

Appendix 3: Targeted Charging Review consultation responses

Background

We received 76 responses to our consultation.¹ Non-confidential responses have been published on our website. This appendix summarises the points respondents made.

We consulted in particular on:

- whether to launch a Significant Code Review (SCR);
- what should be in the scope of that SCR. We proposed that all residual charges for both transmission and distribution networks, and aspects of charging arrangements for smaller (below 100 MW) embedded generation ('other embedded benefits'), should be in scope; and
- the principles we should apply in carrying out an SCR.

We also set out our views on some changes to network charges for storage for consultation, that we thought would best be taken forward by industry.

SCR and scope

After considering responses, we have decided to proceed with an SCR to review all residual network charges, and to keep the other embedded benefits under review. We have also decided, in line with the view set out in our consultation, not to include storage charges in the SCR but to allow the normal Code modification processes to apply, for any modifications proposed by Code signatories.

Principles for the SCR

We have decided to keep the principles we proposed, and have set out more detail on how we think they should apply in our SCR in our launch document.² In that document, we also set out how we think other principles proposed by respondents will be reflected in our approach.

Views on how charges should change

We sought initial views from respondents on what changes they think should be made to residual network charges, and to the other embedded benefits.

A number of respondents thought that before carrying out the further analysis that an SCR would involve, it would be difficult to determine the best approach. Some respondents declined to offer comments at this stage, for this reason. Other respondents offered views on how charges should change. We have noted these views in our work since the consultation, and will reflect on those views and others offered during the SCR in deciding whether to consult on specific changes.

Changes to charges for storage

We set out our views on some changes that we considered could address relative disadvantages for storage, compared with generation, in providing the same or similar services. We also proposed not to include these potential changes in the SCR, but to allow the usual industry code modification processes to be taken forward.

¹ <https://www.ofgem.gov.uk/publications-and-updates/targeted-charging-review-consultation>

² The launch document can be found here <https://www.ofgem.gov.uk/publications-and-updates/targeted-charging-review-significant-code-review-launch>

A majority of respondents agreed that network charges for storage should be reviewed. However, views from respondents on our specific proposed changes were mixed, with only a small majority agreeing that these are the right changes to make.

Of those respondents expressing views on the process, a majority was in favour of taking any changes to current network charges for storage forward outside of the SCR.

CHAPTER 2 – Overall views on the proposal to review residual charges

Question 1: Do you agree that the potential for residual charges to fall increasingly on groups of consumers who are less able to take action than others who are connected to the system, is something we should address?

- There was a strong consensus from nearly all respondents, who agreed that residual network charges should be addressed.
- Some respondents commented that residual charging is driving behaviours for which it was not designed, and having adverse impacts on certain network user groups.
- A significant proportion of respondents thought the SCR scope should be wider. They thought that Ofgem should widen the scope beyond what was described in the consultation, to look more holistically at network charges generally, including forward-looking charges.
- A number of respondents thought that the SCR should also review the allocation of costs between cost reflective and cost recovery.
- One respondent thought that vulnerable and less flexible customers should be provided relief through complementary policies/measures, and recommended that Ofgem work with Government to ensure that 'fairness' is achieved.
- One respondent thought that customers should be charged for their use of the system through a capacity charge.
- Some respondents expressed concerns relating to parties who have made long-term investments decisions based on the current network charges, which could be adversely impacted by any review.

Question 2: If so, why do you think, or do not think, action is needed?

- Many stakeholders thought the need for action stems from the significant and material increases in transmission residual charges, and the distortions that they currently cause to the capacity and energy markets.
- Many stakeholders considered that the most urgent issue is the significant distortion created by the current TNUoS demand residual (TDR).
- Another commented that if no action were taken on residual charges, it would lead to distortion in the market, as a group of consumers are unable to take action and therefore they will bear an increasing share of distribution costs.
- One stakeholder said that a strong degree of investor certainty is provided by the current TNUoS methodology and forecasts, which is important for the development of new transmission connected infrastructure.
- Some stakeholders commented on the age of the current arrangements and said that as technology and business models change, then it is appropriate to review the charging regime to ensure that it remains fit for purpose.
- One stakeholder commented that even though the charging arrangements do not reflect the changing nature of the energy system, they are well established, and it would be unwise to make changes in a short timescale. In their view, reforming residual charging creates not only an immediate threat to security of supply but the creation of a system of inappropriate price signals which rewards the status quo and penalises innovation.

