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Dear Jon Parker,

**Ref: innogy's response to the consultation "Getting more out of our electricity networks by reforming access and forward-looking charging arrangements"**

Innogy Renewables UK Ltd, as a developer and operator of renewable generation located on both the transmission and distributed networks, and owner of Belectric Battery Storage Ltd welcomes the opportunity to respond to this consultation.

The magnitude of the proposed scope of the review – even at the narrow level - represents fundamental changes to current arrangements. This is essentially Project TransmiT for Distribution connected assets and the current level of analysis underpinning the assessment of this review (the Task Forces report and Baringa's review) is far too high level to indicate the true scope of the shockwaves such a review would impart. We do not see that Ofgem can offer any firm proposals for the SCR before having commissioned some independent and extremely thorough, whole-energy-system cost-benefit analysis. This thorough analysis would need to include, as a minimum:

- Whether renewable generation would be disadvantaged compared with conventional generation (our internal assessment of the potential impacts tells us that it would be), and how decarbonisation targets could be affected,
- What change is actually needed to achieve arrangements which level the playing field without creating further distortion or undermining decarbonisation policies,
- How such changes could be implemented fairly, including what grandfathering and/or transitional arrangements are appropriate,
- Effects on investor certainty of the proposals,
- Who the winners and losers would be.

Our responses to Ofgem's questions can be found in appendix 1 attached.

Yours sincerely,

Nicola Percival  
Policy & Regulations Manager

**Question 1:** Do you agree with the case for change as set out in this chapter? Please give reasons for your response, and include evidence to support this where possible.

The case for change is fairly robust, in particular acknowledgement that a lack of availability of 'firm' capacity on the Distribution network leads to distortions. Uncompensated and unlimited constraint risk on the Distribution network is not suitable as a feature of a smart, flexible system. Uncertainty also undermines investor confidence, which will be increasingly important as renewable energy projects are increasingly expected to come forward on a merchant basis and even those with access to CfDs remain exposed to grid cost changes.

We are very supportive of moving towards a smart, flexible energy system which makes the most of its existing assets whilst not undermining necessary investment. The building of infrastructure should be encouraged where it offers good value for money for consumers, demonstrated through cost-benefit analysis.

However, we have significant concerns that the current proposals in this consultation are not evidenced as being reflective of whole-system costs – and in our view they represent introduction of new distortion. Indeed, they may threaten to tip the balance in favour of large carbon-intensive generators, which are mainly located on the transmission network. The proposals within this consultation would mostly impact upon distribution connected parties. For renewable generators the ever-shifting policy environment, which includes FITs and CfDs for wind and solar being terminated or halted due to political pressures as well as network policy changes, further stresses investor confidence and could see a huge slowdown in investment. This has the potential to impact negatively upon the government's decarbonisation targets. Higher prices for the consumer as a result of proposals in this consultation could be seen through reduced deployment of generation (particularly renewable) due to ever-increasing uncertainty, increased capacity market prices and ultimately it taking longer for consumers to benefit from cheap, clean power.

We are therefore strongly concerned that Ofgem's groundwork for setting the direction of this consultation doesn't consider the extent of the impacts of the proposals. It is therefore imperative that Ofgem commission independent and extremely thorough whole-energy-system cost-benefit analysis before making any decisions on the outcomes of this SCR.

**Question 2:** Do you agree with our proposal that access rights should be reviewed, with the aim to improve their definition and choice? Please provide reasons for your response and, where possible, evidence to support your views.

AND

**Question 3:** Specifically, do you have views on whether options should be developed in the following areas as part of a review? Please give reasons for your response, and where possible, please provide evidence to support your views:

- a) Establishing a clear access limit for small users, with greater choice of options (as considered under b) and c) below) above a core threshold – do you agree with our proposal in paragraphs 3.5-3.10 that this should be considered? Do you have views on how a core threshold could be set?

The nature of access rights for “small users” requires review. Setting a ‘core’ threshold will be undoubtedly difficult though. How would final demand users (eg domestic, businesses) know what their core capacity should be? In the absence of a truly smart network where the majority of users have an appropriate smart meter neither final demand users nor their Suppliers can reasonably be expected to take a view on this. This is not a simple process – as demonstrated by the difficulty the TCR team are having trying to establish an appropriate ‘domestic customer capacity’.

