

## REA Members Brief: *Ofgem Publish Decision of the Access SCR*

In 2018, Ofgem [launched](#) the Access and Forward-Looking Charges Significant Code Review (Access SCR), intended to reform access and charges for the electricity network. On 3rd May, Ofgem [published](#) their final decision on the Access SCR, covering two areas of the original scope: the distribution connection charging boundary, and the definition and choice of access rights. The decision confirms the positions Ofgem laid out in their January Consultation.

The original SCR scope also included a wide-ranging review of distribution use of system charges (DUoS) and a focussed review of transmission network use of system charges (TNUoS). Ofgem indicate that these areas are in development outside of this decision.

**The decision will take effect from 1 April 2023 and a summary of the key changes can be found below:**

### *Regarding the distribution connection charging boundary, Ofgem will:*

- Reduce the overall connection charge faced by those connecting to the distribution network. This includes (i) removing the contribution to wider network reinforcement for demand connections, and (ii) reducing the contribution to wider network reinforcement for generation connections.
- Retain and strengthen existing protections for bill payers. This intends to protect bill payers from cost increases associated with the most expensive types of connections. In these instances, the connecting customer will continue to be required to contribute more to the costs of reinforcement.

### *Regarding the distribution connection charging boundary, Ofgem will:*

- Ensure a standardised non-firm access option is available for larger network users. Where there is a network benefit associated with a curtailable connection offer, distribution network operators will be required to make this option available to the connecting customer, should they wish to opt into this kind of connection agreement.
- Introduce clear curtailment limits and end dates for non-firm access arrangements. Distribution network operators will have to set a curtailment limit for non-firm connection offers and include these in the offer to the connecting customer, who will have to abide by those limits. Where the customer wishes to

connect initially on a non-firm basis, but ultimately be made firm, a date by which the customer should have firm access must be agreed.

### ***Treatment of Storage***

The decision confirms Ofgem's position, set out in the January Consultation update, that storage will be treated consistently with generation for connection charging purposes. This requires storage connections to contribute to reinforcement costs at the voltage of connection in accordance with the 'shallow-ish' connection boundary for generation.

### ***Timeline***

The decision will take effect from 1 April 2023.

### **May 2022**

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