputs. In this respect he particularly emphasised the need for all members to contribute to the work programme with outputs produced outside of meeting enabling the group to focus on setting tasks and reviewing outputs. JP informed the group that Ofgem would provide support throughout the process and ensure clear direction for the work of the group.

1.2 Network Operators had circulated a presentation relating to existing access arrangements and historical context to this access initiative. Ofgem and the supporting National Grid and ENA secretariats would look to build on this useful background information over the coming weeks to help ensure the group is fully informed on previous work on this issue including the previous Transmission Access Review (TAR).

## 2 Discussion on network topology, network planning and network costs

2.1 SB presented slides on network topology and explained the various characteristics that determine component design, arrangements and inter-relationships that exist across the GB electricity networks. SB also highlighted key aspects of the make-up of current system users, generation and demand, across each of the DNO networks and how this is a major factor in the design and operation of the networks.

2.2 CA built on the system user breakdown provided by SB describing work that has been undertaken under the ENA Open Networks Project to classify different customer types ranging from a passive demand customer through to commercial providers of system ancillary services needed to balance the networks. He highlighted the types of customer behaviours and the types of contractual arrangements, including system access, that the different customer types might typically want or need. CA highlighted that capacity management and future DSO functions are being considered under the Open Networks Project.

2.3 CA described the different drivers of network constraints and the different approaches that DNOs currently apply to minimise and manage constraints. These include network reinforcement, demand side response and use of active network management and flexible contracts. The issue of total demand, particularly domestic, current theoretical and future usage example, increasing levels of EVs and implications for current network capacity, the user diversity factor and associated risk to the network operator.

2.4 CA also described the different types of information that is used for network planning and the types of information that DNOs proactively publish. He also described the evolution seen in the changing drivers of network costs and how the demands placed on the networks have changed and how the challenges this poses are being addressed through the use of new technologies and innovative approaches to processes and network user arrangements.

2.5 The Group had a wide ranging discussion on these various aspects of the DNO networks and what further information would be useful to support the development of access options and their assessment. They also discussed the various costs drivers highlighted and the extent to which these could be affected by users' behaviours.

### **Actions agreed under this item:**

**ATF04 DNOs/Ofgem/Citizens Advice to consider what rights do we think customers have now, including households?**

**ATF05 DNOs to consider what rights do we think a DNO has, as a transmission customer, and how does this impact a DNO's customers?**

## **3 TAR and current access arrangements**

3.1 DW talked through the history and key aspects of the BEIS/Ofgem Transmission Access Review (TAR). He outlined the main drivers for the TAR (starting in 2007) which was to get viable low carbon projects connected to the system in sufficient quantity and in time to meet legally binding renewables targets. He described the key principles developed under TAR for the design of any future enduring access arrangements and the Connection and Use of System Code (CUSC) modification proposals that flowed out of the TAR and developed and taken forward under the industry code governance process.

3.2 DW described the different changes that were developed under the industry change process which encompassed different types of access option and approaches to their allocation. He summarised the main reasons why some of the options considered under TAR were not eventually taken forward which included the facts that access at transmission system level is specific to a small geographical areas so industry participants felt there were challenges associated with trading effectively as a commodity across GB. He pointed out that code modifications have subsequently been implemented that incorporate load factor and diversity into the charging regime.

3.3 PM gave an overview of the paper that has been produced under the Open Networks Projects that describes and compares the current network user access arrangements at transmission and distribution including users' entitlements and rights and ongoing obligations.

### **Actions agreed under this item:**

**ATF07 DW to circulate CUSC modification proposals CAP161-166 together with a short summary on each.**

**ATF08 Ofgem to circulate copy of CAP161-166 Ofgem Decision Letter 2010.**

## **4 Option development – introduction**

4.1 JP introduced this session of the meeting by explaining that for each of the access option areas i.e. nature of access rights, initial allocation, reallocation (including trading) that the group should be aiming to produce a draft of the section of the initial options report document for the different option areas. The sections should explain how the options could work for each of the areas; how they would apply to different types of system user and

should also identify links to others areas. The group should also produce slides setting out the high level pros and cons, challenges and opportunities that attach to the different options identified to facilitate discussion at the next task force meeting.

4.2 JP said that under the remaining agenda items the group would look at each of the three option areas in more depth and seek to answer a number of key questions on whether there are further options that have yet to be identified, how options relate to network users needs and what are uncertainties or questions that need to be answered around how the different options would work.