In addition, if Ofgem desire a differentiation between ‘core’ and ‘non-core’ activities then there will need to be measures in place to distinguish between these, for example metering. Any requirement for small users to install additional metering will need to be proven to have cost-benefit.

- b) Firm/non-firm and time-profiled access – do you agree with our proposal outlined in paragraphs 3.15-3.21 that these options should be developed?

We agree that access rights should have improved definition for Distribution connected users. In particular the definition of ‘firmness’ and, by extension, ‘un-firmness’.

We are of the view that firmness is by far the most important issue that has been identified amongst the access options Ofgem propose for the review. We, as a Developer of Distribution connected renewable assets, would also consider ‘semi-firm’ connections with suitable commercial arrangements. Currently renewable assets such as onshore wind are exploring possibilities of being ‘subsidy-free’ and so the lack of clear definition around Distribution network access rights creates distortion across the industry. Investment risk costs with regards to access are higher for Distribution connected projects as compared with Transmission connected projects due to the unspecific nature of access rights.

We fully support a review of the risks associated with ‘flexible’ connections, including a cap on generator constraint. Currently all the risk associated with network unavailability rests with individual generators, even though DNOs influence this risk by enabling further users to connect to increasingly constrained parts of the network. DNOs are far better placed and able to manage these risks.

Ofgem also proposes to look at time-profiled access and short term access options. We caution against bringing too much into the SCR as this could make it unwieldy and we see that these options are less important than firmness. Short term and time of use economic signals should come from ancillary service markets not from network charges or access rights arrangements. Long term (by which we mean evergreen) contracted access will always be important for all network users, and certainty is required both for securing new investments and for ensuring that

existing investment is not undermined. For these reasons we suggest that firmness is prioritized and time-profiled and short-term access options are not included in the SCR.

- c) Duration and depth of access, discussed in paragraph 3.25-3.32 - would these options be feasible and beneficial?

Regarding long-term access rights: access to long-term (evergreen) grid agreements is imperative to enable new generation projects to come forward with confidence in their investment. Without this fundamental access option for all connecting parties' investment would undoubtedly slow and become more expensive as the cost of risk increases. Please also see our answer to Question 1 where we highlight the dangers that an uncertain policy environment can create with regards to barriers to investment.

We advocate open-ended long term access to the grid (evergreen access rights). Thinking ahead to life extension opportunities, eventual decommissioning and re-planting of a site evergreen grid connection agreements (combined with a 'use it or sell it back' set of principles, see Question 5(c)) would see that existing grid connection assets are reused and therefore unlikely to ever become stranded. We believe this is the most efficient outcome from the perspective of the bill payer.

Regarding depth of access we are of the view that a review of this would be challenging and not altogether desirable. For example, locally generated and used electricity still benefits from the frequency control, harmonics control etc. that come from being connected to the wider grid. Separating access rights by depth would therefore risk undervaluing these stabilizing and safety services provided by the wider grid and overvalue straightforward network carrying capacity. In addition, limited or "shallow" access rights would inhibit trading under current BSC arrangements and require the creation of local markets which would fragment the GB trading arrangements. This would be inconsistent with the EU Networks Codes, as Ofgem have identified.

- d) At transmission or distribution in particular, or are both equally important – as discussed in this chapter?

We suggest that it is important for whole-system impacts to consider whether changes, especially fundamental changes, would introduce a distortion if not applied across both the Transmission and Distribution networks. The answer may not always be the same for each issue identified.

Regarding firmness, for example, we agree that the Distribution network arrangements needs updating to better align with the Transmission network arrangements for firmness. Ofgem have already identified that this is a distortion between the two networks. However, regarding short-term access, this is already available on the Transmission network (but rarely used to our knowledge) and we have not found evidence to suggest that this is needed and would be used on the Distribution network if introduced.

It is therefore imperative that Ofgem commission independent and extremely thorough whole-energy-system cost-benefit analysis before making any decisions on the outcomes of this SCR. Not to do so would risk perpetuating distortion or creating new distortion unintentionally.

Please also see our answer to Questions 6, 7 and 8 (a and b) regarding Distribution and Transmission network impacts of this proposed SCR.

**Question 4:** Do you agree with the key links between access and charging we have identified in table 1? Why or why not? Do you think there are other key links we have not identified? Where possible, please provide evidence to support your views.

We broadly agree with the principles identified, although as we have stated throughout this response we do not see benefit in Ofgem prioritising time-profiled, short-term or shallow/local access. Rather we advocate Ofgem focusing on defining the concept of firmness on the Distribution network.

