

Appendix 8 – Charging (March 2021)

Structure of the Appendix

This Appendix provides an initial overview of the Function, including the snapshot of the roadmap of the Function and some key statistics.

We then go through each activity and the unique steps that sit under the activity. With the term “unique” we indicate all Common Steps aggregated at organisation level, where possible, as well as steps which aggregate Individual Steps (see section 2.7.2 of the main document for reference).¹

We provide a summary table of each step which includes all the associated information as of the date of this publication. The fields of the table are explained below:

Step	Name of the step as included in the DSO Roadmap
Step type:	<i>Development / definition activity or network action or code change process or enabler/dependency.</i>
Description:	<i>Description of the step as included in the DSO Roadmap</i>
ENA ONP Product:	<i>Only relevant for steps which are associated to an ENA ONP Product.</i>
Timeline:	<i>Start date and completion date of the step. For aggregated steps, start date shows the earliest start date of the responses and completion date the latest completion date of the responses.</i>
Organisation type:	<i>Involved organisations who are responsible for delivering this step. If the step type is “Code change process”, then a delivery body which consists of a number of stakeholders (DNOs, Ofgem, TOs, ESO), is responsible for the code change process. In this case the step is allocated to the “Delivery body”.</i>
Progress:	<i>This field shows the number of organisations in each implementation level.</i>
Additional information:	<i>Additional information such as barriers, dependencies, good practices and links to public information is included in this field.</i>

Table 1 – Step table template, definition of the fields

Function 8

Function 8 – Charging consists of 21 unique steps, some of which are common across DNOs, T.E.F. projects and TOs or duplicated across different activities of this function. We received in total 51 contributions by the involved stakeholders (i.e. 51 steps by all organisations, which were aggregated to 21 unique steps, where possible).

As of March 2021, Figure 1 shows that the roadmap of the “Charging” Function will be completed by March 2024. Please note that timescales are only relevant to steps that have been planned or being implemented by the involved organisations. There are no dates for steps that are at conceptual level, meaning that the organisations plan to implement the step, but they do not know the timescale of the implementation (please refer to section 2.7.3 of the main document for reference).

¹ If a step is relevant to the wider industry, it is called Common Step. A step which is required for individual organisation to implement DSO functionality is called Individual Step. Individual steps are aggregated into a single generic step combining all individual network actions and described only at a high-level, anonymised basis.

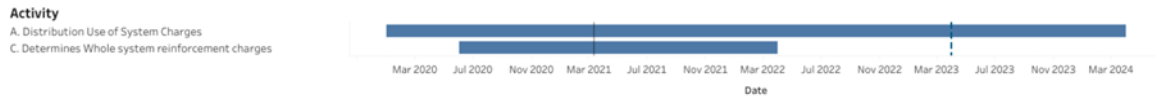


Figure 1 Charging Roadmap

Figure 2 shows the total number of organisations' contributions to the unique steps. As of March 2021, most steps (~65%) of this function are in the organisations' pipeline to implement but have not started yet ("Initiated"). Over 20% of them have been completed and 7 steps are being implemented.

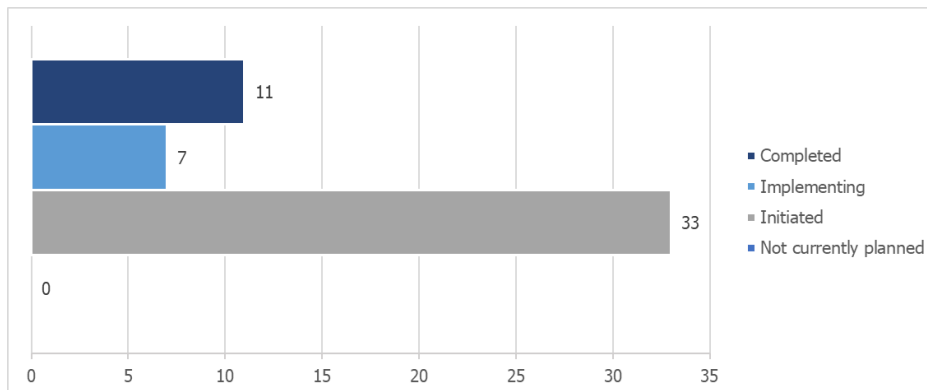


Figure 2 Progress against implementation of "Charging" Function (No. of steps-contributions of each organisation)

Figure 3 shows the number of unique steps that are led by each organisation type in the "Charging" Function. 5 steps reflect code changes and are therefore led by the working group/delivery body is responsible for completing this step. As this function mainly involves steps related to the SCR TCR and SCR Network Access, there are 5 steps that are led by Ofgem. Network companies are responsible for raising code modifications as per Ofgem's direction and the delivery body is responsible for completing the code change process. Network companies are then responsible for implementing any changes that are required for the code modification to be effective.

