



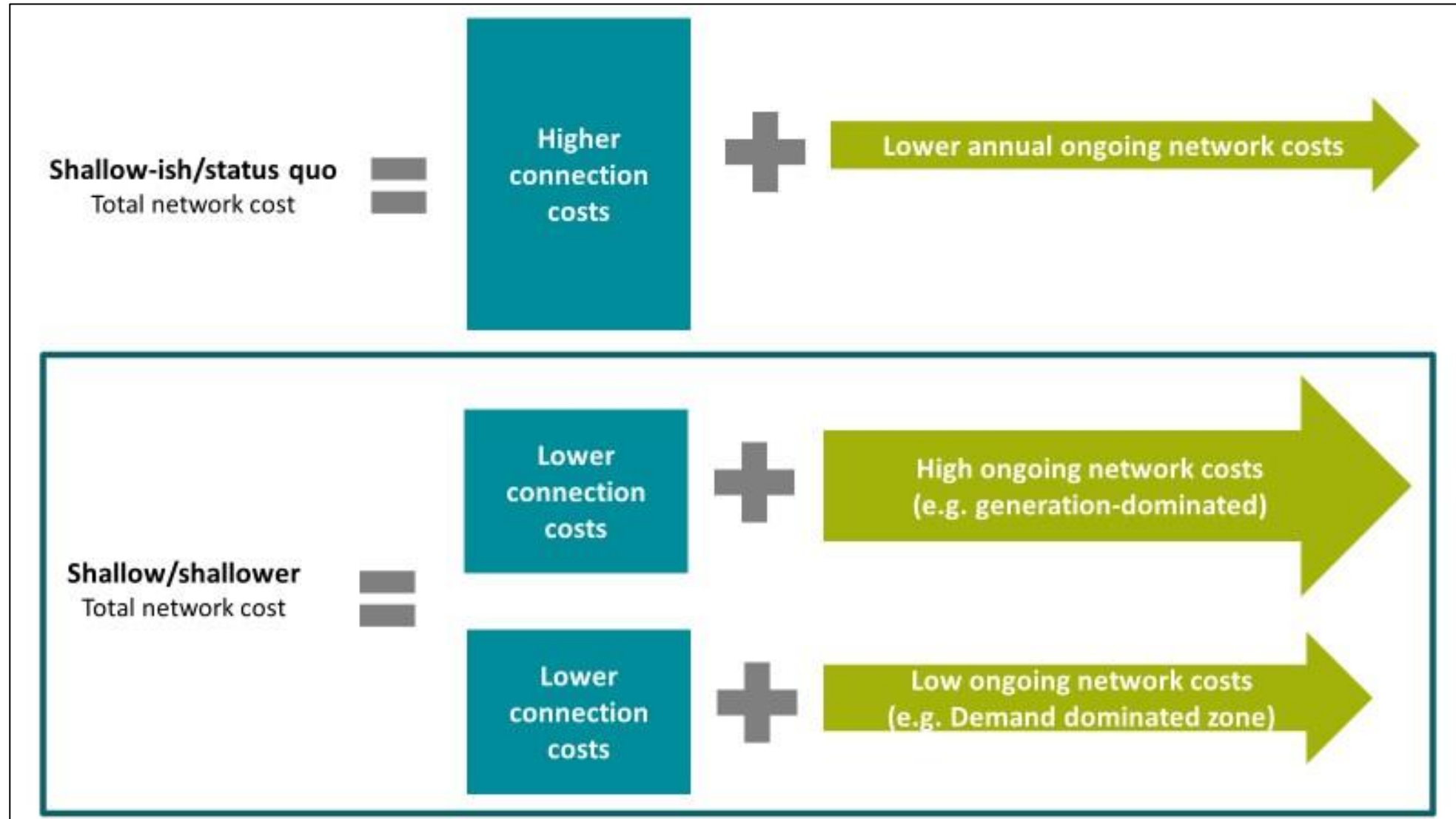
Network charging review – latest from the Access SCR

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- Targeted charging review (TCR)
- Access and Forward-looking charges (Access SCR)
- Who pays BSUOS? (Taskforce report)
- TNOUS calculation and zones

- Do charges **reflect true cost** of the fixed and variable cost of running the distribution network?
 - TCR (higher fixed charges for demand)
 - Forward-looking locational charges.
- **Improving access to the distribution network** and discrepancy between connection methodologies between distribution and transmission.
- **The Scottish distribution connection exemption** from Transmission Network Use of System (TNUoS) distorting outcomes.