We note that Ofgem have not included in their assessment of firmness in table 1 that defining this concept would enable all constraint to be recorded. This would enable better network development, but also would enable cost-benefit analysis to highlight whether network reinforcement to give more firmness to a connection would be better value for money for consumers than continuing to pay constraint costs.

**Question 5:** Do you agree with our proposal that targeted areas of allocation of access should be reviewed? Please give any specific views on the areas below, together with reasons for your response. Where possible, please provide evidence to support your views:

- a) Improved queue management as the priority area for improving initial allocation of access, as outlined in paragraphs 3.41-3.44?

Yes, we agree that improved queue management is a priority area for improving initial allocation of access. However, much work has and is already being done in this area. For example, in 2016 the ENA published their *“Fair and Effective Management of DNO Connection Queues: Progression Milestones Best Practice Guide”* which most of the DNOs use in setting milestones in new connection contracts. National Grid have engaged with industry via Transmission Connection Network Forum (TCMF) and dedicated workshops to develop a position in reviewing queue management which will, we believe, be proposed by NGET as a formal modification to the Connections and Use of System Code (CUSC) in due course.

The ENA have further engaged on the issue of queue management through their *“Fair and Effective Management of DNO Connection Queues: Treatment of Changes to Connection Requests”* consultation. The Open Networks Project is also engaged in this topic through their

consultation “*Treatment of flexibility consultation and call for evidence – Open Networks Project work stream 1, product 10*”.

We therefore consider that initial allocation of access is being addressed by other ongoing reviews and engagement, and that it could be left out of the significant code review that Ofgem plan to raise in Q4 of 2018. If Ofgem choose to include it then the good work done to date should be used to avoid duplication of effort.

- b) Not to consider the potential role of auctions for initial allocation of access as part of a review at this time, as discussed in paragraph 3.44?

We fully support Ofgem’s decision not to consider auctions for initial allocation of access. Whilst auctions may work in economic theory, their impacts in the real world would be influenced by inevitable gaming and favour those with the deepest pockets. Ultimately the consumer would pay more for access allocated by auction whether for initial allocation or reallocation. The reason for this is that currently network access is sold at ‘cost’ rather than ‘value’ – and so auctioning network access off to parties which value it most would see only the owner of that network access prior to it being allocated or reallocated make money. That money would be highly unlikely to reach the consumer to benefit them, and would instead line the pockets of the seller. This is a concern on top of the market uncertainty auctions would create and the complexity of administering them. The Task Forces report elaborates further as to why auctions are not a good option, as Ofgem has acknowledged.

- c) To review the areas outlined in paragraphs 3.45-3.48 to support re-allocation of access?

We fully support work which looks into how useful ‘use it or lose it’ measures, perhaps better phrased as ‘use it or be reimbursed for it’ could be. This would need clear principles and rules around it, such as that the capacity to be lost has never been used (eg use the DCP115 interpretation of under-utilised, meaning that a generator never reached over 75% of its agreed export capacity. This would need to be over a quantifiable timescale. Any future re-allocation policy must avoid incentivizing capacity hoarding.

We have concerns regarding ‘use it or sell it’. A free and open market in this regard would inevitably create problems. Irresponsible parties may seek to hold capacity and sell it when prices are high – a cost which ultimately the consumer would pay. A regulated market could potentially work, but it may be cheaper and more efficient for a ‘use it or sell it back’ principle to reign and for DNOs to be responsible for reallocating access via the connections queue so that the process is fair and transparent.

There are few clear examples of reallocation access rights from large users in constrained parts of the network. Before the introduction of CMP192 user commitment, a ‘TEC amnesty’ was held which resulted in the return of 175MW of contracted capacity to SHET. This in turn resulted in changes to the required suite of reinforcements required to connect remaining contracted customers. Some generators therefore had the opportunity to advance their connection date.

However, without a clear set of rules outlined (for example in the CUSC) it was impossible for contracted generators or third parties to independently determine what the impact of this 'released' capacity was and/or validate the fairness of how the 'queue' was subsequently managed. Therefore, we consider that network access 'reallocation' processes would benefit from being developed and considered to ensure best system outcomes.

**Question 6:** Do you agree that a comprehensive review of forward-looking DUoS charging methodologies, as outlined in paragraphs 4.3-4.7, should be undertaken? Please provide reasons for your response and, where possible, evidence to support your position.

