

Minutes

Meeting name	Joint Meeting of Access & Forward Looking Charges Task Forces – Meeting 4
Time	10.00 – 16.00
Date of meeting	20th February 2018
Location	ETC Venues, Pimlico, London

Attendees

Name	Initials	Organisation
Jon Parker	(JP)	Chair-Ofgem
Andy Burgess (Part)	(AB)	Ofgem
Amy Freund	(AF)	Ofgem
Nathan Macwhinnie	(NM)	Ofgem
Stephen Perry	(SP)	Ofgem
Andrew Conway	(AC)	Ofgem
Dominic Green	(DG)	Ofgem
Simon Rickenbach	(SR)	BEIS
Tom Steward	(TS)	Good Energy
John Tindal	(JT)	SSE plc
Nick Sillito	(NS)	Flexible Generation Group
Nicola Percival	(NP)	Innogy Renewables Ltd
Graham Pannell	(GP)	RES
Andy Pace	(AP)	Citizens Advice
James Kerr	(JK)	Citizens Advice
Daniel Hickman	(DH)	Npower
Kyran Hanks	(KH)	Flexible Generation Group
Mike Harding	(MH)	BUUK (IDNO)
Mary Gillie	(MG)	Energy Local
Andrew Enzor	(AE)	Northern Powergrid
Tom Edwards	(TE)	Cornwall Insight
Tim Collins	(TC)	Centrica
Laurence Barrett	(LB)	E.ON
Chris Barker	(CB)	Electricity North West Limited
Rob Marshall	(RM)	National Grid
Chris Ong	(CO)	UK Power Networks
Nigel Turvey	(NT)	Western Power Distribution
Andrew McKenna	(AM)	Drax Group
Ross Thompson	(RT)	UK Power Networks
Paul Mott	(PM)	EDF Energy
Simon Lord	(SL)	Engie
Bill Reed	(BR)	RWE Supply & Trading/Gen

Nigel Bessant	(NB)	SSEN
Simon Brooke	(SB)	Electricity North West Limited
Chris Allanson	(CA)	Northern Powergrid
Paul McGimpsey	(PMc)	SPEN
Robert Longden	(RL)	Cornwall Energy
Kyran Hanks	(KH)	Flexible Generation Group
Joe Dunn	(JD)	Scottish Power Renewables
David Wildash	(DW)	National Grid
John Spurgeon	(JS)	ENA Task Force Secretariat

1 Welcome and agenda

1.1 JP welcomed the Access and Forward Looking Charges Task Force members to their second joint meeting and provided a brief overview of the agenda and plan for the day. Previous outstanding action would be reviewed as part of agenda item 3 'ENA plan to deliver future milestones'.

2 Update – TF report, Baringa, Charging Futures Forum

2.1 JP acknowledged the progress to date with the publication on 12 February of the Task Forces 'Initial Options' paper. This is a key milestone and will provide the basis for taking forward work under stage 2 of the project. JP asked for any comments on the options paper be provided to the ENA Secretariat.

2.2 A brief update was provided on the work that Baringa are carrying out for Ofgem to assess the materiality of current inefficiencies. JP stated that Baringa would attend the next TF sessions to present their initial work.

2.3 JP reminded the group that the next Charging Futures Forum will be held on 28 February in London. The afternoon of the CFF is focused specifically on Access and Forward Looking Charges. The objective of the afternoon workshop is to update the rest of the industry on the task force's work and provide them with an opportunity to provide feedback. JP also reminded the group that a similar workshop is being held in Glasgow on 6 March.

3 ENA plan to deliver future milestones – presentation and discussion

3.1 JS provided an overview of the project plan, key outputs and timelines for the work of the task forces. JS provided a more detailed breakdown of the project plan and the tasks for completing stage 2 - which is to produce a document assessing the options set out in the published options paper, based on agreed assessment criteria. JS asked the group to think about how the next stage might best be delivered over the course of the day, as the group would be asked to consider next steps at the end.

3.2 A number of taskforce members raised concerns about the scale and complexity of the work and the relatively short timelines. These task force members considered that this raised challenges to engaging fully in the work programme (especially for smaller organisations with less resource). JP acknowledged their concerns and agreed to speak with these parties to consider smarter ways of engaging with them. JP noted that there were several reasons why Ofgem had committed to the timelines outlined their November working paper (eg, a desire to avoid a long review that created

uncertainty for the industry and the need to consider some issues prior to RIIO-T1). JP reminded parties that the Summer 2018 document is a consultation, and that all parties would have the opportunity to respond to this consultation.

