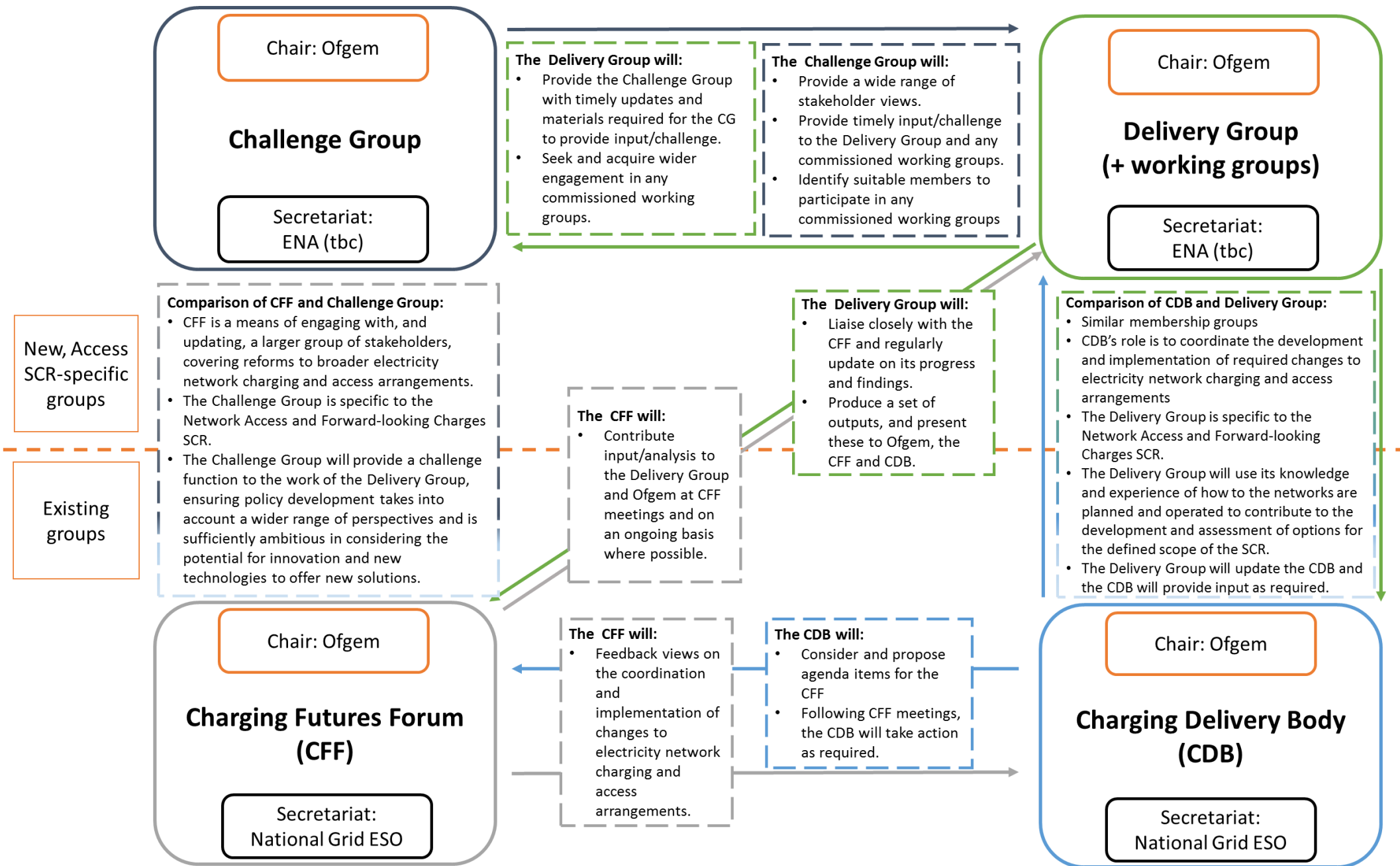


## Appendix 3 – Getting stakeholders’ input to our work

We are committed to undertaking this Significant Code Review (SCR) in a transparent and open manner. We also need stakeholders’ input to shape option development.