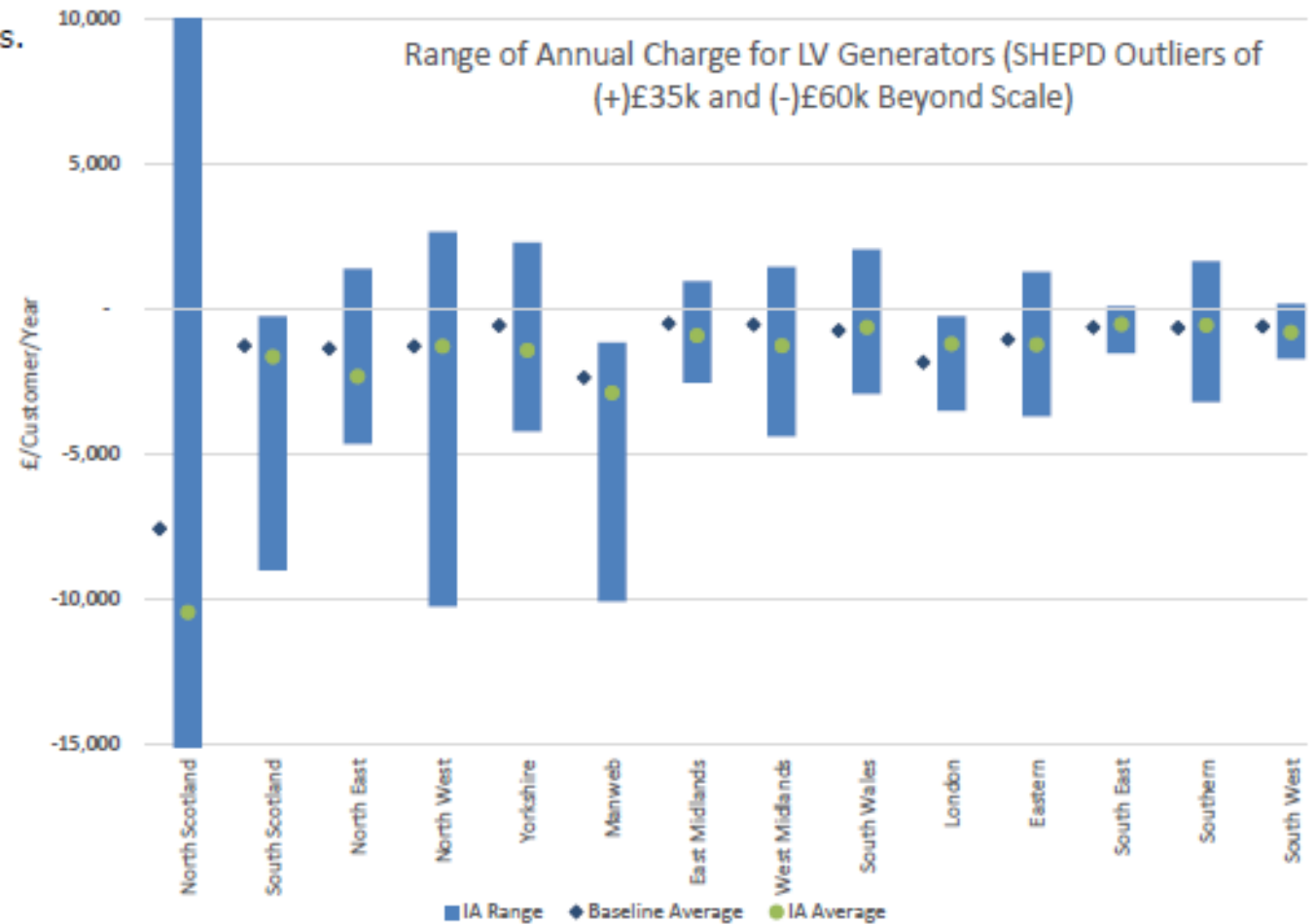
The theory behind the review



These tariff impacts are indicative of some options and do not represent final policy

