

To interested parties,

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## **Open Letter: Establishing a Locational Charges Design Group under the Reformed National Pricing Programme**

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

One area identified as requiring reform is electricity transmission network charging, encompassing both connection charges<sup>1</sup> and Transmission Network Use of System (TNUoS)<sup>2</sup>. Ensuring that these signals work in alignment with the incoming Strategic Spatial Energy Plan (SSEP) is an important feature of RNP and could require transformative change.

Today we have launched our Call for Input, asking stakeholders to help us identify a full range of reform options to take forward to future policy work. We are looking to continue stakeholder engagement through a bespoke expert working group of a maximum of 20 individuals- the Locational Charges Design Group (LCDG).

This proposed expert working group would support us in our consideration of the potential benefits, costs and practical implementation of the reform options. Insights from this working group will be used alongside evidence gathered through the Call for Input, and any

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<sup>1</sup> 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.

<sup>2</sup> 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.

future published consultation, to help inform our assessment of a design option for a locational charge.

We anticipate that the first meeting of the working group will take place after the closure of our Call for Input on 26 May 2026.

We intend to share the draft Terms of Reference with the LCDG once established, and then to publish the finalised version once agreed. We anticipate that all materials used within meetings of the LCDG, as well as minutes of the meetings themselves, will be published online.

As noted in our Call for Input, we expect to review distribution-level arrangements later in the reform programme. At this point in time, the working group will be focused on transmission-level charges only.

### **How to register:**

We invite representation across a variety of organisations with a legitimate interest in this work- including generators, storage operators, network operators, large-scale demand, trade bodies, investors, and consumer groups. We look to have representation across each technology type and scheme (merchant, CfD, RAB, Cap and Floor etc.), and with a variety of locations and scale.

We ask that applications be limited to one representative per organisation/group.

Please email [RNPchargingreform@ofgem.gov.uk](mailto:RNPchargingreform@ofgem.gov.uk) by no later than 5pm on **22<sup>nd</sup> April**, with the following information:

1. Name
2. Organisation and market role (generator/trade association/consumer group etc.)
3. For generators/storage asset developers:
  - Total portfolio size (MW)
  - Principal generation location (if offshore, this should be where landfall is made)
  - Technology type(s)
  - Merchant or subject to scheme (and if so, which)
4. Short statement- no more than 200 words- setting out why/how you would like to contribute to the LCDG's deliberations. This statement would be used in the event that we receive more volunteers than needed, and would serve to help selection.

We do not intend to publish these emails, however you may mark items as ‘confidential’ should you wish<sup>3</sup>.

On 10 March we published an expression of interest for a sister working group focused on legacy and transitional arrangements (CTAG)<sup>4</sup>. This expression of interest is now closed for applications.

**Amir Alikhanzadeh**

**Head of Strategic Investment Levers Design- Energy Systems Management and Security**

Signed on behalf of the Authority and authorised for that purpose

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<sup>3</sup> 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.

<sup>4</sup> [Establishing a Charging Transitional Arrangements Group under the Reformed National Pricing programme | Ofgem](#)

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