

*Electricity Network Innovation Competition Full Submission*  
**Supplementary Answer Form**

**Project: Charge: Refuelling Tomorrow's Electrified Transport**

Tick if this answer has been provided verbally: ☐

Project code	SPMV1	Question Number	40
Question date	30/08/18	Answer date	03/09/18
Submission section question relates to		N/A	
Topic	Partners/external funding		
Question	"We have recently published a consultation on proposed reform of network access and future charging arrangements. Please explain the potential impact of these proposals on your submission."		
Notes on question			
Answer	<p>The proposals in Ofgem's consultation on network access and future charging arrangements provide strong evidence and support for our project. The subsidiary document to the consultation "Assessing the current issues with electricity network access and charging" states that the first most material issue with current arrangements is "Ensuring that access and charging arrangements for small users are ready for the uptake of Low Carbon Technologies (LCTs). Under current arrangements for small users, there is a risk that new loads like Electric Vehicles (EV) and Heat Pumps (HPs) create significant pressures on networks at peak times. This could lead to expensive reinforcement of the network, or potentially could lead to delays to uptake." [p.5] On the subject of locational signals, the subsidiary document points out that there are "Inefficient signals for capacity planning and network investment" and a "Lack of LV/HV locational signals" [p.13]. These are precisely the issues we are proposing to address in Methods 1 &amp; 3.</p> <p>The objectives of the network access and future charging arrangements consultation include cost-reflective charges for network access, forward-looking charges that are simple, transparent and predictable and that the arrangements support timely and efficient network investment. The consultation acknowledges, however, that "some complexity may be needed to support efficient outcomes [...] by providing high quality information about where and when new network capacity is needed." [1.7]. Our project aims to comprehensively address these objectives.</p>		

	<p>Finally, the consultation proposes options to reform which can:</p> <ol style="list-style-type: none"> <li>1. clarify access rights and improve choice for small users, including households</li> <li>2. improve the definition and choice of access rights for larger users</li> <li>3. improve the allocation of access rights, including establishing mechanisms to enhance the scope for markets in access. [3.3]</li> </ol> <p>The consultation goes on to state that “We think better understanding of consumers’ likely behavioural response would be helpful and we would encourage the industry to work with us to consider whether trials may have merit.” [3.10] We hope that our project will be recognised as responding proactively to this important challenge.</p>
Attachments	n/a