Question 3: We are proposing to look at residual charges in a Significant Code Review. Are there any elements of residual charges that you think should be addressed more urgently? Please say why.

- Many stakeholders considered that there weren't any particular aspects of residual charging to be given urgency over any others.
- One stakeholder called for a review of the level of residual charges, arguing that the residual charging arrangements for embedded generation create a significant market distortion that should be addressed more urgently than a wider SCR.
- Another respondent thought that the residual charges should not be changed in advance of a wider significant code review.
- One respondent thought that energy storage systems should be entirely exempt from all use of system charging.
- Another noted that concerns have been raised about negative TNUoS generation residual charges, and thought that these should be looked at under the review.
- Some stakeholders urged a prompt decision to implement CMP264/265 as indicated in Ofgem's 'minded-to decision', issued for consultation in March 2017.³ We announced our decision on these modification proposals on 22 June 2017.⁴
- Many stakeholders considered that the treatment of storage needs to be addressed more urgently than in the SCR.
- Many respondents noted that a number of other reviews are taking place on charging at the same time as this TCR, including the TSO-DSO review (now known as 'Open Networks'), and the EDCM/CDCM review. Some considered that the SCR's scope should be expanded to include one or more of these.
- One respondent thought that the whole use of system charging framework is too complicated and should be totally simplified.

CHAPTER 4 – views on experience in other jurisdictions

Question 4: Are there elements of the approaches in other countries that you think could be appropriate for GB residual charges?

Question 5: Are there other approaches that you know about from other jurisdictions, that you think offer relevant lessons for GB?

- Many stakeholders either chose not to answer either of these questions or said that despite it being important to consider international experience, there were no clear like for like examples.
- One stakeholder considered that the Ofgem approach should be based on principles derived from non-distortive Ramsey Principles, with appropriate safeguards for vulnerable customers.
- Many agreed that the Netherlands example is the most relevant example for the GB market.
- One respondent commented that a capacity charging approach could encourage some consumers to reduce connection capacity by moving generation behind the meter.
- Some stakeholders considered Germany as an example of policy that could help the UK transition to a smart energy.
- Some respondents felt that the Spanish approach should not be followed in GB.
- There was a general call from stakeholders for:
 - open communication with network users to ensure all parties are aware of the changes being considered and have opportunity to contribute to debate.

³ <https://www.ofgem.gov.uk/publications-and-updates/embedded-benefits-consultation-cmp264-and-cmp265-minded-decision-and-draft-impact-assessment>

⁴ <https://www.ofgem.gov.uk/publications-and-updates/decision-industry-proposals-cmp264-and-cmp265-change-electricity-transmission-charging-arrangements-embedded-generators>

- robust analysis of wider impacts of any changes to residual charging to ensure that any changes offer best value to end consumers.
- One stakeholder also commented on the use of 'grandfathering' in California and Nevada, and felt that this allowed investors to maintain a low cost of capital through reduced perception of regulatory risk.

CHAPTER 5 – views on our proposed principles

Question 6: Do you agree that our proposed principles for assessing options for residual charges are the right ones? Please suggest any specific changes, or new principles that you think should apply.

- Respondents were broadly supportive of the principles set out in our consultation document, but some noted that they could be interpreted in multiple ways and many argued for additional principles to be established.
- One stakeholder did not support our principles.
- Some requested greater detail on our interpretation of the principles and on the interaction or trade-offs between them.
- One respondent thought that we should prioritise distortion reduction options that are more beneficial for vulnerable consumers.
- A few respondents provided suggestions as to specific criteria that could be used to assess success. One respondent set out a more detailed interpretation of 'predictability'.
- Many respondents emphasised the importance of simplicity, with one arguing that this should be extended to the implementation of any new charging structure.
- Many stakeholders argued for additional principles, including: working to reduce the residual charges as far as cost-reflectively possible; ensuring that overall charges are as cost reflective as possible; cost recovery; commonality; transparency; flexibility; and protecting consumers by socialising certain costs.
- Some stakeholders called for safeguards for those who have already made investment decisions.
- One respondent thought that encouraging efficient behaviour by the DNOs should be a principle.
- Several stakeholders argued for encouraging low-carbon technology and encouraging flexibility to be principles. One argued for alignment with UK strategic objectives for energy.
- One respondent noted that, while they would not object to alignment with other policy objectives as a consideration, it would be important to guard against 'policy' objectives leading to hidden subsidy in the charging arrangements. They also pointed out that different policy objectives may in practice point in different directions.
- One emphasised the need for an impact assessment, particularly on system operation.

