

Sent via email to:
futurechargingandaccess@ofgem.gov.uk

Monkton Park Offices,
Monkton Park, Chippenham,
SN15 1GH

 goodenergy.co.uk
 hello@goodenergy.co.uk
 0800 254 0000

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Dear Future Charging and Access team,

Good Energy's response to the proposals to descope DUoS from the Access SCR

Thank you for the invitation to respond to the consultation to take forward the wide-ranging review of Distribution Use of system (DUoS) under a separate vehicle to the Access and Forward-Looking Charges Significant Code Review (Access SCR).

Good Energy supplies 100% renewable electricity and carbon-neutral gas to homes and businesses across the UK. Good Energy is working towards a renewable future, helping to support technologies including wind, solar, biofuel and tidal. Our purpose is to power the choice of a cleaner, greener future together.

Summary:

- Network charging is key to delivering a Net Zero electricity system, but delivery of reforms since the beginning of the Targeted Charging Review (TCR) hasn't delivered change at the required speed.
- We agree that the proposals for connection charging and access rights should be completed first before DUoS. Therefore, whilst not ideal, we support the decision for a separate DUoS SCR.
- By creating a separate DUoS SCR, we should realise this opportunity to design proposals that support small scale renewable investment and full chain flexibility.
- Proposals for the new SCR should ensure suppliers are given the minimum stipulated notice period of any planned changes.
- Continuing with the existing governance arrangements will ensure clarity for stakeholders.



Timescales

Whilst the delays are not ideal, we understand the reasoning for first resolving the proposals for Access by April 2023. Implementing the connection and boundary access rights should be completed first. It is also unlikely that the DUoS proposals are at a stage to be implemented for 2023.

It should be noted that whilst we believe this proposal is sensible given the situation we find ourselves in, having another delay to network charging reforms is very disappointing. These reforms have been on-going in various iterations since 2017, which is not fitting in the context of our need to move rapidly to a net zero electricity system.

By separating them out, we hope this allows for the reforms to be delivered in a way that allows for decarbonisation to be delivered at lowest cost for consumers. With the proposals now set to be de-scoped, we hope this will mean no further delays will be experienced in this wider workstream.

Interaction with wider policy

Specifically for DUoS, there needs to be sufficient consideration of the DNO's requirement to publish their charges 15 months in advance. It is important that suppliers are given the minimum stipulated notice period of any planned changes. This is of increasing importance given the recent events when DNOs were asking for displaced notice periods because the RIIO timescales didn't take into consideration this requirement to allow for 15 months' notice.

Whilst we are broadly supportive of the de-scoping, having a separate SCR for DUoS now provides an opportunity for Ofgem to align the DUoS SCR with any future planned SCR for TNUoS. Given how these proposals interact with one another, especially in regard to distributed generation, this could be an effective approach to take.

More broadly, this should ideally be done alongside the work on full chain flexibility. Aiming for a 2025 implementation date allows for alignment with the Market Wide Half-Hourly Settlement reforms, which will be important in incentivising dynamic, locational price signals. Moreover, sufficient consideration should be given towards storage at a distribution level. Having previously been side-lined in the RIIO-ED2 scope due to complexity, there should now be an appetite to join up these workstreams.

Finally, the interaction with the Targeted Charging Review (TCR) proposals will be critical. This workstream has proven to be incredibly detrimental to distributed generation. It is vital that the right signals are created for investment in small scale renewables – something that was previously promised in the Forward-Looking Charges reforms but failed to fully materialise. By separating DUoS, this provides a renewed opportunity to ensure the right signals are sent to incentivise uptake of distributed renewable generation, rather than inhibit it.



SCR processes

Whilst the governance arrangements are quite a lengthy process, it is unclear what suitable alternative could be put in place in a relatively short time frame. For that reason, we are fairly supportive of retaining the scope and governance arrangements as this will at least ensure clarity for stakeholders. Efforts should be made to streamline the policy drafting process during the SCR to avoid a rushed implementation window.

I hope you have found our response helpful. If you would like more information, or have any questions about our views, please do not hesitate to let me know.

Kind regards,

Simon Shaw
Regulatory Affairs Officer