3.3 The actions placed on the task forces members were reviewed by the group and updated. See Annex to these minutes.

4 Linking the options together - presentation on scenarios

4.1 Following publication of the initial TF paper, task force members considered how the options outlined in the TF paper link together. SP presented initial task force thinking about these options fitted together for larger users. SP outlined three scenarios (i) 'high emphasis on auctions & trading' where access products are well defined and purchased via auctions (ii) 'high emphasis on access right choices' with access rights granted on a first come first served basis with a range of choice around type of access to maximise use of capacity (iii) 'high emphasis on better usage charges' with limited changes to current access arrangements, and usage charges. SP noted that within these scenarios there are a number of important sub-choices and decisions (e.g., the auction scenario has a number of sub-choices about design and scope of the auction).

4.2 SP reiterated the assessment criteria that were agreed in the task force published options paper.

4.3 SP also described a number of 'cross-cutting building blocks' (e.g. connection boundary, user segmentation) where there are options for reform that affected more than one scenario. The cross-cutting building blocks were derived from the task forces' options paper.

5 Discussion on scenarios

5.1 A short presentation on each scenario was then provided by three TF Members. These presentations analysed the key design parameters of each scenario and the potential sub-choices within each scenario. The presentation also considered how the cross-cutting building blocks might interact with each of the scenarios. The TF Members also presented an initial assessment of each scenario against the assessment criteria. Further detail can be found in the meeting slide pack published on the CFF portal.

5.2 The presentations were followed by a breakout session. The breakout groups considered the scenarios and whether there are alternative approaches to linking options together that had not been considered. The breakout groups considered whether there are key design parameter or key sub-choices that had not been identified. The breakout groups also considered the initial assessment of the scenarios against the assessment criteria.

6 How the scenarios relate to domestic users – presentation and discussion

6.1 Another task force member presented how the scenarios might relate to domestic users and small non-domestic users. This covered the question of whether different customer groups should be treated differently due to the nature of their essential service requirements.

6.2 The task force member considered whether a core level of capacity could be defined for domestic users and assessed each option against the agreed assessment criteria. The task force members also considered what a relevant threshold could be for defining domestic and small non-domestic users.

6.3 The presentation was followed by a breakout session where the group considered the scenarios and the questions raised around the potential treatment of domestic users.

7 Cross-cutting building block 1 - User segmentation: presentation and discussion

7.1 A task force member presented on whether the proposed arrangements should treat parties differently. For example users could be segmented by voltage level, size, type e.g. commercial, generator, metering type etc. The different approaches to user segmentation under each of the three scenarios was explored in more detail.

7.2 The presentation was followed by a break-out session where the group considered the scenarios and the questions raised by treating users differently.

8 Cross-cutting building block 2 - Connection boundary: presentation and discussion

8.1 A task force member presented their initial views on the options for reforming the connection boundary that were identified in the options paper, (i.e. a 'shallow', 'shallow-ish' or 'deep' connection boundary). The TF member considered the interactions of the different boundary setting approaches with each of the scenarios and other building blocks (e.g. lifespan of access, depth of access), were then considered. The appropriateness of user segmentation in this context was also considered. An initial assessment of different connection boundaries against the criteria was then presented.

8.2 The presentation was followed by a break-out session where the group considered the scenarios and the questions raised by applying different connection boundaries.

9 Other cross-cutting building blocks – presentation and discussion

9.1 A task force member then provided an overview of the remaining cross-cutting building. The presentation was followed by a breakout session where the group considered how the building blocks related to the three scenarios, which building blocks were the most important and whether there are any other additional cross-cutting building blocks.

10 Review future actions and meeting wrap up

10.1 JS asked the task force to review the actions identified for completing stage 2 of the project and the production of an evaluation of the building blocks set out in the task forces' initial options paper. The group were asked to consider how the next stage can best be taken forward.

10.2 JS asked the group to provide suggestions and these would be co-ordinated and allocated to task leads.

11 Any Other Business

11.1 The next meetings of the task forces was notified. The meetings on 20th & 21st March will be held at ENA Offices, More, London Bridge.

