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RWE's Response to Ofgem Consultation to descope the wide-ranging review of Distribution Use of System (DUoS) charges from the current Electricity Network Access and Forward Looking Charges Significant Code Review (SCR) and take it forward under a dedicated SCR with a revised timescale

Dear Patrick,

RWE welcomes the opportunity to respond to this consultation. I am responding on behalf of RWE Supply and Trading GmbH, RWE Generation UK plc and RWE Renewables GmbH (RWE).

We understand OFGEM's desire to move quickly to the implementation phase of some aspects of the SCR. However, one of the primary objectives of the Network Access SCR was to deliver a level playing-field for generators, irrespective of connection voltage, we have concerns that separating the workstreams which are delivering reforms at different voltage levels risks making this goal harder to attain. Care must be taken to ensure that new distortions between different voltage levels are not created as a product of these workstreams being separated. Any reforms to DUoS must be consistent not only with other parts of the Network Access and Forward-Looking Charges (NAFLC) SCR, but also any reforms to TNUoS that may come about following the recent CfE on the subject.

Notwithstanding these risks, the launch of this separate SCR potentially offers an opportunity to strengthen some of the areas that were not appropriately addressed under the original NAFLC SCR. For example, a review of financially firm access rights for distribution-

connected generators was considered out of scope of the original SCR, we propose that this could be considered as part of this new separate SCR.

We propose too that the original scope of the SCR be amended to include “consistency with delivery of a cost-efficient transition to Net Zero” as a primary objective. DUoS has the potential to have a significant impact on the location and/or dispatch of both generation and demand users. The opportunity to support the transition to Net Zero must not be missed. Its inclusion as a primary objective is also likely to help future-proof the workstream from the introduction of the Strategy and Policy Statement which will “...set out the strategic priorities and policy outcomes of the government’s energy policy, with net zero as the driving theme...[and]...will impose a legal obligation on Ofgem to have regard to the strategic priorities and policy outcomes when exercising its regulatory functions”¹.

It is inevitable that this new SCR will prolong the period of uncertainty to the market. We would ask that OFGEM maintains an open dialogue with developers in order to help alleviate some of this uncertainty.

I hope you have found this response useful. If you have any comments or wish to discuss the issues raised in this letter then please do not hesitate to contact me.

Yours sincerely,

Dr. Tom Steward

Senior Regulatory Affairs Manager

¹ FfMC (2021) · Net Zero Strategy: Build Back Greener