



The quarterly Charging Futures Forum is the primary place for users of the electricity network to learn, contribute and shape the future of charging arrangements.

This summary gives an overview of the key topics presented and themes discussed at the Forum on 9 November 2017 at Prospero House, London. It includes a forward look at how these discussions will shape the next quarter of work on future access and charging arrangements.

The next Forum will take place week commencing 26 February in London. If you are a network user who has not attended a Forum and would like to, you can register your interest [here](#).

Objectives of the Forum

On 9 November, 68 organisations representing users of the GB's electricity transmission and distribution network came together for the first quarterly Charging Futures Forum. Their objectives for the day were to:

- › **Learn** about Charging Futures, how it works and how network users can best use it
- › **Learn** about options for Access and Forward-looking Charges reform, and the Targeted Charging Review
- › **Contribute** their thoughts on this work, next steps and how Charging Futures can work to achieve its aims
- › **Ask** charging experts their questions

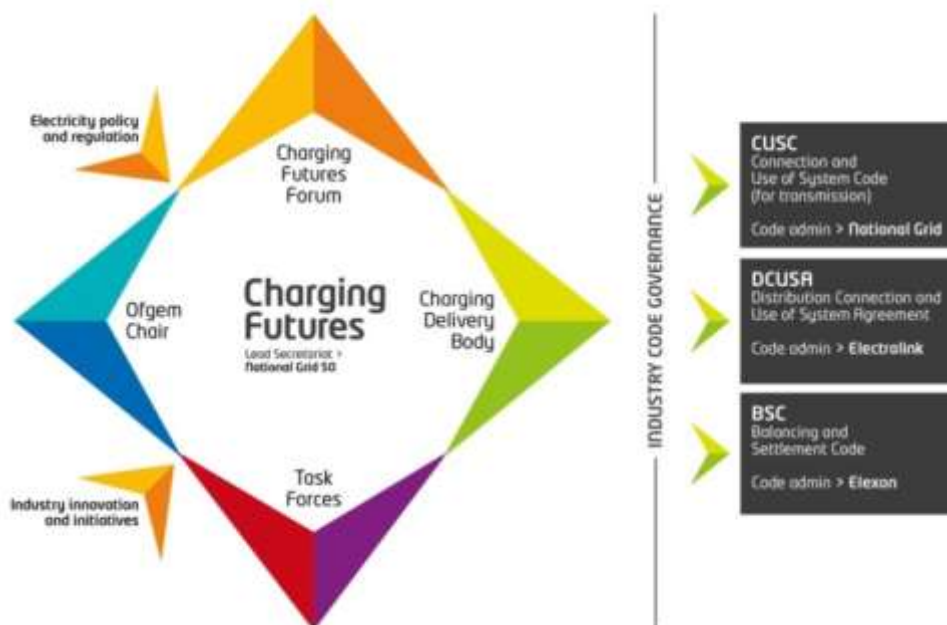
The [agenda](#) included an introduction to Charging Futures and breakout sessions on Access and Forward-Looking Charges reform, the Targeted Charging Review and the Charging Futures' process.

The role of Charging Futures in the developing energy system

Ofgem's principal objective is to protect the interests of existing and future consumers. At the Forum Frances Warburton, Ofgem Forum Chair, explained how reforming access and charging arrangements were important to ensuring a regulatory framework that drives innovation, supports the transformation to a low carbon energy system and delivers the sustainable, resilient, and affordable services that all consumers need.

The Charging Futures Forum has been established with the aim of helping stakeholders overcome three key challenges in network charging reforms that they have raised with Ofgem. The first two are coordination challenges: cross-code coordination, and coordinating across all stakeholders. The third is the information challenge.

The Forum will consider charging holistically, across the whole system. Implementation of changes will still happen at the individual code level, but the Forum provides a place for everyone to engage on the principles and policy before any detailed changes are designed. Stakeholder engagement through the Forum will play a crucial part in the Charging Futures ecosystem. It sits alongside the Task Forces, which will consider and recommend options for change, and the Charging Delivery Body, which will consider the practicalities of detailed code modifications and implementation. The Forum's [Terms of Reference](#) set out its role and its interactions with the other Charging Futures bodies.



- › [View Forum slides and speaker notes](#) on Ofgem's vision for the developing energy system.