We will continue to hold wider stakeholder discussions at the existing Charging Futures Forum, which aims to make electricity network charging related issues more accessible. To help us progress the review, we will be setting up two new groups - a Challenge Group and a Delivery Group -

- **The Challenge Group:** The purpose of the Challenge Group is to provide ongoing wider stakeholder input into the SCR. This will provide a challenge function to the work of the Delivery Group (and that of any working groups it commissions), ensuring policy development takes into account a wide range of perspectives and is sufficiently ambitious in considering the potential for innovation and new technologies to offer new solutions. More details can be found in the draft Terms of Reference (Annex 1) and the diagram below which shows how the two new groups fit with the existing Charging Futures Forum and Charging Delivery Body.
- **The Delivery Group:** The purpose of the Delivery Group is to provide knowledge and experience of how the networks are planned and operated, to help develop and assess options. The Delivery Group may set up specific ‘working groups’ to produce deliverables in an agile, flexible manner. Membership will be limited to Ofgem, the Energy System Operator (ESO), distribution and onshore transmission network owners, the Energy Networks Association (ENA), relevant code administrators (eg DCUSA and CUSC), and a representative for IDNOs. Membership of the Delivery Group is limited to ensure we get the necessary expertise and network data to help us develop and assess options, in a timely manner. The Delivery Group will also be able to identify where they need input from wider stakeholders, including within any working groups. More details can be found in the draft Terms of Reference (Annex 2) and the diagram below.



Ofgem will chair both groups to ensure wider input is sufficiently incorporated and outputs meet our needs in developing robust and timely proposals through the SCR. We are in discussion with the ENA on the secretariat function for both the Challenge Group and the Delivery Group.

There will be an ongoing role for both the Charging Delivery Body (CDB) and Charging Futures Forum (CFF). This was supported by respondents to our consultation. The CDB will continue to provide guidance regarding the coordination and implementation of this project with broader charging reforms. The CFF will continue to be a means of engaging with, and updating, a wider range of our stakeholders.

We believe this structure will help provide us with the knowledge and expertise that we need to support our SCR, ensure a wide range of perspectives feed into the options development, and develop policy that is fit for purpose, for current and future users of the network. We note that this appendix sets out our current expectations about how this structure will work, but that this could evolve over the course of the SCR.

We will of course consult on our overall package of reforms under the SCR before giving a direction to the industry.<sup>1</sup>

### **How to get involved in our SCR:**

We are keen to work extensively with the industry to develop our thinking and there are many ways of engaging with our SCR.

### **Challenge Group**

We will begin by inviting the Charging Futures distribution list to become Challenge Group members. Charging Futures is an inclusive group that is open to all relevant stakeholders, including network users, network operators and energy consumers and/or their representatives. The Forum enables stakeholders to provide policy input and technical expertise for policy developments. If you want to find out more about the Forum or would like to become a member then please contact [chargingfutures@nationalgrid.com](mailto:chargingfutures@nationalgrid.com).

We also invite recommendations and nominations for other groups/individuals not in the Charging Futures distribution list who can provide useful input into the process. In particular, we are interested in hearing nominations from academics and innovators who can help ensure new ideas and wider perspectives are given appropriate voice within the process.

We will review the composition of the Challenge Group on a regular basis, to ensure that the right blend of stakeholders are involved.

More information on our expectations for Challenge Group members can be found in the draft Terms of Reference (Annex 1). We currently expect to hold the first Challenge Group meeting in February 2019. More details will be provided in January 2019.

If you would like to find out more information about the Challenge Group or would be interested in becoming a Challenge Group member then please email us at [NetworkAccessReform@ofgem.gov.uk](mailto:NetworkAccessReform@ofgem.gov.uk) by 21 January 2019. As part of your expression of interest please provide:

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<sup>1</sup> We will consult on our Minded-to-Decision and draft Impact Assessment in spring 2020.

- Your contact details,
- Your organisation,
- Any relevant expertise and experience,
- Confirmation that you will be able to participate in Challenge Group meetings
- Briefly why you consider that you would make a good Challenge Group Member (including your ability to provide wider stakeholder perspectives, beyond your organisation).

We expect to share information regarding expressions of interest with the ENA.

### **Stakeholders not on the Challenge Group**

We, the Delivery Group and Secretariat will ensure there are regular updates to wider stakeholders. The Secretariat will also regularly publish Delivery Group and Challenge Group documents on the Charging Futures website.

There will be workshops at CFFs to allow stakeholders to discuss the proposals in more detail, as well as webinars and podcasts discussing our developing thinking. These will be advertised via the Charging Futures newsletter sent out to all members of the Charging Futures distribution list.

There will also be an opportunity to respond to our planned working papers (summer 2019) and Minded to Decision on the SCR (autumn 2020).

