

Response to 'Delivering the electricity distribution structure of charges project May 08

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Question 1.

Yes. The DNO's have to their credit been working on various paths, some jointly, some independently, but this approach is adding to confusion and a lead needs to be taken to ensure fair and appropriate charging methodologies are in place, and that these are easily understood. Considering this has been work in progress for several years, a clear way forward is only now starting to appear, albeit in a staggered and unregulated manner.

In the section "drivers for the structure of charges project going forward" item 1.21 more or less highlights the root cause of the present and going forward issues faced by DNO, Regulator and Generator. Resource demands are a big issue.

Question 2.

Yes, as far as I understand them.

Question 3.

As a comment, I do struggle with the concept of use of system as a generator, or customer. The system is there and is used by all, and the system is becoming increasingly active and dynamic which mixes everyone together both in benefit, and penalty.

The pace of change on the system is already starting to show (from a generator trying to connect perspective) locations where connections will and are being restricted due to infrastructure maximum levels being reached and increased system use. This has a direct and material effect on the business and can in some cases stop a project from even starting.

Location signals are fine for 'portable' businesses but many generation schemes will be bound locationally to a host process which already exists.

Location incentives will attract some generators to financially attractive areas if they can effectively and economically locate in these beneficial areas; however the 'filling in' of attractive headroom in the network can only be sustained in the short term, in the long term the system need to be continuously upgraded and improved for long term growth of all types and voltages of generation from micro generators to Nuclear power stations, starting with the problem areas which already exist.

Question 4 and 5.

Following attendance at Charging methodology meetings and other related meetings over the last few years it is clear that the approach to charging is fragmented, and as previously noted resource demands will be an issue and have been for years.

As a generator, our needs are simple and connection to the network and then paying fairly for use of the system we connect to is a basic driver for the projects success. The implementation of a license obligation on the DNO's has arrived too late and should have been in place to focus attention some years ago. Reliance on 'voluntary' co-operation has resulted in differing degrees of progress on what is a fundamental issue.

A regulator led mandatory date is a necessity.

Option one, Is not my preferred option but would seem to be the one which practically would have a greater chance of success if past timescales are anything to go by, but I don't realistically know how far advanced each DNO is with their structures and how fixed they are, and to be frank I would need to be full time on the subject to keep a realistic notion of where we are today across the full spectrum of DNO's. I also feel all the different methodologies would be a serious resource problem for OFGEM to regulate.

Option two is my preference.

I think would be easier for potential system users as it would create a level playing field for charging methodologies across all the DNO's, but in reality I have difficulty seeing how it could possibly be implemented in the timescales, give the passage of several years of discussions and scenarios etc to reach the position we are at now, which is obviously not an acceptable situation as OFGEM are now looking at the compulsion route.

A collaborative approach should be made to work, and the level of information generated by each DNO's methodology work to date and its operational performance could form the basis of a common system which could encourage the good practice amongst them all, and eliminate the poorer ones. This would need to be strongly regulator led to have any chance of success.