CHAPTER 6 – views on the options

Question 7: In the future, which of these parties should pay the transmission residual charges: generators (transmission- or distribution-connected), storage (transmission- or distribution-connected), and demand, and why? What proportion of these charges should be recovered from each type of user?

- A large number of respondents did not express a view on the allocation between user groups.
- Around one quarter of respondents thought that transmission residual charges should be levied on demand customers only, with many noting that they are the ones who eventually bear all network charges. Around one quarter thought

transmission residual charges should be levied on both demand and generation. One respondent suggested putting all use of system charges onto generation. The remaining respondents did not express a view on who should pay residual charges.

- One respondent said that in a fully competitive market, end-consumers should fully pay for residual charges; however, since in the respondent's view that was not the case, generation and demand should both pay residual charges.
- Among those who thought that generators should also pay transmission residual charges, respondents made various additional points:
 - that generators which are connected to distribution grid and do not spill above GSP level should not be liable to pay transmission residual charges;
 - that (transmission-connected) demand and generation should pay for residual charges 50/50, but embedded generators should be somehow discounted depending on how much of the network reinforcement costs they avoid;
 - that charges should be based on the marginal cost of delivery for generation; and
 - that only transmission-connected generators should pay a share of the transmission residual charges, recognising that distribution-connected generators already pay deeper connection charges.
- Of respondents who expressed an opinion on this question in relation to storage, many thought that storage should not pay residual charges.
- Some respondents thought that storage should pay the same residual charges as generators do in order to avoid perverse incentives.
- One respondent thought that co-located generators and storage should pay only for the largest MW export in relation from either storage or generator.
- Several respondents thought that, prior to identifying who should pay what share of residual charges, a thorough review should be undertaken to identify whether or not the forward-looking charges are well designed
- Some respondents called for a holistic review of all the charging methodologies through an SCR.
- A few respondents noted that that we are bound by the EU cap on TNUoS charges, which for the time being constrains residual re-allocation options.
- A view expressed by several respondents was that each user should pay residual charges according to their usage of the network and costs caused and that charges should be re-allocated in order to reduce distortions as much as possible, mainly between transmission and distribution, and between GB generators and those located in other EU countries (i.e. interconnectors).

Question 8: In future, which of these parties should pay the distribution residual charges: generators (transmission- or distribution-connected), storage (transmission- or distribution-connected), and demand, and why? What proportion of these charges should be recovered from each type of user?

- Most respondents expressing a view had the same opinions as in their answers to question 7 in terms of whether demand, generation or both should pay distribution residual charges.
- The comments that were specific to distribution residual charges included:
 - DNOs themselves should bear part of the risk associated with residual charges to reflect the quality of their investment decision making;
 - transmission-connected generators should not be charged the distribution residual charges;
 - just as the transmission system gives demand access to generation, so the distribution network gives generators access to demand. Transmission-connected generation and demand should, therefore, pay the distribution residual charges;

- storage should not pay the distribution residual charges as it does not rely on network capacity; and
- the current allocation of the distribution residual charges is appropriate.

Question 9: Do you support any of the five options we have set out for residual charges below, and why?

Respondents expressed a wide range of views on this question.

- Several respondents stated that they do not prefer any of the proposed options.
- Several respondents indicated option A (net kWh) as their preferred option:
 - option A should be implemented as it recognises and rewards demand that avoids peaks.
- Some respondents indicated option B (a fixed charge) as their preferred option, with some commenting that this option reflects the fixed nature of network costs and it is the least distortive.
- Several respondents indicated option C (fixed price based on capacity) as their preferred option, on the grounds that it reflects the fixed nature of network costs.
- A few respondents indicated option D (gross kWh) as their preferred option.
- Several respondents indicated option E (hybrid) as their preferred option, as it would facilitate a proportionate approach. They made several additional points:
 - one proposed that option E could combine a capacity charge and an energy usage charge, which could take into account that capacity charges are appropriate in the context of constrained networks, but the networks are not constrained at all points;
 - warnings against the risk for option E charges to become too complex, and/or potentially create unintended 'loopholes' between different tariffs;;
 - option E should be implemented with a fixed charge linked to connected capacity for non-domestic customers and a fixed charge for domestic ones.
- Several respondents called for a wider analysis of all available options, in spite of their expression of preference.