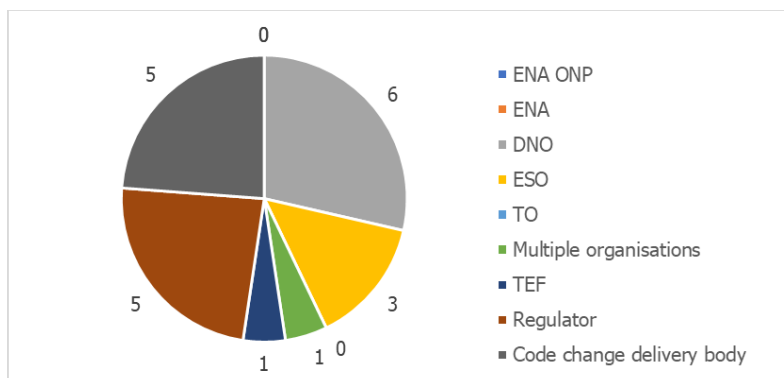


Figure 3 Number of steps led by organisation type in Function 8

Activity A: Distribution Use of System Charges

Description: Sets Distribution Use of System prices for local network.

Figure 4 displays the roadmap for activity A which consists of 20 unique steps:

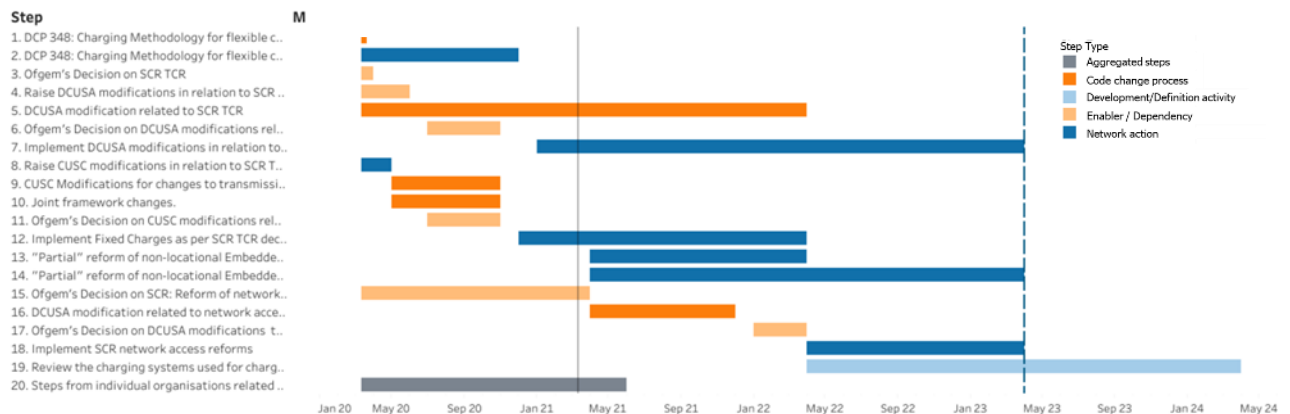


Figure 4 Charging – Activity A roadmap

Figure 5 shows the total number of organisations' contributions to the unique steps. As of March 2021 most steps (~60%) of this activity are in the organisations' pipeline to implement but have not started yet ("Initiated"). 11 have been completed and 7 (~14%) of the steps is being implemented.

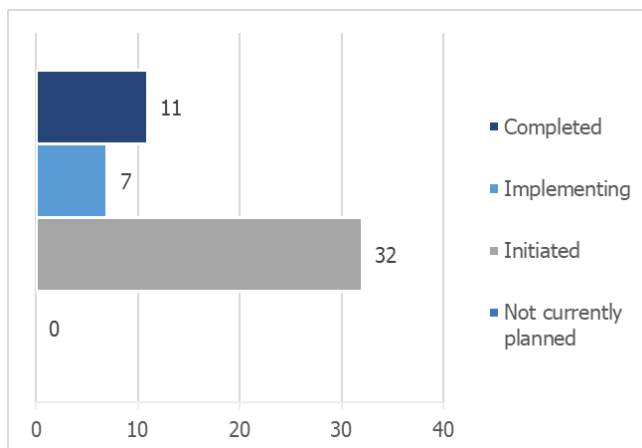


Figure 5 Progress against implementation of "Charging" – Activity A (No. of steps-contributions of each organisation)

The tables on the following pages provide detailed information for each step under Activity A.