**Action agreed under this item:**

**ATF12 Group should aim to produce a draft of the section of the initial options report document for the different option areas.**

## **5 Nature of access rights – options for change**

5.1 JD led this session and set out initial thoughts on the various ‘building blocks’ or physical, technical, temporal, commercial, financial and legal characteristics that could apply to different access options for both import and export users and that these building blocks could be used to provide a range of access options each with different degrees of ‘firmness’ and rights and entitlements.

5.2 JD also set out for discussion a number of objectives that any approach to access should seek to deliver which embodied a number of principles including cost reflectivity, transparency, fairness and simplicity. He also posed a number of questions for the group around the different aspects of implementing different access options and the types of signals these might send to the market and resultant behaviours. The group discussed the nature of access rights and the options for change and agreed next steps.

**Action agreed under this item:**

**ATF06 JD/CB to consider what are the access options for generators and larger demand customers?**

## **6 Initial allocation of access rights – options for change**

6.1 Drawing on the options set out in Ofgem’s Final TAR Enduring Report JP provided further thoughts on the different possible approaches to the initial allocation of access rights, including approaches such as auctions. JP suggested that as a minimum the group should consider the options set out in the previous Ofgem TAR report as well as consider whether there are further options for initial allocation of access that could be considered. The group discussed the initial allocation of access rights and the options for change and agreed next steps.

## Action agreed under this item:

**ATF09 DW/BR to produce short paper that considers the different possible options for the initial allocation of access rights. Approach - to use TAR CAP166 as a straw man. Describe how the process would work now and for different types of users. Options should apply to both T&D.**

## 7 Reallocation of rights – options for change

7.1 JP provided a brief overview to the group of the different types of options that could be used for the reallocation of access rights, for example, trading within geographic zones, and the system by which rights could be reallocated and/or traded, for example a trading platform. The groups noted some interactions with different characteristics of access such as firmness and duration of access options. JP asked the group to consider what other reallocation options there might be that might be worth looking at further.

7.2 SL talked through the slides he prepared on this area that expanded on one option of replicating transmission dynamic allocation to access via the balancing mechanism in distribution. SL highlighted a number of key aspects of the energy system and how the dynamic allocation of access rights could allow them to be used multiple times across different users. SL then set out for discussion a 'roadmap' for the development of an access regime for generators connected at distribution level. The group discussed the concept presented by SL and agreed next steps.

## Actions agreed under this item:

**ATF10 SL/RL Building on slides 'Expanding on one option – replicating transmission dynamic allocation to access via BM in distribution' to set out options and identify pros and cons.**

**ATF11 BR when available to circulate Elexon slides covering P344 solution to group. Include on next meeting agenda for discussion.**

## 8 Any Other Business

**8.1 Agenda items and any associated presentation and papers for the Access Task Force meeting scheduled for 24 January should be submitted to the ENA Secretariat by 16 January.**

Time / Date	Location
10.00 – 16.00 Wednesday 24 January 2018	ENA Offices, Dean Bradley House, SW1P 2AF

## CFF Access Task Force Meeting held on 18 December 2018 Actions List

Action	Option Area/Topic	Lead	Status
<b>Access Rights:</b>			
ATF04	To consider what rights do we think customers have now, including households?	DNOs Citizens Advice to consider	
ATF05	To consider what rights do we think a DNO has, as a transmission customer, and how does this impact a DNO's customers?	DNOs	
ATF06	To consider what are the access options for generators and larger demand customers?	Joe Dunne / Caroline Bragg Support: Patrick Smart / Graham Pannell	
<b>Initial Allocation:</b>			
ATF07	To circulate CUSC modification proposals CAP161-166 together with a short summary on each.	David Wildash	
ATF08	Circulate copy of CAP161-166 Ofgem Decision Letter 2010.	Ofgem	
ATF09	Produce paper (1-2 sides) that considers the different possible options for the initial allocation of access rights e.g. auctions.  Approach - to use TAR CAP166 as a straw man. Describe how the process would work now and for different types of users. Options should apply to both T&D.	David Wildash Bill Reed	
<b>Reallocation &amp; Trading:</b>			
ATF10	Building on slides 'Expanding on one option – replicating transmission dynamic allocation to access via BM in distribution' to set out options and identify pros and cons.	Simon Lord Robert Longden	

<b>Other</b>			
<b>ATF11</b>	<b>When available to circulate Elexon slides covering P344 solution to group. Include on next meeting agenda for discussion.</b>	Bill Reed	
<b>ATF12</b>	<b>Group should aim to produce a draft of the section of the initial options report document for the different option areas (i) Nature of access rights (ii) allocation of Access Rights (iii) Reallocation &amp; Trading of rights</b>	All	