Access TF	Forward Looking Charges TF
20 March 2018	21 March 2018
17 April 2018	

Action	Option Area/Topic	Status
ATF12	To consider further the options for allocation and reallocation (incl. auctioning) of network access to the Transmission and Distribution systems based on the report produced by Baringa for UKPN. The identified options to be assessed against determined criteria.	Subsumed into wider options and scenarios analysis.
ATF13	Building on the work done on the access options to consider the relative merits of each of the access options against the assessment criteria. Applicable across the whole network (T&D). Parties to present their initial views at the next Task Force.	Subsumed into wider options and scenarios analysis.
ATF14	Baringa to update the list and description of issues based on the feedback received at the TF meeting.	Completed
ATF15	In relation to Baringa's work on the materiality of issues, by 29 January all TF Members to: <ol style="list-style-type: none"> a. Review the issues list for completeness and clarity b. Identify any additional evidence sources that Baringa should be considering c. Identify any models or analytical approaches that Baringa should consider for phase 2. 	Completed
ATF16	ENA to circulate draft structure of the Access and Forward Looking Charges options report and confirm who is leading on each section of the draft report.	Completed
ATF17	ENA to consider how they can structure the weekly ENA meetings to allow parties to attend specific agenda items, rather than the whole meeting.	Completed
ATF18	Parties completing action ATF04 to produce a note outlining rights and obligations from the Requirement for Generators Network Code. CA to produce a note on this.	Completed
ATF19	Parties completing action ATF06 include further information in the report on the options for: <ol style="list-style-type: none"> 1. Access rights with different types of firmness (i.e. physical and financial firmness). 2. Different lengths of access rights (e.g. short and 	Completed

	long term access rights).	
ATF20	Ofgem to contact some TF Members about them providing support to Ofgem's Access workshops in London and Glasgow.	Completed
ATF21	Ofgem to contact some TF Members to start identifying the links between different options for reform. TF Members to present initial thoughts on links between different options at the next joint TF.	Completed
ATF22	Paul Mcgimpsey agreed to develop the Open Networks' 'entitlements and rights' paper further in the context of the options for access - particularly considering compensation.	Not Priority
ATF23	NGET to explain connection process for thermal vs power factor and provide annex G data.	Not Priority

Action	Option Area/Topic	Status
FTF08 [FTF04 extension]	Cost Analysis: Compare different categories of tariff treatments under EDCM & CDCM. To also consider transmission.	No Priority
FTF09 [FTF05 extension]	User segmentations: share 'New Thames Vision Project' segmentation analysis/results of customers that leave the project.	Completed
FTF10 [FTF06 extension]	Further develop the granularity of the distribution of costs by location. To include the cost basis for locational signals; levelised costs of future reinforcement or expansion and how these might change as more generation comes on to the network.	Subsumed into wider options and scenarios analysis.
FTF11	Local Energy Schemes (slide 44) – Further develop options for Local Energy Schemes (LES).	Completed
FTF12	(slide 49) Further develop options for change.	Completed
FTF13	Further develop whole systems costs paper.	Completed
FTF15	Baringa to update the list and description of issues based on the feedback received at the TF meeting.	Completed

FTF16	In relation to Baringa's work on the materiality of issues, by 29 January all TF Members to: d. Review the issues list for completeness and clarity e. Identify any additional evidence sources that Baringa should be considering f. Identify any models or analytical approaches that Baringa should consider for phase 2.	Completed
FTF17	ENA to circulate draft structure of the Access and Forward Looking Charges options report and confirm who is leading on each section of the draft report.	Completed
FTF18	ENA to consider how they can structure the weekly ENA meetings to allow parties to attend specific agenda items, rather than the whole meeting.	Completed
FTF19	Ofgem to contact some TF Members about them providing support to Ofgem's Access workshops in London and Glasgow.	Completed
FTF20	Ofgem to contact some TF Members to start identifying the links between different options for reform. TF Members to present initial thoughts on links between different options at the next joint TF.	Completed
FTF21	Provide information on the actual costs of exporting GSPs.	Not Priority
FTF22	Energy Local volunteered to re-run their previous survey with local energy representatives once the options had been refined.	Not Priority