If you have initial comments or questions on how to get involved please email us at [NetworkAccessReform@ofgem.gov.uk](mailto:NetworkAccessReform@ofgem.gov.uk).

### **How to get involved in wider industry work**

In the SCR launch letter, we identify several areas where we are encouraging the industry to progress work outside this SCR.

For more information on how to get involved with National Grid (NG) ESO's review of Balancing Services and Use of System charges (BSUoS) please visit the Charging Futures' [website](#). To help improve the allocation of access rights, please see the ENA Open Networks programme [here](#).

## **ANNEX 1 – DRAFT Challenge Group Terms of Reference**

### **1. Introduction**

The purpose of the Challenge Group is to provide ongoing wider stakeholder input into the Network Access and Forward-Looking Charges SCR. This will provide a challenge function to the work of the Delivery Group (and that of any working groups it commissions), ensuring policy development takes into account a wide range of perspectives and is sufficiently ambitious in considering the potential for innovation and new technologies to offer new solutions. This group will be essential in ensuring any reforms introduced through the SCR are fit for purpose now and in the future.

### **2. Scope**

The Challenge Group will provide a challenge function to the options development, analysis and assessment provided by the Delivery Group. The scope of this discussion will be limited to the scope of the Network Access and Forward-Looking Charging SCR.

### **3. Chair**

The Challenge Group will be chaired by Ofgem.

The Chair will provide clear leadership to the Challenge Group and will be responsible for ensuring that each meeting is conducted in accordance with the Terms of Reference and in an orderly efficient manner. The Chair will ensure that all Challenge Group members are able to contribute their views. The Chair will coordinate with the Secretariat to ensure that appropriate policies and procedures are in place for the effective management of the Challenge Group.

### **4. Membership**

The Chair will decide the membership of the Challenge Group. The number of people attending Challenge Group meetings may be limited to support effective discussion. This is likely to include allowing no more than one representative per organisation. In deciding membership, the Chair will consider the expertise and experience of the applicant and the applicant's justification for why they consider that they would make a good Challenge Group Member.

Parties will be required to represent their stakeholder community, not their specific company. Where we receive multiple applications from stakeholders within the same stakeholder community, preference may be given to organisations that are better able to reflect a range of views and those that confirm that they are available to participate in the relevant meetings.

The Challenge Group will specifically seek to include parties that can challenge the Delivery Group (and any working groups) and ensure it is sufficiently ambitious in considering the potential for innovation and new technologies to offer new solutions. This could include academics and innovators.

The Chair will keep the composition of Challenge Group members under review and the Chair can invite additional parties to be members that have not already nominated themselves. This is to ensure the right blend of stakeholders are providing input. We recognise that not all views will be captured through the Challenge Group alone, and significant effort will be made across the project to capture wider stakeholder input (for example through the CFF and any individual working groups).

## 5. Secretariat

We are in discussions with the ENA on the secretariat function for both the Challenge Group and the Delivery Group.

The Secretariat(s) will -

- a) Provide the following services to the Challenge Group and the Chair:
  - i. organise meetings, including booking venues, in consultation with Ofgem;
  - ii. send out meeting invitations;
  - iii. arrange alternative arrangements for attendance where required and possible (eg set up teleconference);
  - iv. prepare agendas, minutes and collate other papers;
  - v. circulate meeting agendas and supporting documents/papers, where possible two working days prior to each meeting;
  - vi. circulate minutes to members after each meeting within five working days;
  - vii. share all agreed meeting documents with the Charging Futures Lead Secretariat who will add them to the relevant section of the Charging Futures website;
  - viii. maintain membership lists of meetings and handle any membership issues; and
  - ix. maintain a list of actions and send reminders to members to complete their actions in a timely manner.
- b) Have sufficient understanding of the issues being discussed in order to perform its role successfully.
- c) Manage stakeholder engagement, including to:
  - i. act as a first point of contact for stakeholders who wish to contact the Challenge Group; and
  - ii. create and maintain a distribution list of members.
- d) Provide the necessary information to enable the Charging Futures Lead Secretariat to maintain the Challenge Group section of the Charging Futures website. This will provide stakeholders with information including:
  - i. A calendar of upcoming meetings of the Challenge Group
  - ii. Membership of the Challenge Group
  - iii. Papers and other documents for Challenge Group meetings; and
  - iv. Contact routes for stakeholders wishing to communicate with the Challenge Group.
- e) Provide the Charging Futures Lead Secretariat with the documents identified in section 6.

