



Making a positive difference
for energy consumers

To interested parties

Harriet Harmon

Head of Electricity Transmission Charging

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Email: tnuosreform@ofgem.gov.uk

Open Letter: Establishing a Charging Transitional Arrangements Group (CTAG) under the Reformed National Pricing programme.

Charging Transitional Arrangements Group

On 10 July 2025, the UK Government announced its decision to retain a single, national Great Britain (GB) wide wholesale electricity market and to introduce reforms to improve the efficiency of our future power system¹. We refer to this as the Reformed National Pricing (“RNP”) programme of work.

One area identified as requiring reform is electricity transmission network charging. Both Connection Charges², and Transmission Network Use of System (“TNUoS”) Charges³ can support connecting users in making efficient siting decisions through the sending of useful signals, indicating for instance areas of the network which have available capacity or where additional electricity consumption would help reduce system constraints. Ensuring that these charging signals work in alignment with the Strategic Spatial Energy Plan (“SSEP”) and other siting levers will be an important part of the delivery of RNP. Whilst the Government is yet to take policy decisions on the future role and purpose of network charging signals, it is

¹ [Review of electricity market arrangements \(REMA\): Summer update, 2025 \(accessible webpage\) - GOV.UK](#)

² Those charges - payable by parties connected to the GB transmission system – which relate to assets deployed to connect a user to the network, as defined in the Connection and Use of System Code

³ Those charges – payable by all demand users, those large generators connected to the distribution system, and all generators connected to the GB transmission system – which relate to the ongoing use of the transmission network, as set out in the Connection and Use of System Code.

clear that the current regime will be reformed.

The implementation of significant reforms to network charging could introduce uncertainty for organisations making investment decisions ahead of RNP and those operating existing assets. Under normal circumstances, if we make changes to the transmission charging regime, the new arrangements would apply to all system users at the same point in time. While we have not yet decided whether a different approach might be appropriate, we do recognise that the potential scale of these reforms could lead to noticeable cost changes for generators and storage. Because of this, it may be in consumers' wider interests for bespoke arrangements to manage the transition from the current regime to a new one under RNP for legacy and transitional assets. We therefore intend in the near term to use the CTAG to derive a list of options for implementation that we can consider as the policy work on charging develops.

To that end, we are seeking around 15-20 interested parties to join us, the Department of Energy Security and Net Zero ("DESNZ") and the National Energy System Operator ("NESO"), in forming a specific group to work through the case for change, as well as the options for transitioning to any new arrangements, initially for generation (and storage)⁴. We will refer to this group as the Charging Transitional Arrangements Group ("CTAG"). We intend to share the draft Terms of Reference with the CTAG once established, and to then publish the finalised version once it has been agreed. We anticipate that all materials used within meetings of the CTAG, as well as minutes of the meetings themselves will be published online.

Parties should note that by setting up the CTAG, and by entering into these discussions we are not confirming that anything other than the baseline arrangements would apply; we are simply exploring the range of options that are available to us when we consider implementation of any policy reforms and consider that industry itself is well-placed to help us identify and perform preliminary assessments on those options. We see benefits in early engagement with our stakeholders on these potential design options and are looking to accelerate this workstream ahead of the broader RNP programme.

Our intention is that the CTAG will inform our view of a case for change, and enable us to create a set of options for the implementation of any transmission charging reforms (i.e., whether any transitional or 'legacy' arrangements might be warranted, and how they might be designed). We will use this information alongside evidence gathered through consultation and other engagement (including our upcoming Call for Input) to inform our later decisions on whether any transitional or legacy arrangements should apply.

Timeline:

We expect that the first meeting of the CTAG might take place in mid April 2026, depending on the number of applications received and parties' availability. They are provided to indicate the speed with which we

⁴ We intend to consider matters relating to demand separately.

intend to identify and assess options. We envisage the CTAG meeting online - approximately once per fortnight, although this is to be agreed, and in-person meetings may be convened if there is a consensus view that it would be helpful to the discussions.

How to register:

To keep the CTAG to a size which both, covers a range of business models and technologies, and is not so large that assessment becomes extremely difficult and/or time-consuming, we believe the CTAG should be comprised of c.15-20 individual representatives (and no more than one per organisation/group). We anticipate that the majority of interested parties seeking to participate in the CTAG will be generator representatives, but we welcome non-generator representatives with a legitimate interest in this work, including consumer group representatives.

In respect of generation, we would look to have representatives of generators across each technology type and scheme (e.g. merchant as well as CfD, Nuclear RAB etc.), as well as location and scale. Detailed knowledge of charging methodologies is not essential, however knowledge of the investment decision processes within the sector would be highly beneficial. We anticipate a high level of interest in this topic and therefore to aid us in forming the CTAG, we ask that those interested email tnuosreform@ofgem.gov.uk no later than 5pm on Tuesday 24th March with the following information:

1. Name
2. Organisation and market role (generator/trade association etc.)
3. For generators/storage assets developers:
 - Total portfolio size (MW)
 - Principal generation location (if offshore, this should be where landfall is made)
 - Technology type(s)
 - Merchant or subject to scheme⁵ (and which scheme – if mixed, please indicate all)
4. Short statement – no more than 200 words – setting out why/how you would like to contribute to the CTAG’s deliberations. This statement would be used in the event that we receive more volunteers than needed to provide appropriate cross-sector representation, and would serve to help selection.

We do not intend to publish these emails, however you may mark items as ‘confidential’ should you wish⁶.

⁵ By ‘scheme’ we mean operating under a Contract for Difference, a Capacity Market Agreement, a Nuclear RAB or an LDES arrangement.

⁶ You can ask us to keep information confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose.

We aim to ensure a good level of representation across the market and the above information will be used to determine the best mix of candidates to ensure the CTAG is comprised of a diverse range of experience, business models, and technology. Stakeholders should note that further Expert Panels will be established by the Government RNP programme later this year to address other policy matters.

To discuss the formulation or general role of the RNP - Charging Transitional Arrangements Group, please contact Harriet Harmon (Head of Electricity Transmission Network Charging) directly at tunosreform@ofgem.gov.uk.

Harriet Harmon

Head of Electricity Transmission Charging - Energy Systems Management and Security

Signed on behalf of the Authority and authorised for that purpose

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Your response, data, and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this call for input. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.