Question 10: Are there other options for residual charges that you think we should consider, and why?

- Several respondents stated that no other option should be considered alongside the five options that we set out in the consultation.
- The main alternative options suggested were:
 - any option rewarding flexibility and/or supporting UK carbon targets;
 - options that over-recover costs through forward-looking rather than residual charges;
 - different possibilities for fixed and capacity charges;
 - in the longer term, letting TOs and DNOs bear part of the risk of stranded/under-utilised assets, thus reducing the total residual that needs to be recovered;
 - an element of time variation should be introduced in the residual, allowing e.g. two customers who consume energy in different, complementary periods to be charged as one customer;
 - the status quo option should be explicitly recognized among the options;
 - the residual should be levied using income tax or council tax as a proxy for standing charge;
 - a variation of option C, based on capacity used rather than connected capacity;
 - options where not all network users pay for the residual; and
 - a combination of capacity charges with ancillary charges.

Question 11: Are there any options that you think we should rule out now? Please say why.

- Respondents had a wide range of views on this question. Many respondents thought that it would be premature to rule out any of the options at this stage.
- Some respondents suggested we should rule out any options based on net consumption, such as option A.
- Some respondents suggested that we should rule out any fixed approach, i.e. options B and/or C, on the grounds that these could put pressure on small consumers, or on customers that need to be very risk-averse, such as hospitals, which cannot take the risk of lowering their contracted capacity; and/or that such charges would not reward flexibility.
- Several respondents suggested that option D, i.e. residual charges based on gross demand, should be ruled out since it would be too complex/impractical to implement, or it would reduce the visibility of network usage to network providers.
- A few respondents suggested that option E should be ruled out as potentially complex/non transparent.
- One respondent thought that options B, C and E should be all ruled out as they potentially create a risk of grid defection, particularly by large users.

CHAPTER 7 – Views on other embedded benefits (EBs)

Question 12: Do you think we should do further work to analyse the potential effects of the charging arrangements for smaller EG (called 'embedded benefits')?

Question 13: Do you think changes are needed to the current charging arrangements for smaller EG, and when should any such changes be implemented?

Question 14: Of the embedded benefits listed in our table, do you think that any should be a higher or lower priority?

Question 15: Do you think there are other aspects of transmission or distribution network charging which put smaller EG, or any other forms of generation or demand, at a material disadvantage?

- The majority of respondents commenting thought that further work is needed before we reach a view on these benefits.
- One stakeholder suggested that in looking at EBs, we could challenge the assumption of 'deemed' value for action by generators in the current framework, and consider 'searching for the true fair market value of such resources deployed at specific times and places'.
- Several respondents suggested that a review could consider the threshold for defining 'smaller' (below 100 MW) generation.
- Views were mixed on whether the EBs should be changed. Some respondents felt strongly that they distort the relative positions of smaller EG and other generation.
- However, others felt strongly that changing or removing them would affect the balance of costs and revenues for smaller EG.
- There was a widely expressed view that the overall package of support/encouragement for renewable generation should be considered as a whole.
- One respondent directly objected to the idea of EG paying anything towards transmission residual charges.
- On priority, views were again mixed. Some considered that we should review all EBs as soon as practicable. Several respondents who disagreed with the minded-to decision on CMP 264/265 thought that any other review of EBs should happen

only in the context of a wider review of all transmission network charging. One thought that it might be necessary to change the TDR charge faster than other elements with an interim measure, but otherwise did not consider any EBs higher or lower priority.