## 6. Reporting and Output

The Secretariat is required to provide the Charging Futures Lead Secretariat with the following for publication -

- The Challenge Group Terms of Reference
- A list of Challenge Group members
- All finalised Challenge Group minutes
- All Delivery Group materials presented to the Challenge Group
- All finalised Challenge Group inputs provided to the Delivery Group.

The Secretariat is not required to publish documents that are still in draft version (such as draft minutes, slides). The published minutes will not attribute comments to individual organisations, unless agreed otherwise with the relevant organisation.

Ofgem will ensure that the Challenge Group is kept up-to-date with related policy development in Ofgem-led projects (such as the Targeted Charging Review, RII02, our other work on flexibility and the introduction of market-wide Half-Hourly Settlement).

We expect that much of the input of Challenge Group members is to be provided orally within Challenge Group meetings. However, the Chair will have discretion on whether members provide written submissions after meetings. Any submissions will need to be provided in a timely manner to ensure they can be incorporated into the work of the Delivery Group and any working groups.

Challenge Group members should raise with the Chair any concerns about the level of consideration given to their input and whether opportunities for wider engagement are being used fully.

Opinions expressed in published outputs will be those of the Challenge Group and do not bind individual Challenge Group members from expressing alternative views. It should be noted in meeting minutes where members are not able to agree on conclusions from the different opinions, and which stakeholder group the views are held by.

## **7. Meetings**

The Challenge Group will be expected to meet formally approximately every six weeks. However, we propose to retain flexibility and ensure these meetings take place as required to maximise their impact. We currently expect to hold the first meeting in February 2019 in London. More details will be provided in January 2019.

Meeting frequency will be reviewed on a regular basis, as decided by the Chair, in consultation with Challenge Group members, as appropriate.

Generally, all members are free to use the information discussed at Challenge Group meetings and identify the affiliation of the speaker (or any other participant). Where the Chair specifically identifies a need, the Challenge Group will operate discussions under 'Chatham House Rules' (where members are free to use the information, but neither the identity nor the affiliation of the speaker, not that of any other participant, may be revealed).

Prior to meetings, members will be expected to review any materials provided by the Delivery Group to ensure they are able to contribute as efficiently and effectively as possible.

## **8. Review of the role and form of the Challenge Group**

Ofgem will keep the role and form of the challenge group under review throughout the SCR process, and may evolve the arrangements as it sees fit. Any proposed changes will be discussed with the Challenge Group and reflected in an updated Terms of Reference, which will be published on the Charging Futures website.



## **ANNEX 2 – DRAFT Delivery Group Terms of Reference**

### **1. Introduction**

The purpose of the Delivery Group is to provide knowledge and experience of how the networks are planned and operated to help develop and assess options within the Electricity Network Access and Forward-Looking Charges SCR.

With direction from Ofgem, the Delivery Group will consider what work is required to progress the options design and assessment. The Delivery Group may, in addition to their own analysis and deliverables, commission out work to individual working groups. The Delivery Group will be accountable for any deliverables delegated to working groups. Therefore, the Delivery Group will need to ensure any commissioned working groups are coordinated and supported as required.

The Delivery Group will need to engage with wider industry to help inform thinking. This should incorporate a wide range of perspectives, adopting user-centred design practices and agile ways of working where deemed beneficial.<sup>2</sup>

### **2. Scope**

The Delivery Group will contribute to the development and assessment of options for the areas outlined in the scope of the Electricity Network Access and Forward-Looking Charges SCR. This means they will need to:

- a) build on the analysis produced by the Access and Forward-Looking Charges Task Forces<sup>3</sup>, and outlined in Ofgem’s July 2018 consultation<sup>4</sup> and the SCR decision documents<sup>5</sup>;
- b) contribute to the development of a set of high-level options, guided by Ofgem’s own thinking and analysis;
- c) contribute to the assessment of the high-level options, identifying refinements and further analysis needed to assess the options;
- d) understand interactions between options and their practicality to help develop coherent packages of options to assess;
- e) contribute to the detailed assessment of the options using a range of analytical methods (quantitative, qualitative, behavioural). This will be in addition to Ofgem’s own analysis and will contribute to Ofgem’s working papers and SCR conclusions;
- f) provide input to the development of Ofgem’s working papers, as required; and
- g) provide other deliverables to Ofgem, as requested.

