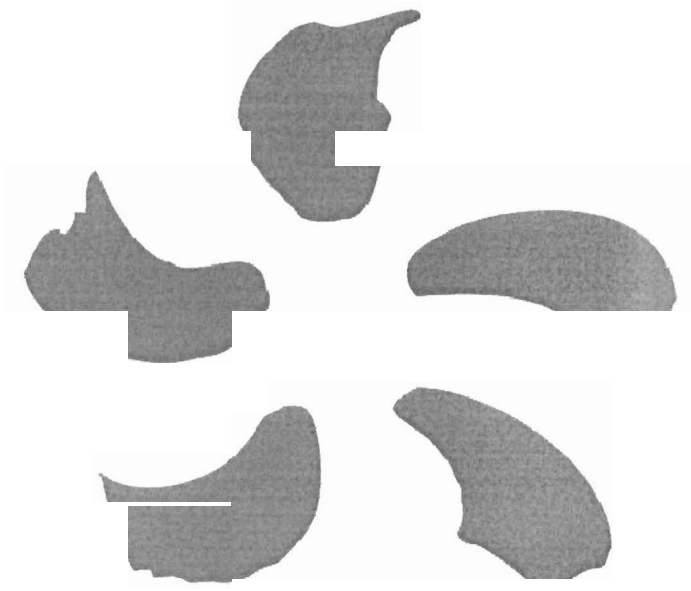
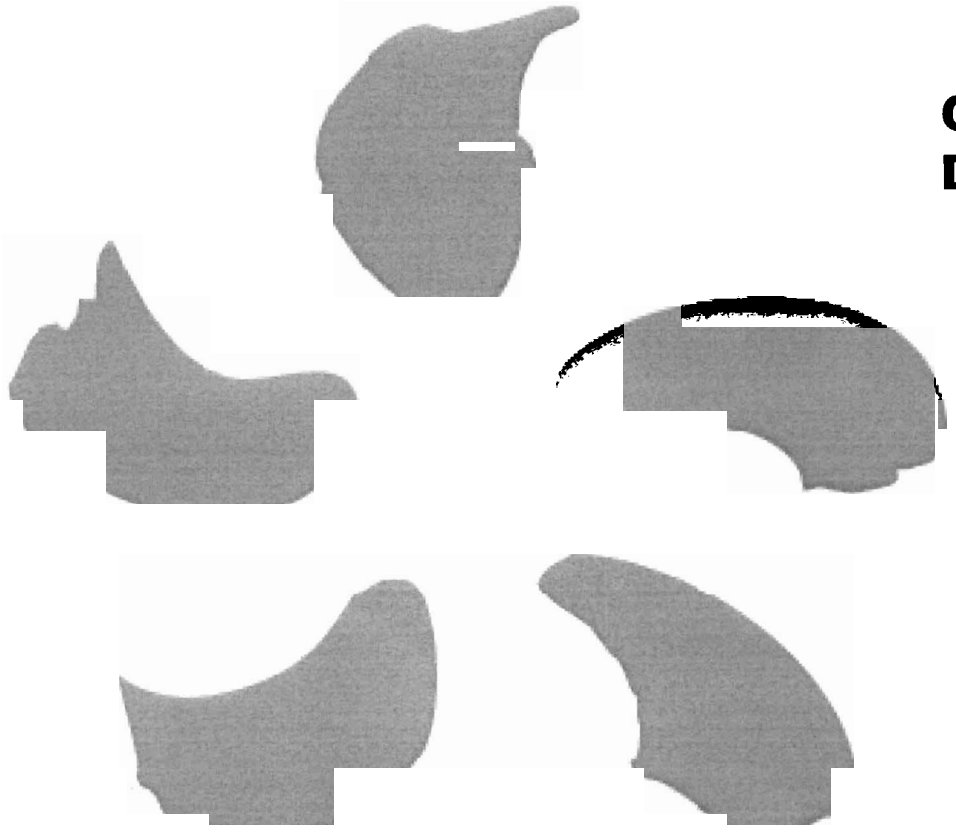


EDF
ENERGY
networks



# CHARGING METHODOLOGY DEVELOPMENT UPDATE

**October 2006**

Oliver Day
Distribution Pricing Manager

# OUR OBJECTIVES

- Alignment of demand and generation charging methodologies
- Recognition of support provided by generators under P2/6
- Consideration of future developments
  - Network dynamics
  - Modelling improvements
- Must make sense
  - Benefits users
  - Provides 'right' signal
- Enhances cost reflectivity
  - Forward looking
- Consistency with industry development and understanding
  - Rationalise work through common frameworks