- Two respondents thought that TDR and TGR should be the top priority of those listed in our consultation. One of these respondents thought BSUoS should be second.
- One thought that the TDR charge EB and the BSUoS EB should be higher priority, as these have higher overall value.
- Two stakeholders thought that BSUoS would be better addressed in the future-focused work covering local balancing and flexibility, and others also considered that BSUoS was a lower priority for this review.
- One thought that the residual non-locational EBs should be reviewed alongside the locational EBs. Another gave a full ranking, highest to lowest: TDR, TGR, BSUoS demand charges, TNUoS locational, BSUoS generation.
- Several said that reviewing BSUoS more generally was more important than reviewing the BSUoS EB. Two respondents requested that this wider BSUoS review be chaired by a third party, and suggested Elexon for this role.
- A large number of respondents said that we should delay any final decision on CMP264/265, or implementation of it, until after the SCR is concluded. Three stakeholders asked that we do not delay this decision.
- One respondent thought that we should wait and see the outcome of the CMP264/265 decision before taking any further action on EG charging. However another disagreed.
- There were mixed views on other, non-use of system charging elements of the current arrangements that may put smaller EG at a disadvantage. Some felt that there were none, or raised none.
- However, many others thought that there are one or more, including:
 - deeper connection charging than at transmission level;
 - connection queues at distribution level making it harder to connect than at transmission level;
 - no payments for connection management/constraints;
 - lack of/difficulty of wholesale market access;
 - barriers to raising market rule changes;
 - no payment to EG for provision of constraint management services; and
 - the payment of energy levies on own energy use.
- The most frequently mentioned issue was connection charging.

CHAPTER 8 – Views on residual and BSUoS charges for storage

Question 16: Do you agree with our view that storage should not pay the current demand residual charge, at either transmission or distribution level?

Views on this proposal were finely balanced, with a slightly higher number of respondents agreeing. 28 respondents agreed, with 23 disagreeing or expressing concerns.

- A small majority of respondents expressing a view agreed with our view that storage should not pay the current demand residual charge at either transmission or distribution level.
- Additional comments were made by some of these respondents e.g. ensuring properties with BTM storage continue to pay demand residual, continuing to look at the cost reflective element of charging for storage, noting the impact of our minded-to CMP 264/265 decision, if confirmed.
- Two stakeholders supported our approach but only if residual charging more generally is removed for all generation. Similarly, one stakeholder agreed in principle with our approach but thought more in general should be done to reduce

the residual. Another respondent agreed but thought this change should apply to storage co-located with demand too.

- A significant proportion of respondents, however, disagreed or had concerns with our view.
- Points raised by these respondents included:
 - any changes should form part of a holistic review of network charging which includes locational charges;
 - there is a risk of distorting the storage market at the expense of storage that doesn't use electrical energy as the primary output;
 - concern that a distinction might be made in favour of storage over DSR or generation that can provide same service;
 - this change would not take into account storage losses. Treating storage as demand not generation would encourage more efficient storage.
 - without a cost-benefit analysis, respondents could not agree to the changes;
 - concern that we should decide what we are doing more generally with residual charging first;
 - generation should not contribute to residual charges either; and
 - more consideration is required on storage charging more generally.
- It is worth noting that the majority of respondents in this category still agree that work is required on storage charging.

Question 17: Do you agree with our view that storage should not pay BSUoS on both demand and generation?

- A majority of respondents to this question (27) agreed with our view, However, many others (21) expressed concerns or disagreed with our view.
- Points raised by these respondents included:
 - concern that further analysis is needed, including on effects on competition;
 - the proposal should form part of a more general review of BSUoS charging;
 - the proposal should form part of a review of all storage charging instead;
 - storage can act as both an off-taker and a supplier to the system and these activities are likely to occur in different charging periods. These actions do not net and therefore storage should be liable for charges;
 - querying the reason for treating storage differently to demand with onsite generation; and
 - requests that we should widen our scope to consider how storage and non-traditional business models should fit into the overall market arrangements.

Question 18: Which of the BSUoS approaches described is more likely to achieve a level playing field for storage?

- Many stakeholders who responded to this question and Q17 did not express a preference for either of the approaches that we outlined.
- Of those who expressed a preference the following comments were made:
 - eight respondents supported option 2, charging BSUoS on a basis of gross exports. One respondent supporting this option cautioned that if a BMU with storage was to encompass more than one storage site, or a mixture of storage and non-storage sites, then netting could occur which could introduce a further distortion into the arrangements;
 - three respondents preferred option 1, defining storage as either importing or exporting with importing/exporting credits;
 - two respondents welcomed both proposals but would like to see more analysis;

- one respondent thought that the full system benefit of storage will only be realised if BSUoS is removed from both imports and exports; and
- one suggested using gross imports, but noted the risk of overly incentivising storage to locate behind the meter.
- For those who did not agree with our views or did not express a preference, the reasons generally given were either that there should be a wider reform of BSUoS charging, or there should be a wider review of storage charging.

