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RESPONSE TO OFGEM'S 2021 MINDED TO CONSULTATION ON ACCESS AND FORWARD-LOOKING CHARGES SIGNIFICANT CODE REVIEW: CONSULTATION ON MINDED TO POSITIONS

<https://www.ofgem.gov.uk/publications/access-and-forward-looking-charges-significant-code-review-consultation-minded-positions>

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Our response

We are encouraged by several of the minded-to proposals which go some way towards easing the transformation to net-zero. In our view, however, the overall objective for this SCR remains some way off recognising the requirements set out by the Climate Change Committee's sixth carbon budget, never mind the very recent IPCC AR6 report.

Specifically, the need to decarbonise a significant proportion of the heating and transport energy consumption through electrification in a relatively short time have been missed, namely:

- By specifically caveating the net-zero objective with “least cost” and “protecting the consumer” effectively states that these are more important than the catastrophic and irreversible consequences of climate change.
- Remaining technology agnostic flies in the face of the stated objective for net-zero.

So, while the proposed changes are welcome, the elephant in the room continues to be ignored!

As a Regen member, we support and second their response. **Please consider our response as mirroring that from Regen (<https://www.regen.co.uk/>) with the following overriding principles:**

Charging in general should be structured to encourage lower grid consumption and self/local generation from low-carbon sources (i.e. < 0.05 kg/kWh incl. scope 3 emissions).

This can be achieved by setting pricing thresholds and terms for access charging that reflect an appropriate level of electricity consumption for different user classes (e.g. residential, educational, business, etc.).

These consumption levels need to take account of increased demand needed to decarbonise heating and transport. Both thresholds and terms should be adjustable at regular intervals (~5 years) to reflect changing circumstances, in particular the level/pace of greenhouse gas emission reductions.

The higher energy consumers, especially residential, are often those who are most able to fund self/local generation to reduce grid consumption and to fund strategic grid reinforcement. Schemes to support those in ‘special needs’ with a higher electricity demand should continue.