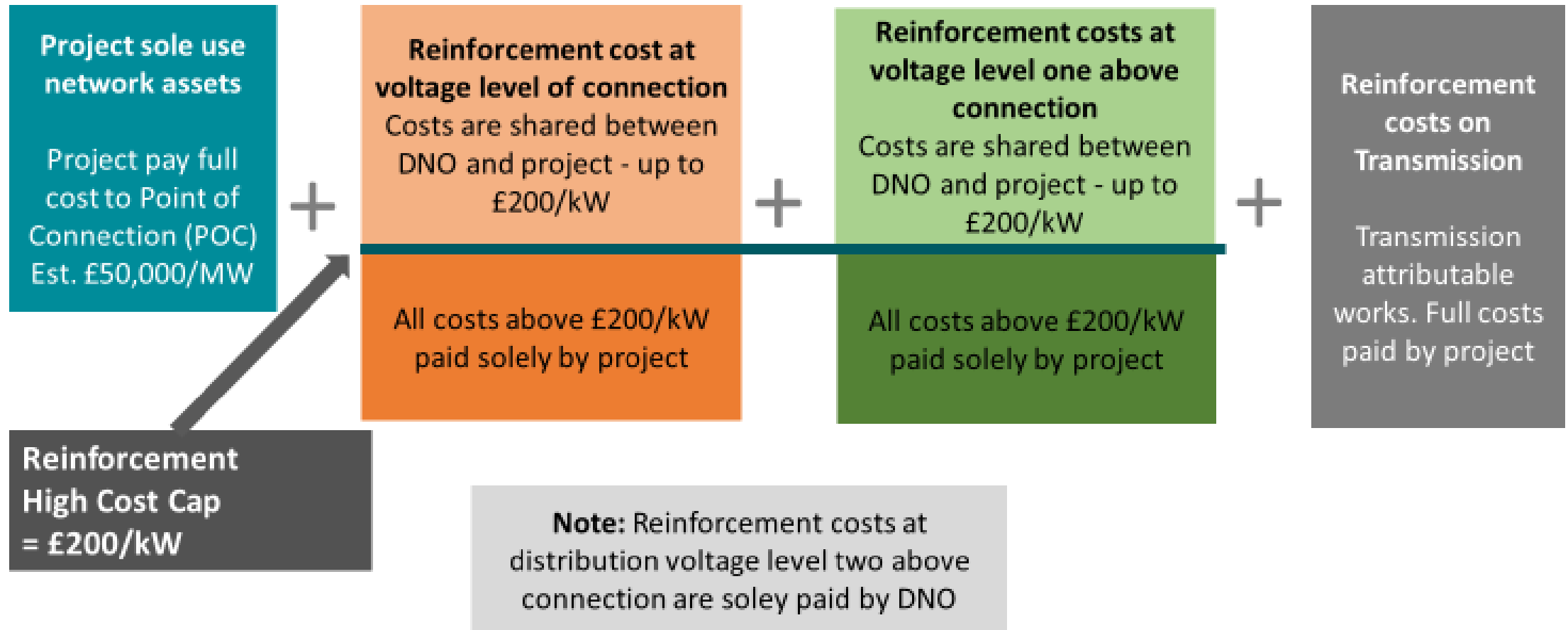
Although some generators would receive much higher than average credits, a number of generators will face net charges.

DNO Region	LV Generators Facing Charges	% LV Generators Facing Charges
GB Total	527	7.0%
North Scotland	81	10.5%
South Scotland	0	0.0%
North East	7	3.0%
North West	7	2.6%
Yorkshire	29	5.2%
Manweb	0	0.0%
East Midlands	36	4.8%
West Midlands	11	1.6%
South Wales	73	17.6%
London	0	0.0%
Eastern	65	7.3%
South East	2	0.5%
Southern	186	27.1%
South West	29	3.3%