Question 19: Do you think the changes in this chapter should be made ahead of any wider changes to residual charging that may happen in future? Do you agree with our view that these changes should be implemented by industry through the standard code change?

- A majority of respondents expressing a preference agreed with our view (32 of 49 who expressed a view).
- Key comments included:
 - some respondents who did not agree with our proposals for demand residuals or BSUoS agreed that storage charging needed to be addressed and should be done outside of the SCR process through normal code governance processes;
 - the need to ensuring coordination with various storage changes and also ensuring coordination with the SCR/broader charging changes to avoid a piecemeal approach.
 - changes should move in parallel to the SCR, but if there is significant overlap, the CCG (now Charging Futures Forum (CFF) should decide whether or not to merge the separate storage modifications together;
 - Some thought it was important to move changes forward as swiftly as possible to remove barrier to storage and to realise benefits for consumers;
 - Two respondents thought the modification process may need support from Ofgem to ensure fair representation of Ofgem views;
 - One respondent thought that while changes to residual may be more complex and might need to be part of the SCR, changes to BSUoS can be taken forward by industry;
 - One thought that the changes should be taken forward outside of the SCR process but should await outcome of the Call for Evidence⁵ process;
 - One would prefer a technology agnostic approach but agreed that if there are benefits for consumers, changes should move ahead of SCR; and
 - One thought changes should move ahead only if they can be enduring following any wider review of charging.
- 17 respondents disagreed with our view.
- Key comments included:
 - that storage charging changes should be carried out as part of a holistic charging review or form part of the SCR;
 - that broader storage charging changes should be taken forward in a holistic charging review or form part of the SCR, except BSUoS changes which could be taken forward separately by industry; and
 - that storage charging changes should move ahead of wider changes but should still form part of SCR. Some respondents were concerned that a industry-led process on storage charging would not achieve the right outcomes.

⁵ <https://www.ofgem.gov.uk/publications-and-updates/smart-flexible-energy-system-call-evidence> . We and BEIS published a plan resulting from this work on 24 July 2017: <https://www.ofgem.gov.uk/publications-and-updates/upgrading-our-energy-system-smart-systems-and-flexibility-plan>

CHAPTER 9 – views on our proposed process

Question 20: We would welcome your thoughts on the potential make-up of a CCG (now called the Charging Futures Forum (CFF)). Please refer to the potential role, structure, prioritisation criteria and assessment criteria.

There was overall support for the CCG/CFF concept, with stakeholders making a number of additional points on how it could work:

- More than half of respondents expressing a view thought there was a need for wide representation, including different types of industry participants and consumers, with several respondents asking that the CCG/CFF should not replicate the more narrow CUSC membership.
- The CCG/CFF should avoid replicating current code governance processes, and should be independent from the CUSC.
- Strong management from Ofgem as chair will be important, to coordinate multiple reviews and opinions.
- There should be transparent and inclusive process.
- There should be clarity on responsibilities, and whether the CCG/CFF is decision-making or advisory.
- The CCG/CFF will need neutral analytical support to help participants understand potential impacts.
- To ensure the CCG/CFF is manageable, it will have to be limited in size.
- The CCG/CFF's work should join up with existing reviews.
- Some respondents were concerned about their, or other parties', ability to resource their engagement with the CCG/CFF, in competition with resourcing working groups with formal standing in the code governance process.
- One respondent proposed a cross-code diary/calendar visible to all.

Question 21: Do you agree with our proposed delivery model, including its scope?

- On the SCR delivery model, a small number of stakeholders made specific points.
- Four respondents advocated an Ofgem-led end-to-end process rather than Ofgem directing industry to raise mods (i.e. SCR option 3 rather than our proposal for option 1).
- Others had specific concerns or requests for more information:
 - requesting more detail on how the industry will engage with detailed policy development;
 - concerns at the risk of a protracted SCR, and so support for a phased approach;
 - policy areas should be clearly allocated to workstreams to avoid too much overlap;
 - investment in SCR is now worthwhile given potential long-term consumer benefits;
 - the process will need to allow parties sufficient time to respond to any changes; and
 - any protracted period of uncertainty will add costs to consumers.

Question 22: Do you agree that our proposed SCR process is most appropriate for taking forward the residual charging and other arrangements for smaller EG discussed in this document?

The points made in response to this question are already covered under the previous two questions.