Step 1

Step:	DCP 348: Charging Methodology for flexible connections
Step type:	Code change process
Description:	DCUSA Change Proposal for DNO charging for installing capacity management and communications equipment to enable Flexibility in Connections. Authority decision to be made by 18th of February
ENA ONP Product:	N/A
Timeline:	July 2019 - February 2020
Organisation type:	Delivery body
Progress:	Completed(1)
Additional information:	This modification has now been completed and informs future steps for DNOs (step 2 below). For more information on this DCUSA modification please see the link below: https://www.dcusa.co.uk/event/dcp-348-consultation/

Step 2

Step:	DCP 348: Charging Methodology for flexible connections - Implementation
Step type:	Network actions
Description:	Implement changes to enable the effectiveness of the DCUSA modification DCP 348 – DNO Charging for Installing Capacity Management and Communications Equipment to Enable Flexibility in Connections.
ENA ONP Product:	N/A
Timeline:	July 2019 - December 2020
Organisation type:	DNO(6)
Progress:	Implementing(3), Completed(3)
Additional information:	This step is dependent on step 1.

Step 3

Step:	Ofgem's Decision on SCR TCR
Step type:	Enablers / Dependencies / Barriers
Description:	Decision and impact assessment on SCR TCR has been completed.
ENA ONP Product:	N/A
Timeline:	July 2017 - November 2019
Organisation type:	Regulator(1)
Progress:	Completed(1)
Additional information:	This step has triggered implementation of steps 4 to 16. Information on Ofgem's decision can be found below: https://www.ofgem.gov.uk/system/files/docs/2019/12/full_decision_d oc_updated.pdf

Step 4

Step:	Raise DCUSA modifications in relation to SCR TCR
Step type:	Enablers / Dependencies / Barriers
Description:	This is an action for the DNOs: Ofgem has issued a Direction to the DNOs in relation to the TCR SCR in respect of the raising of one or more DCUSA modification proposals to modify the Use of System Charging Methodologies in Schedules 16 to 18 of the DCUSA and associated provisions
ENA ONP Product:	N/A
Timeline:	November 2019 - June 2020
Organisation type:	DNO(6)
Progress:	Implementing(1), Completed(5)
Additional information:	This step triggers the code change process. Ofgem's direction to DNOs to raise DCUSA modifications in relation to SCR TCR can be found below: https://www.ofgem.gov.uk/system/files/docs/2019/11/dcusa_direction_1.pdf

Step 5

Step:	DCUSA modification related to SCR TCR
Step type:	Code change process
Description:	Modify DCUSA in relation to TCR SCR. This is an action for DNOs, through the Code Modification processes. Ofgem has directed the DNOs that the modifications should be effective as of 1 April 2022.
ENA ONP Product:	N/A
Timeline:	January 2020 - April 2022
Organisation type:	Delivery Body
Progress:	Implementing(1)
Additional information:	Several code modifications have been raised in relation to SCR TCR, such as DCP 358 and DCP 359. For more information please see links below: https://www.dcusa.co.uk/wp-content/uploads/2020/01/DCP-358-Change-Proposal-Form-v1.0.pdf https://www.dcusa.co.uk/wp-content/uploads/2020/01/DCP-359-Change-Proposal-Form-v1.0.pdf

Step 6

Step:	Ofgem's Decision on DCUSA modifications related to SCR TCR
Step type:	Enablers / Dependencies / Barriers
Description:	Ofgem to publish its decision on the DCUSA proposal modifications.
ENA ONP Product:	N/A
Timeline:	July 2020 - November 2020
Organisation type:	Regulator(1)
Progress:	Initiated(1)
Additional information:	Ofgem will need to approve the modification so that DNOs implement it. This step will then inform step 7.

Step 7

Step:	Implement DCUSA modifications in relation to SCR TCR
Step type:	Network actions
Description:	This is an action for the DNOs to enable DCUSA modifications in relation to the SCR TCR to be effective. This will be informed by the agreed DCUSA modification related to the SCR TCR.
ENA ONP Product:	N/A
Timeline:	January 2021 - April 2023
Organisation type:	DNO(6)
Progress:	Initiated(5), Implementing(1)
Additional information:	This step is dependent on step 5 and 6 of this Activity. DNOs will have to implement changes for DCUSA modifications to be effective.