We see that current charging arrangements for DUoS would benefit from a review, particularly given that currently each DNO area has a slightly different way of doing things. A key aim of such a review should certainly be to align all DNO areas to the same charging methodologies for both EDCM and CDCM (at the moment different modelling approaches are used in different DNO areas).

However, we do not agree with Ofgem's proposals in the consultation.

There would need to be a strong cost-benefit case for making CDCM more granular. New metering equipment, IT systems and modelling is likely to be required for high granularity charging (eg at 11kV) and the cost-benefit of doing this would need to be proven.

Regarding EDCM locational charges, we refer Ofgem to the DCMF's EHV charging methodology review in 2015<sup>1</sup> which states that:

*"The main driver of the EDCM was to introduce charges/benefits that would encourage generation to locate where growth in demand would otherwise require network reinforcement and to encourage demand customers to reduce demand in such areas, thus reducing or deferring network investment. The review group has not found any evidence that network reinforcement has been deferred due to the response of EHV customers."*

And:

- *"Ofgem have reported that 95% of connections over the last 3 years have not triggered any network reinforcement..."*
- That going forward EDCM should not include a reinforcement cost signal.

We therefore consider that Ofgem's proposal in this consultation is poorly justified. It is important that Ofgem understand that locational charging signals are only influential at the time of deciding where to site a renewable generation project. Once that generation project has reached financial close the locational signal variances are merely 'baked-in' risk that cannot be

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<http://www.energynetworks.org/assets/files/electricity/regulation/DCMF/EDCMReviewGroupFinalReport%2031Dec2015.pdf>

mitigated over the lifetime of the project (25+ years). Changes to the locational element of charging caused by other network users coming online or going offline whilst the original generator remains where it is are also risks beyond the control of the generation operator. These are also signals which cannot be responded to. Rather they cause unpredictable financial stresses or gains for energy resource owners and investors.

We are concerned that Ofgem's proposals regarding locational DUoS will mean that charges become more unpredictable and volatile. We note that some generation TNUoS tariffs have changed by the order of 30% or more year-on-year, and EDCM import capacity tariffs have changed year-on-year by a factor of 10 or more. Please see the examples given in our answer to Question 8 for how this risk manifests on the Transmission network.

The real-world impact of implementing the consultation proposals for DUoS will be to further erode investor confidence, increase investment risk/cost for new generation capacity in the UK and reduce competition. Higher prices for consumers as a result would come through multiple channels: reduced and slower delivery of 'subsidy-free' generation, and increased CM prices as a result, along with reduced competition within wholesale markets, and possibly even increased strike prices in future CfD rounds as uncertainty and risk increase. An unintended consequence of Ofgem's proposals could be increased costs of network operation too.

To effectively influence generator behavior at HV and EHV charging signals must be reasonably predictable over the full project lifetime.

Ofgem have not considered in the consultation that strong, meaningful locational signals are provided to network connectees are the time of connection to the distribution network. The locational signal for each connectee can be tailored to reflect the network constraints that are expected from the addition of that capacity to the contracted network at the specific point in time that the new unit intends to connect.

It is therefore imperative that Ofgem commission independent and extremely thorough whole-energy-system cost-benefit analysis before making any decisions on the outcomes of this SCR. Currently it is far from proven that a move to align Distribution charging arrangements with those for Transmission and introduce shallow charging to DUoS will bring the benefits that Ofgem are striving to achieve.

As part of this further analysis we also ask Ofgem to seriously consider what arrangements would need to be in place for transition, and possibly grandfathering, should a move to shallow charging be proven beneficial. Existing Distribution connected sites will have paid deeper connection charges, and so arrangements must be in place to ensure double-charging does not occur due to any change in regime<sup>2</sup>.

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<sup>2</sup> Precedent for this exists: <https://www.ofgem.gov.uk/ofgem-publications/44035/consultation-proposed-guidance-0511pdf>



**Question 7:** Do you agree that the distribution connection charging boundary should be reviewed, but not the transmission connection boundary? Please provide reasons for your response and, where possible, evidence to support your position.

We are strongly of the view that Ofgem must first commission independent and extremely thorough whole-energy-system cost-benefit analysis before making any decisions on the outcomes of this SCR. The Baringa and task forces work is far too high level to evidence whether moving the distribution charging boundary, but not the transmission charging boundary, would result in net whole-system benefits.