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<sup>2</sup> This could include: co-creation workshops and ongoing accessible outputs with opportunities to feedback. These methods will lend themselves to some deliverables more than others. For example, a limited number of parties will have the necessary expertise to develop and model the technical feasibility of different options. However, understanding how well these options meet user needs (ie desirability) and achieve good outcomes is clearly open to, and would benefit from engagement with, a wider group.

<sup>3</sup> <http://www.chargingfutures.com/media/1203/access-and-flc-final-report-and-conclusions.pdf>

<sup>4</sup> [https://www.ofgem.gov.uk/system/files/docs/2018/07/network\\_access\\_consultation\\_july\\_2018\\_-\\_final.pdf](https://www.ofgem.gov.uk/system/files/docs/2018/07/network_access_consultation_july_2018_-_final.pdf)

<sup>5</sup> SCR launch documents can be found [here](#).



### 3. Chair

The Delivery Group will be chaired by Ofgem.

The Chair will provide clear leadership to the Delivery Group and will be responsible for ensuring that each meeting is conducted in accordance with the Terms of Reference and in an orderly efficient manner. The Chair will ensure that all Delivery Group members are able to contribute their views to the Delivery Group. The Chair will coordinate with the Secretariat to ensure that appropriate policies and procedures are in place for the effective management of the Delivery Group.

Commissioned working groups will be chaired by either industry representatives or Ofgem. The Chair of any working groups will provide the same functions as outlined above.

### 4. Membership

Membership will be limited to Ofgem, the Electricity System Operator (ESO), electricity distribution and onshore electricity transmission network owners, the Energy Networks Association (ENA), relevant code administrators (eg DCUSA and CUSC), and a representative for IDNOs. These organisations should nominate the representative of their organisation to the Secretariat. The Chair will retain flexibility to determine an appropriate number of representatives from each organisation.<sup>6</sup> If a member of the Delivery Group or working groups are unable to attend a meeting, the member should inform the Secretariat and identify an alternate to attend the meeting on their behalf.

Membership of the Delivery Group and any commissioned working groups is limited, to ensure that there is a sufficient level of expertise and that the work can be driven forward at pace.

Wider stakeholder involvement in the Delivery Group will be addressed in a number of ways.<sup>7</sup> This includes -

- the Chair may invite up to two CFF members to observe Delivery Group meetings. CFF members who would like to attend the Delivery Group as observers are welcome to contact the Secretariat.
- the Challenge Group or Delivery Group can propose where additional members to the Delivery Group workgroups could bring value, with the Chair approving any additions. The Delivery Group should clearly define the types of information and involvement required for workgroup deliverables to support the Challenge Group in making any proposals.

The Chair(s) will keep the composition of Delivery Group under review and can invite wider stakeholders to be (potentially temporary) members of the Delivery Group or its workgroups, if and when the Chair considers it beneficial for the work of the project.

Ofgem will provide at least one member of the Delivery Group, in addition to the Chair.

Delivery Group members will:

- a) have relevant expertise and experience;

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<sup>6</sup> Generally, we would expect this to be 1-2 per organisation.

<sup>7</sup> See ToR for Challenge Group and section 1 of this ToR.

- b) be committed to making improvements to delivering benefits to consumers through more efficient use and development of network capacity;
- c) be available to attend all meetings/engagements (or send an appropriate alternate representative);
- d) be able to work collaboratively with other members that may have different views and seek to find consensus, where possible;
- e) actively contribute to the work of the Delivery Group and working groups outside of meetings. This will include being responsible for completing tasks (eg undertaking analysis) that have been allocated to a member and reporting back to the Delivery Group and/or working group; and
- f) be expected to contribute towards deliverables.

All members of the Delivery Group are expected to contribute to the work identified. If a Member fails to contribute, the Chair(s) will engage with that specific Member to understand the reasons for this. Ultimately, if a Member continues to fail to contribute to the work without adequate justification, the Chair is able to replace the Member with another individual.

## 5. Secretariat

We are in discussions with the ENA on the secretariat function for both the Challenge Group and the Delivery Group.