Step 8

Step:	Raise CUSC modifications in relation to SCR TCR
Step type:	Network actions
Description:	This is an action for the ESO: Ofgem has issued a Direction to the DNOs in relation to the TCR SCR in respect of the raising of one or more DCUSA modification proposals to modify the Use of System Charging Methodologies in Schedules 16 to 18 of the DCUSA and associated provisions
ENA ONP Product:	N/A
Timeline:	November 2019 - May 2020
Organisation type:	ESO(1)
Progress:	Completed(1)
Additional information:	This step triggers the code change process. Ofgem's direction to the ESO to raise CUSC modifications in relation to SCR TCR can be found below: https://www.ofgem.gov.uk/system/files/docs/2019/11/cusc_direction_1.pdf

Step 9

Step:	CUSC Modifications for changes to transmission frameworks.
Step type:	Code change process
Description:	Develop potential modifications to the CUSC in accordance with the conclusions of the TCR. (CMP332, 335, 336 & 340)
ENA ONP Product:	N/A
Timeline:	May 2020 - November 2020
Organisation type:	Delivery Body
Progress:	Initiated(1)
Additional information:	The ESO has already raised the specified CUSC modifications. More information can be found ESO's website: https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc

Step 10

Step:	Joint framework changes.
Step type:	Code change process
Description:	Develop framework modifications through a joint workgroup in accordance with the conclusions of the TCR.(DCP 359 & CMP334)
ENA ONP Product:	N/A
Timeline:	May 2020 - November 2020
Organisation type:	Delivery Body
Progress:	Initiated(1)
Additional information:	Some of the modifications which have been raised (as per step's description) require an ESO-DNO joint working group.

Step 11

Step:	Ofgem's Decision on CUSC modifications related to SCR TCR
Step type:	Enablers / Dependencies / Barriers
Description:	Ofgem to publish its decision on the CUSC proposal modifications.
ENA ONP Product:	N/A
Timeline:	July 2020 - November 2020
Organisation type:	Regulator(1)
Progress:	Initiated(1)
Additional information:	Ofgem will need to approve the modification so that DNOs implement it. This step will then inform step 12.

Step 12

Step:	Implement Fixed Charges as per SCR TCR decision
Step type:	Network actions
Description:	Fixed charges to be levied on final demand consumer only and be implemented for distribution charges in 2022. This is an action for the ESO to enable the associated CUSC modifications, as per the SCR TCR decision.
ENA ONP Product:	N/A
Timeline:	December 2020 - April 2022
Organisation type:	ESO(1)
Progress:	Initiated(1)
Additional information:	Following the code change process, the ESO will need to implement this step which was initially identified in Ofgem's SCR TCR decision document. https://www.ofgem.gov.uk/system/files/docs/2019/12/full_decision_doc_updated.pdf

Step 13

Step:	"Partial" reform of non-locational Embedded Benefits
Step type:	Network actions
Description:	The ESO to set the Transmission Generation Residual to zero and charge balancing services charges for demand on the basis of gross demand at GSP. This is an action for the ESO to enable the associated CUSC modifications, as per the SCR TCR decision.
ENA ONP Product:	N/A
Timeline:	April 2021 - April 2022
Organisation type:	ESO(1)
Progress:	Initiated(1)
Additional information:	Following the code change process, the ESO will need to implement this step which was initially identified in Ofgem's SCR TCR decision document. https://www.ofgem.gov.uk/system/files/docs/2019/12/full_decision_document_updated.pdf

Step 14

Step:	"Partial" reform of non-locational Embedded Benefits
Step type:	Network actions
Description:	DNOs to support the ESO on the "Partial" Reform of non-locational Embedded Benefits, providing appropriate set of data, if and when required. (e.g. changes in DUoS).
ENA ONP Product:	N/A
Timeline:	April 2021 - April 2023
Organisation type:	DNO(6)
Progress:	Initiated(6)
Additional information:	Following the code change process, the DNOs will need to implement this step which was initially identified in Ofgem's SCR TCR decision document. https://www.ofgem.gov.uk/system/files/docs/2019/12/full_decision_document_updated.pdf