Please also refer to our answers to Questions 6 and 8 where we discuss the risks and issues with 'baking-in' risk from locational signals which are only useful to influence behavior prior to connecting to the network. Once connection to the network has been made locational signals cannot be responded to by most network users. For example wind farms would have a binary choice: continue operation or decommission – thereby cutting short the potential for an asset supported through tax payer contributions to deliver its full yield in low carbon electricity.

Clearly relocating wind farm components and the pylons and grid assets that connect it to another location would be completely irrational.

**Question 8:** Do you agree that the basis of forward-looking TNUoS charging should be reviewed in targeted areas? If you have views on whether we should review the following specific areas please also provide these:

- a) Do you agree that forward-looking TNUoS charges for small distributed generation (DG) should be reviewed, as outlined in paragraphs 4.19-4.23?
- b) Do you consider that forward-looking TNUoS charges for demand should be reviewed, as outlined in paragraphs 4.24-4.27? Please provide reasons for your response and, where possible, evidence to support your position.

We disagree. Whilst cross-GSP impacts are an important consideration for a smart, flexible energy system the proposals in this consultation represent a significant departure from the charging regime we have today. Implementing such policies comes too soon after other significant changes to Distribution network charging (eg CMP264/265). Whilst open governance charging methodologies can be reasonably expected to evolve over time, such large step changes in charging policy - especially a series thereof - cannot reasonably be factored into investment business cases.

Ofgem's proposal to charge EG both a reformed DUoS tariff and forward-looking TNUoS is unfair and unacceptable (which incorporates locational charges which cannot be responded to, see below and also our answer to Question 6). Cross-GSP charging in this way is distortive and not cost-reflective. It could even represent an effective subsidy for carbon-intensive generators, most of whom are connected to the Transmission network and export onto the Distribution network (paying only TNUoS) whereas Distribution connected generators may be forced to pay both TNUoS and DUoS under Ofgem's proposals in this consultation. We ask that Ofgem set out

a rational justification of their proposals based on a thorough whole-energy-system cost-benefit analysis before proceeding.

TNUoS costs, calculated through the ICRP methodology, are very sensitive to local generation changes. Such signals cannot be responded to once a generation site is built, and as per our answer to Question 6, it represents further 'baked-in' risk. For example, innogy have an onshore wind farm in TNUoS generation zone 7. It saw a £6-7/kW increase in cost after the Kintyre-Hunterston 220kV subsea link was energized – an increase of 50%. The 2016/7 forecast provided by National Grid was also inaccurate. In July 2015, the forecast for 2016/7 indicated a tariff of £12/kW for a 40% ALF intermittent generator in that area. However the final outturn tariff was £18/kW – an underestimation in 2015 of 30% in a zone which is already amongst the highest locational TNUoS charges.

The example above shows just how volatile locational tariffs can be, and that they cannot be responded to – the exception being that the rise of charges could well prompt closure of a site because of changes in charges due solely to activity of other network users.

We are supportive of capacity-based charging rather than time of use (ToU) charges such as under a triad-like regime, which is inefficient. The Capacity Market cost-recovery mechanism is one option to observe for capacity charging.

**Question 9:** Do you agree that a broader review of forward-looking TNUoS charges, or the socialisation of Connect and Manage costs through BSUoS at this time, should not be prioritised for review? Please provide reasons for your response and, where possible, evidence to support your position.

We agree.

Paragraph 2.31 of the consultation states that Connect & Manage is *paid for by all who pay BSUoS (and ultimately by all consumers), not just the connecting party who has benefited*. We disagree with Ofgem's inference here that only the connecting party benefits from Connect & Manage. It has been a successful policy which has allowed generators of clean, cheap power to connect to the system sooner than would otherwise have been the case. This benefits all consumers.

**Question 10:** Do you agree that there would be value in further work in assessing options to make BSUoS more cost-reflective, and if so, that an ESO-led industry taskforce would be the best way to take this forward?

No. BSUoS is not currently intended to be cost-reflective, as it is effectively equivalent to a 'residual' charge – and recovers costs incurred for balancing the system ex-post. Any attempts to change the very nature of BSUoS and make it 'cost-reflective' would be changing significantly the way system balancing is not only charged, but also bringing into play another cost which may drive behaviours. This could lead to significant unintended consequences.

We are not of the view that BSUoS should contain a forward-looking element. Attempting to drive behaviours by signalling costs through forward-looking BSUoS charges would introduce a conflict with network charging. This would likely lead to perverse outcomes on its own and more so when combined with network charging signals. It would make the charging regime more complex without good reason.