The Secretariat will -

- a) Provide the following services to the Delivery Group and any sub-workgroups, and the respective Chairs:
  - x. organise meetings, including booking venues, in consultation with Ofgem;
  - xi. send out meeting invitations;
  - xii. prepare agendas, minutes and collate other papers;
  - xiii. circulate meeting agendas and supporting documents/papers; where possible, two working days prior to each meeting;
  - xiv. circulate minutes to members after each meeting (within five working days);
  - xv. share all agreed meeting documents with the Charging Futures Lead Secretariat who will add them to the relevant section of the Charging Futures website;
  - xvi. maintain membership lists of meetings and handle any membership issues;
  - xvii. maintain a list of actions and engage with members to ensure they are on course to complete their actions in a timely manner; and
  - xviii. produce and update a detailed project plan to ensure delivery of outputs, in consultation with Ofgem.
- b) Have sufficient understanding of the issues being discussed in order to successfully complete its role
- c) Manage stakeholder engagement:
  - i. Act as a first point of contact for stakeholders who wish to contact the Delivery Group
  - ii. Create and maintain a distribution list of members
- d) Provide the necessary information to enable the Secretariat for the CFF and CDB to maintain the Delivery Group section of the Charging Futures website. This will provide stakeholders with information including:

- i. A calendar of upcoming meetings of the Delivery Group
  - ii. Membership of the Delivery Group
  - iii. Papers and other documents for Delivery Group meetings; and
  - iv. Contact routes for stakeholders wishing to communicate with the Delivery Group
- e) Provide the Charging Futures Lead Secretariat with the documents identified in Section 6.

## 6. Reporting and Output

The Secretariat is required to provide the Charging Futures Lead Secretariat with the following for publication:

- The Delivery Group Terms of Reference
- A list of Delivery Group members and contact email addresses
- All finalised Delivery Group minutes
- All finalised Delivery Group reports or presentations.

The Delivery Group is not required to publish documents that are still in draft version (eg draft minutes, slides or reports) or are commercially sensitive. The published minutes and reports will not attribute comments to individual organisations, unless agreed otherwise with the relevant organisation. The published minutes must include all talking points, actions and decisions discussed within the meeting.

Ofgem will ensure that the Delivery Group is kept up-to-date with related policy development in Ofgem-led projects (such as the Targeted Charging Review, RII02, our other work on flexibility and the introduction of market-wide Half-Hourly Settlement).

The Delivery Group will, in consultation with Ofgem, provide timely and appropriately designed updates, and opportunities to engage, to the Challenge Group, CFF, CDB and ENA on its (and any individual working groups') work and progress. The Delivery Group will provide updates and associated documents in a timely manner before Challenge Group meetings to enable the Challenge Group to effectively provide their input and challenge function.<sup>8</sup> There will be updates and discussion sessions at the CFF, in addition to newsletters, webinars, podcasts and surveys publicised via the Charging Futures website.

The Delivery Group will also keep up-to-date with, and provide regular updates to, wider industry groups, as determined by the Chair. These groups include the ENA Open Networks Steering Group, ENA Open Networks Project Advisory Group, ENA Distributed Energy Resources (DER) – DNO Steering Group, the Transmission Charging Methodologies Forum (TCMF) and the Distribution Charging Methodologies Development Group (DCMDG).

Opinions expressed in published outputs do not bind individual Delivery Group members from expressing alternative views. Where members are not able to agree on conclusions then the different opinions should be noted in the outputs.

## 7. Meetings

Meeting frequency will be reviewed on a regular basis, as decided by the Chair, in consultation with Delivery Group members, as appropriate. Delivery Group members will be available to

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<sup>8</sup> The structure of these updates is flexible but could include briefings, use cases, case studies, and presentations.

meet formally at least once a month. A shorter update meeting (eg via teleconference) may also be set up as required, to update members on the progress of workgroups and incorporate input from Challenge Group meetings.

The formal Delivery Group meetings will be primarily face-to-face, but the Delivery Group can decide to meet via alternative arrangements (eg teleconference). The Secretariat will make alternative arrangements for those that are unable to attend in person.

Workgroups will be expected to meet as required to deliver the outcomes identified, in the timescales required by the Delivery Group. They will need to provide the Delivery Group with regular updates and discuss progress on a regular basis.

Generally, all members are free to use any non-confidential information discussed at Delivery Group (or working group) meetings and identify the affiliation of the speaker (or any other participant). Where the Chair specifically identifies a need, the Delivery Group (and working groups) will operate discussions under 'Chatham House Rules' (where members are free to use the information, but neither the identity nor the affiliation of the speaker may be revealed).

## **8. Review of the role and form of the delivery group**

Ofgem will keep the role and form of the Delivery Group under review throughout the SCR process, and may evolve the arrangements as it sees fit. Any proposed changes will be discussed with the Charging Delivery Body and/or the Delivery Group and reflected in an updated Terms of Reference, which will be published on the Charging Futures website.