Step 15

Step:	Ofgem's Decision on SCR: Reform of network access and forward-looking charges
Step type:	Enablers / Dependencies / Barriers
Description:	<p>The SCR includes:</p> <ul style="list-style-type: none"> • a review of the definition and choice of access rights for transmission and distribution users • a wide-ranging review of distribution network charges (Distribution Use of System (DUoS) charges) • a review of the distribution connection charging boundary • a focused review of transmission network charges (Transmission Network Use of System (TNUoS) charges).
ENA ONP Product:	N/A
Timeline:	June 2019 - April 2021
Organisation type:	Regulator(1)
Progress:	Implementing(1)
Additional information:	<p>This step is linked to steps 16 – 18. For more information on this step's progress please visit Ofgem's website.</p> <p>https://www.ofgem.gov.uk/electricity/transmission-networks/charging/reform-network-access-and-forward-looking-charges</p>

Step 16

Step:	DCUSA modification related to network access and forward-looking charges
Step type:	Code change process
Description:	Modify DCUSA in relation to Ofgem's decision on SCR: network access and forward-looking charges
ENA ONP Product:	N/A
Timeline:	April 2021 - December 2021
Organisation type:	Delivery Body
Progress:	Initiated(1)
Additional information:	Following Ofgem's decision (step 15), DCUSA modifications are likely to be required for further implementation by DNOs.

Step 17

Step:	Ofgem's Decision on DCUSA modifications to network access and forward-looking charges
Step type:	Enablers / Dependencies / Barriers
Description:	Ofgem to publish its decision on the DCUSA proposal modifications.
ENA ONP Product:	N/A
Timeline:	January 2022 - April 2022
Organisation type:	Regulator(1)
Progress:	Initiated(1)
Additional information:	This step is dependent on step 16. DCUSA modifications require Ofgem's approval to be effective.

Step 18

Step:	Implement SCR network access reforms
Step type:	Network actions
Description:	DNOs to implement reforms on Access and forward-looking charges as per Ofgem's final decision to enable the associated DCUSA modifications
ENA ONP Product:	N/A
Timeline:	April 2022 - April 2023
Organisation type:	DNO(6)
Progress:	Initiated(6)
Additional information:	This step depends on outcomes of steps 16 and 17. DNOs will have to implement any actions driven by DCUSA modifications so that SCE network access reform recommendations are effective.

Step 19

Step:	Review the charging systems used for charges calculation and billing
Step type:	Development / definition activity
Description:	The charging reforms will drive change in methodology for calculation and processing of network charges (e.g. TCR adds more tariffs and SCR Access potentially requires more data input).
ENA ONP Product:	N/A
Timeline:	April 2022 - April 2024
Organisation type:	DNO(6)
Progress:	Initiated(6)
Additional information:	This is a step that was added by DNOs and reflects changes of internal processes with regard to charges calculations and billing.

Step 20

Step:	Steps from individual organisations related to this activity
Step type:	Aggregated steps
Description:	This step aggregates steps required for individual DNOs or TOs to implement DSO functionality, but which have no wider industry relevance.
ENA ONP Product:	N/A
Timeline:	January 2019 - June 2021
Organisation type:	DNO(1)
Progress:	Initiated(1)
Additional information:	One DNO has added a step related to trials that the DNO carries out and will feed into Ofgem's Access SCR Impact Assessment.

Activity B: Determines point of connection

Description: Designs incremental capacity increases on the network

As of March 2021 there were no contributions towards the implementation of this activity.

Activity C: Determines Whole system reinforcement charges

Description: Reflecting transmission charges and distribution costs in whole system charges.

As of March 2021 only 1 step is included in this activity. Please see details below:

Step 1

Step:	Whole System - Local Planning
Step type:	Development / definition activity
Description:	T.E.F., specifically Project LEO and MERLIN via TRANSITION, is looking at other vectors and building a more complete picture of the direct and indirect financial benefits of a more holistic approach. This can inform the way in which reinforcement is treated. This step links to ENA ONP's Workstream 4 developments within 2020.
ENA ONP Product:	N/A
Timeline:	June 2020 - April 2022
Organisation type:	TEF(1)
Progress:	Initiated(1)
Additional information:	This step is added by TRANSITION. For more information on TRANSITION and LE, please see link below: https://ssen-transition.com/ https://ssen-transition.com/dso/leo/

Activity D: Exit Charging (dependent on size, variations and apportionment)

Description: Management of transmission costs at the GSP

As of March 2021 there were no contributions towards the implementation of this activity.