How Charging Futures will coordinate change over the next quarter

There are a number of reviews that could lead to significant changes to the electricity network access and charging arrangements. Ofgem is currently leading reviews on:

- › Access and connection arrangements, supported through a Charging Futures Task Force
- › Forward-Looking Charges, supported through Charging Futures Task Force
- › Residual and cost recovery charges in the Targeted Charging Review, through a Significant Code Review

Guidance for raising an issue

If you or an industry participant would like to raise a potential change, [please read the new Coordination Guidance](#) on the Charging Futures website in the first instance. It outlines the five factors you should assess your change against, and the three steps to take:

1. Explore how related it is to an existing Task Force
2. Raise it at the next quarterly Charging Futures Forum
3. Use the Open Governance process

Access and Forward Looking Charges

Ofgem presented their [working paper](#) on the network Access and Forward Looking Charges project, published on 6 November. This included the project's scope, issues with the status quo, and the 'desirable features' of network Access and Forward Looking Charging arrangements. Two stakeholder task forces are being set up under Charging Futures to help develop the options for reform; one on Access and one on Forward Looking Charges. Forum attendees welcomed the opportunity to improve current arrangements and provided valuable input on which changes could bring benefits. This included, for example, how to make arrangements work for new investment and distortions caused by differences in approach at transmission and distribution. In addition to the Task Forces being set up, views will be sought on this work through future Forums and wider workshops to be held in the New Year.

- › Read more about the Access and Forward-looking Charges Task Forces [here](#).
- › For more information, please [contact ENA](#) as the secretariat for both Task Forces, or Ofgem at networkaccessreform@ofgem.gov.uk

Targeted Charging Review

Ofgem presented their thinking in their Targeted Charging Review [update letter](#), published on 6 November, on residual charges. Forum attendees discussed the issues with the current residual network charges. Ofgem has identified potential mechanisms for setting residual charges, and proposes to do further work on selected options; fixed charges; *ex ante* capacity charges; *ex post* capacity charges; and for business users only, gross consumption charges. The Forum attendees gave initial views on each, including on practical challenges in implementing them. Questions and concerns raised in these breakout sessions will help to shape ongoing stakeholder engagement, and Ofgem's further thinking on all these options. Workshops on the TCR, on 15 November in Glasgow and on 30 November in London, and further updates at future Forums and workshops in the New Year, will ensure that wider views continue to be sought.

- › Read more about the [Targeted Charging Review here](#).
- › For more information, please contact TCR@Ofgem.gov.uk.

Feedback and next steps

You said

You liked the ambition for a **simple and plain English** approach to explaining charging change but more could be done to simplify and explain the key principles covered in the Access and TCR papers published on 6 November.

You wanted to understand how this work translates into a '**holistic review** of network charging'.

Next steps

- › In response to your feedback, we will be publishing summaries of the Access and Forward-looking Charges project and the update on the Targeted Charging Review. These will cover the questions these projects seek to answer, proposed options, and how you can get involved.
- › Ofgem is running two major projects that will, together, cover the majority of the principles of future commercial arrangements between

How the **Task Forces** will work, and how you can engage in their work if you are not a Task Force Member.

Greater clarity of potential changes around **BSUoS** that may be included in the TCR and the two Task Forces looking into Access and Forward-looking Charges.

Further clarity on the treatment of **storage** across both transmission and distribution.

network users and the networks. The Charging Futures Forum has been set up to enable discussions to support a holistic approach to network charging and access reform.

- › Task Force progress will be shared and discussed at each Forum and wider workshops in the New Year. Information will be shared through the website and through Charging Futures updates.
- › We will publish two notes on BSUoS and on storage charging. These will pull together existing information on potential changes to BSUoS and storage. Although they will not provide new information or new positions, we hope they will save network users time and help avoid confusion. These notes will be updated if any new developments or positions are published by Ofgem through a task force, SCR or a code modification.

Questions from the day

Questions submitted for the final Panel Q&A session through the sli.do tool will be available on the Charging Futures website on the [9 November Forum page](#) shortly.

Next Forum and how to contact us

- › The next Forum will take place the week commencing 26 February in London.
- › You can continue to [register your interest](#) to go on the mailing list or attend future meetings.
- › National Grid Lead Secretariat, National Grid SO - chargingfutures@nationalgrid.com.
- › Ofgem Chair – CFF@ofgem.gov.uk