**Question 11:** What are your views on whether Ofgem or the industry should lead the review of different areas? Please specify which of SCR scope options A-C you favour, or describe your alternative proposal if applicable. Please give reasons for your view.

We caution Ofgem against including too much in the scope of the significant code review. Given that even the narrow approach represents the equivalent fundamental change to Distribution connected parties as Project TransmiT did to Transmission connected parties we suggest that Ofgem focus on being extremely thorough, backing up all decisions with thorough whole-energy-system cost-benefit analysis which takes into account broader policy direction, such as decarbonisation and ensuring that distortion is not perpetuated.

Agreeing and implementing a definition for ‘firmness’ for Distribution connected network users could be dealt with as part of the SCR by expanding the narrow approach to include it (it would need to be progressed urgently, and in this case would ideally be amongst the first changes to be implemented in 2021). Changes to initial allocation of access rights is already being dealt with (see our answer to Question 5(a)) and could be progressed either inside or outside the SCR. Reallocation of access could be worked up as part of the SCR or by industry. Any work to be progressed by industry needs to have a clear brief to avoid self-interested modification proposals that have been seen elsewhere.

We are concerned that the Capacity Market is dictating the direction and pace of reforms to the detriment of network users that have not been involved in this market. The CM has brought about fierce competition between large Transmission connected and smaller Distribution connected dispatchable conventional generators. This competition has created a cross fire of modifications and requests for regulatory change, each tipping the balance in favour of one or other of the competing CM classes. While indeed some of the defects detected are valid and are right to address, the pace of regulatory flux that the CM has driven is unprecedented<sup>3</sup>.

Renewable energy generators are inadvertently being placed in the firing line for changes. A number of unforeseen and major policy changes have emerged, especially in the realms of grid charges, placing new pressures and new costs onto distribution connected renewable generation projects.

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<sup>3</sup> 22 ‘live’ CUSC modification proposals at the date of this response, plus a number of ‘in development’ (and often contradictory) modifications around BSUoS discussed at September 2018 TCMF.

**Question 12:** Do you agree with our proposal to launch an 'Option 1' SCR for areas of review that we lead on? Please give reasons for your view.

Yes. Such an approach would ensure that proposals for Code modifications are not representative of self-interest for the Proposer. We consider that Ofgem must ensure that representation by all types of interested parties is enabled when debating proposals for change.

**Question 13:** Do you agree with the introduction of a licence condition on the basis described in paragraphs 5.11 and 5.12 and Appendix 5? Why or why not? Do you have any comments on the key elements set out in table 7 of Appendix 5a, or consider there are any other key elements which should be included? Please give reasons for your view.

We are unclear why this new license condition would be required.

**Question 14:** Do you have any comments on the draft wording of the outline licence condition included at Appendix 5b? Please give reasons for your view.

No comments.

**Question 15:** What are your views on our indicative timelines? Do you foresee any potential challenges to, or implications of, the proposed timelines and how could these be mitigated?

Throughout this consultation response we have cautioned Ofgem against an approach not properly underpinned by extensive whole-system cost-benefit analysis. The proposals in this consultation could result in increased distortion, subsidising carbon-intensive generators and undermining decarbonisation targets because they are not evidenced.

There is a great need for clarity on all related areas of charging to avoid unnecessarily deterring investment during the review period (see our answer to Question 1 for further detail). We see that this is a significant risk that Ofgem must mitigate. For example, we would ask for clarity on the future of the "Small Generator Discount" for Scottish 132kV connections whilst such a major charging reform is carried out.

We would urge Ofgem to give as long a lead time as possible before any SCR outcomes take effect. The decision date for Grid Code amendments in 2018 for example was days before the EU deadline for changes to take effect. This caused significant issues for developers of generation assets of all sizes. Such circumstances are not suitable for implementing charging changes. We encourage Ofgem not to derogate DNOs such that they wouldn't need to provide the 15 month notice period of charges. The fixed end date for proposals to be implemented will require extensive skills in planning and management of the SCR, and where slip may occur Ofgem should be ensuring that the notice period between decisions being made implementation dates are still sensible.

**Question 16:** What are your views on our proposals for coordinating and engaging stakeholders in this work?

We have attended the Charging Futures Forum days and an innogy employee also held a position on the forward-looking charging Task Force. We welcome such engagement alongside formal consultation.