

ENA COG sub-group on SoC

Progress Update

Third Consultation

- Consultation Paper issued on Fri 28th July
- Responses due Fri 8th September

Fourth Workshop

- Planned for Wed 22nd November
- Issues to be covered:
 - Feedback from Third Consultation
 - Explanation of the DNO Tariff Model

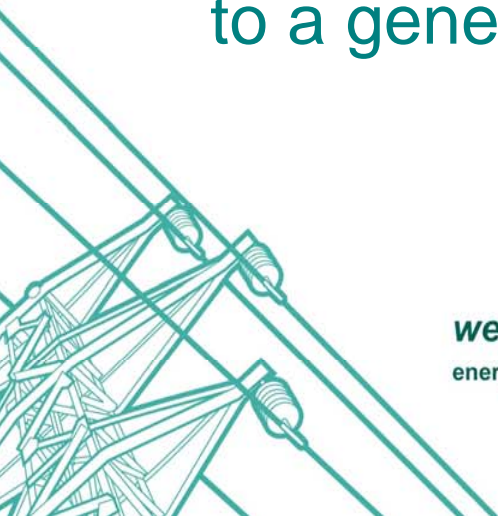


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Progress Update

Fourth Workshop continued

- Further detail on the possible approaches to marginal costs
- Further detail of the possible approaches to revenue reconciliation
- Outline impact of the various approaches compared to a generic DRM model



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What has been achieved to date?

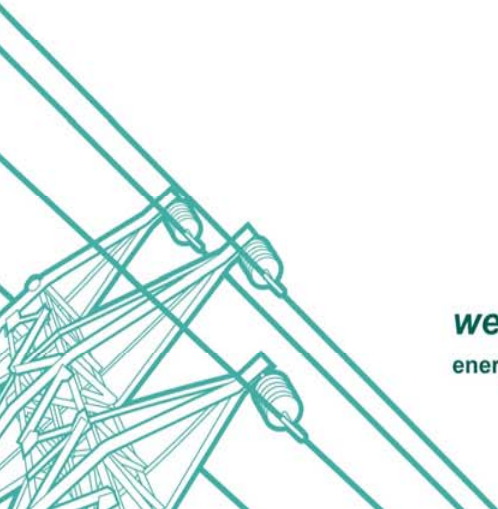
- Increased transparency of the issues
- Stakeholder involvement in development process
- Greater cooperation and consistency amongst DNOs
- Development of a tariff model:
 - Capable of accommodating different approaches to the production of marginal costs.
 - Uses approaches outlined in third consultation for allocation of other costs
 - Uses approaches outlined in third consultation for revenue reconciliation



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What has been achieved to date?

- Alternative approaches identified for determining marginal costs
- Good progress with suppliers in respect to tariff structures and charging statements



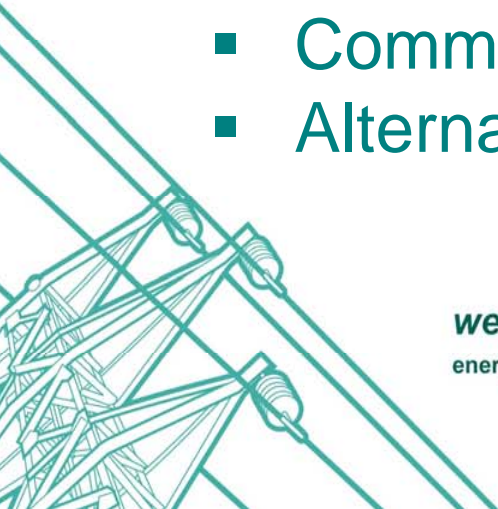
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What next?

- Each DNO to build on the development work and bring forward methodology changes
- Unlikely that DNOs will agree to using the same approach for determining marginal costs
- Each DNO to decide whether to use the tariff model
- Suggest joint DNO/supplier work to progress:
 - Harmonisation of tariff structures
 - Common method to capacity & reactive charging
 - Alternative to customer groups



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