# PROGRESS

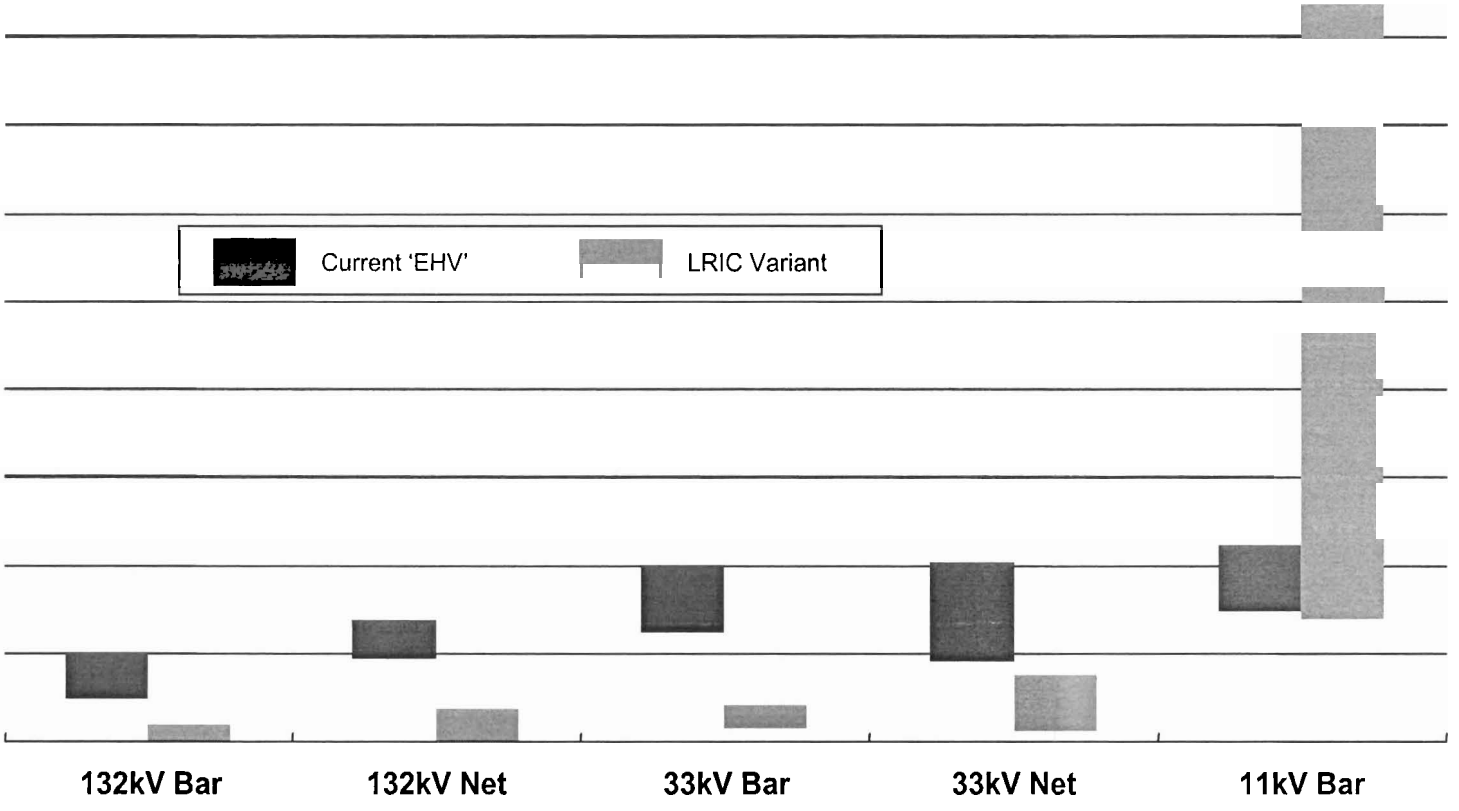
- Project initiated – 2003
  - Common charging methodology
  - Standardisation across areas
- Load flow pilot initiated – 2006

  Buckinghamshire – EPN area
  - Central London
- Economic appraisal of charging variants
- Test models created to understand modelling requirements
- Work to date suggesting a tendency towards LRIC variant

# ISSUES

- Current EHV charging methodology
- Fault current implications
- Network Stability
- P2/6
- Load transfers
- Load duration
- Load growth
- Marginal cost tariff structures
- Billing compatibility for suppliers

# EXAMPLE OUTPUTS




- Considerable cost movement where assets squeezed
- Similar (negative) values for generation