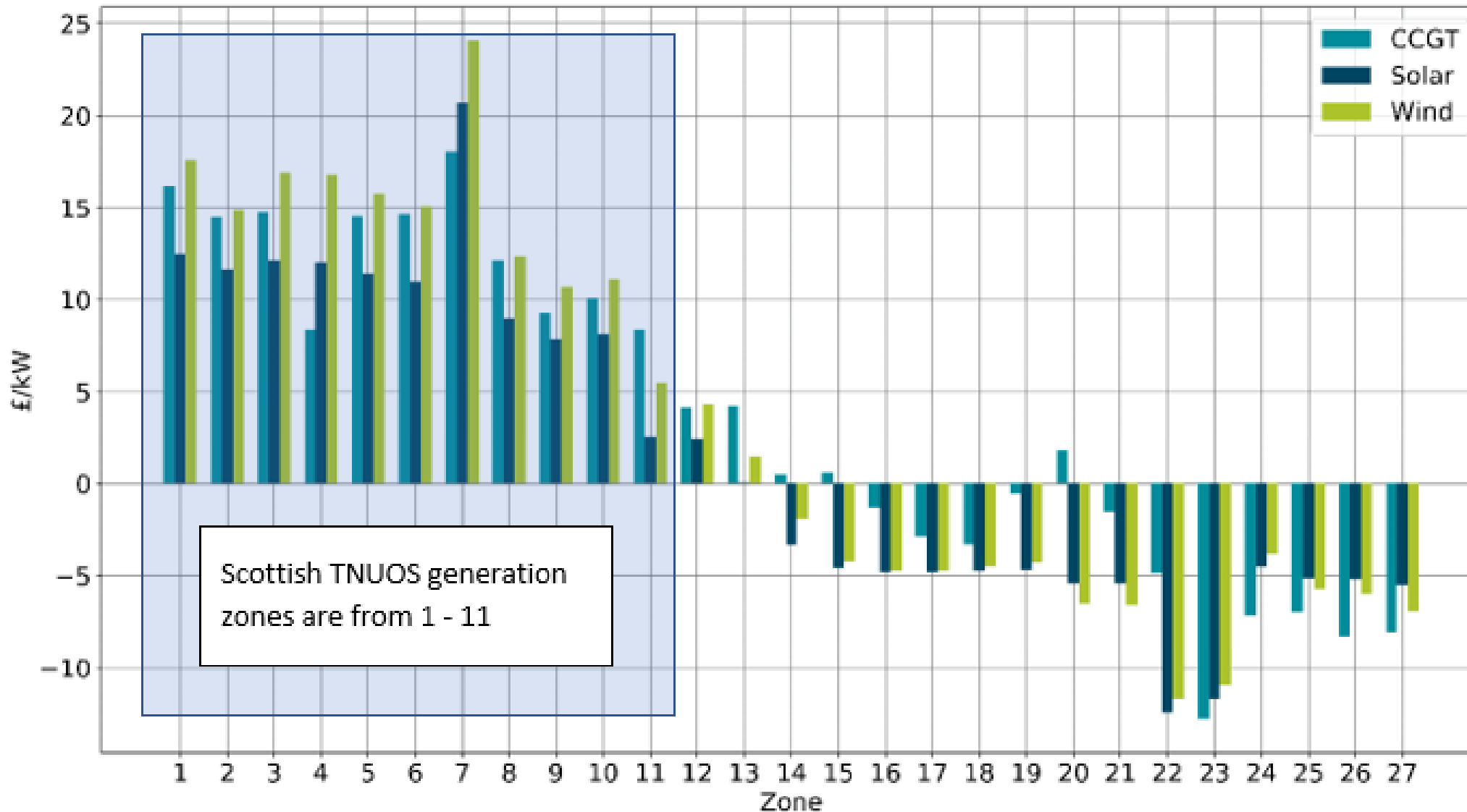
Internal Only

Looking at 'shallow' at EHV with 'shallower' at HV and LV. Looking for evidence that 'going further' would support decarbonisation. FutureChargingAndAccess@ofgem.gov.uk



Flexible connections at distribution

Connection types	Point of connection cost	Network costs to customer	Network monitoring costs	Flexibility markets	Forward-Looking DUOS
Shallow-ish	As required to achieve a firm connection	Paying for a level of reinforcement	None	Limited additional need	Dependent on location
Shallower	As required to achieve a firm connection	Paying lower reinforcement costs	None	Some additional need to avoid added reinforcement	Dependent on location
Shallow	As required to achieve a firm connection	None	None (assuming connection is post reinforcement)	Increased need to avoid added reinforcement	Dependent on location
Active Network Management	Potentially lower due to closer connection point	Paying for monitoring and system costs	Yes – to automatically monitor and constrain	Limited additional need	DUOS signals reinforce constrained time periods
Flexible – Max constraint	Potentially lower due to closer connection point	Paying for monitoring and system costs	Yes – to automatically monitor and constrain	Increased need to avoid exceeding constraint levels	DUOS signals reinforce constrained time periods
Flexible – Time of use	Potentially lower due to closer connection point	Paying for monitoring and system costs (maybe lower)	Yes – at customer site mainly	Limited additional need	TOU periods expected to be reinforced by DUOS
Flexible – Shared access	As required to achieve a firm connection	TBC – could be both reinforcement and monitoring costs	Yes – at customer sites to monitor net access	Limited additional need	Dependent on location



- Do locational charges present a challenge or an opportunity?
- Opportunities for co-location with generation and demand?
- The question of flexibility markets and interaction?