

Jon Parker
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Via email – networkaccessreform@ofgem.gov.uk

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Dear Jon

Re: Getting more out of our electricity networks by reforming access and forward looking charging arrangements

Thank you for the opportunity to respond to [your consultation](#). This is a SIMEC response on behalf of the [GFG Alliance](#). The Alliance encompasses power generation, metals and engineering, mining, financial services and property. We have a large generation and industrial demand portfolio across GB and significant exposure to electricity network charges.

Summary views

- We recognise that trends like electric vehicles could trigger significant network reinforcement costs. We understand that Ofgem wants to review Access and Forward Looking Charges to improve the price signals network users receive, to keep reinforcement costs under control.
- The scope of your potential Significant Code Review (SCR) is very broad and adds to the material uncertainty on networks costs that users already face. Ofgem should limit any review to areas where concerns are most significant – and plausible remedies most apparent.
- If an SCR is to be launched, we would **include** a review of the definition and choice of large users' access rights in the scope. However, any eventual reforms to large users' access should not impair their ability to obtain enduring, firm access to the networks if they require it. Reforms should focus on making cost reflective savings available to users willing to accept non-firm and/or time-bound access.
- The potential SCR should **exclude** fundamental changes to the way network capacity is allocated, such as the introduction of network capacity auctions. This reflects our general view that material uncertainty in network access and charging arrangements is undesirable and disrupts the operational and commercial decision making of large industrial users.
- The potential SCR should take full account of the needs of non-domestic as well as domestic users. Ofgem's desire to ensure that domestic users' "core needs" are readily met by the network must not

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result in cross subsidies to the detriment of non-domestic users and total system costs. Cost reflectivity must be a key objective of any review.

Please contact me if you would like to discuss any aspect of the potential SCR.

Yours sincerely,

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