

DCP 319/321 Joint Working Group Meeting 02

25 July 2018 at 10:00
Web-Conference

Attendee	Company
Working Group Members	
Andrew Enzor	Northern Powergrid
Karl Maryon	Haven Power
Claire Campbell	SP Energy Networks
Simon White	Smartest Energy
George Moran	Centrica
Donald Preston	SSE
Oliver Zhe Xing	Orsted
Chris Ong	UK Power Network
Alessandra De Zottis	UK Power Reserves
Lee Wells	Northern Powergrid
William Jago	Npower
Code Administrator	
Shahin Miah [SM] (Technical Secretariat)	ElectraLink
John Lawton [JL] (Chair)	ElectraLink

Apologies	Company
Chiara Redailli	Ofgem
Simon Yeo	Western Power

1. Administration

- 1.1 The Chair welcomed the members to the meeting.
- 1.2 The Working Group reviewed the “Competition Law Do’s and Don’ts”. All Working Group members agreed to be bound by the Competition Laws Do’s and Don’ts for the duration of the meeting.
- 1.3 The Terms of Reference for the meeting were reviewed and the Chair mentioned the date DCP 321 was tabled to the DCUSA Panel was incorrect. This has subsequently been amended to the correct date.
- 1.4 When reviewing the minutes for the previous DCP 319 meeting, an amendment was made to paragraph 4.6 as outlined by a member of the Working Group.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review and analyse the Change Proposal (CP) DCP 321 and discuss the Consultation document which has been created and circulated prior to this meeting.

3. Overview of DCP 321

- 3.1 The Proposer informed the Working Group the intent for this CP was the same as DCP 319, the only difference being this was focussed on EDCM, which is site specific.
- 3.2 It was mentioned that Ofgem were keen to progress with storage outside of the Targeted Charging Review (TCR). As the scope is broader than just storage, we needed assurance from Ofgem that the CPs were not crossing over to the TCR. Unfortunately, the Ofgem representative was not on this call and had not provided a satisfactory answer to the questions posed prior to this meeting.
- 3.3 The rationale from the TCR document regarding storage seems to be that generators of storage are not consumers of energy so therefore they should be exempt from residual demand charge.

4. Review of DCP 321

- 4.1 The Working Group were reminded that they needed to agree on how to deal with sites that have both demand and generation. DCP321 suggested that one option could be to remove residual charging on import capacities up to the level of any export capacity, with import capacity in excess of the export capacity still being subject to residual charging. The CP provided four examples of what the outcome could be. The Working Group noted the examples.
- 4.2 A member of the Working Group pointed out that part of Ofgem’s Access Right & Forward Charging Review, one possibility would be for networks to trade allocated capacity. This would mean network user’s capacity would potentially be changing, making it difficult for DNOs to identify embedded generators. It was agreed that the CPs should progress based on the current rules but noting there would be risks of changes to the EDCM due to Ofgem’s reform.
- 4.3 The Chair reminded the Working Group during the discussions associated with the CDCM, that there is an amount of demand required to kick start the generator, is this a possible way forward for both

CDCM and EDCM i.e. what is the demand needed to support generation and this demand should be exempt? How much demand is storage using?

- 4.4 The Chair also asked the Working Group if the industry believed storage should be treated differently? Until an Ofgem perspective is presented, the Working Group could not progress this any further at this time. A Working Group member stated we should develop our thinking as to why this is a broader issue than just storage to support the CP for the consultation document.
- 4.5 The Working Group was asked if it was worth developing a solution without the insight and guidance from Ofgem?
- 4.6 It was reiterated that Ofgem needed to provide further insight and guidance with these CPs. Without their input, it would be difficult to progress further and may result in abortive work.
- 4.7 A Working Group member asked if it would be worth developing alternate solutions, one for storage and one for generation? The Chair mentioned the scope was broad enough to accommodate this however, the Working Group did not seem too keen on this, however Working Group members do have a right to do so.
- 4.8 It was agreed that there was not much to gain from continuing this meeting without an Ofgem representative present.
- 4.9 It was agreed that a number of potential dates would be suggested to Ofgem to ensure there is someone present at the next meeting. The potential dates were the 6th, 15th and 20th of August, 2018.

Action – 02/01: ElectraLink to provide the three possible dates to Ofgem and circulate the selected date to the Working Group

- 4.10 The Chair closed the meeting.

5. Work Plan

- 5.1 The Working Group agreed the next steps as follows:
- ElectraLink to call Ofgem with the three possible dates for the next meeting, then circulate to the Working Group.

6. Agenda Items for the Next Meeting

- 6.1 Discuss with Ofgem the outstanding questions raised by the Working Group at its first meeting and then to develop the solution to both CPs.

7. Any Other Business

- 7.1 There were no items of AOB and the Chair closed the meeting.

8. Date of Next Meeting:

- 8.1 Three potential dates for the next meeting were agreed on. Ofgem will be given the options to ensure their presence at the next meeting.

9. Attachments

- Draft Consultation paper
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APPENDIX 1

New and open actions

Action Ref.	Action	Owner	Update
01/02	Consider how the potential concern over all generators being exempt from Demand residual charges could not be abused.	Working Group members	Open 25/07/2018 - ongoing
02/01	Provide Ofgem with the three possible dates for the next meeting. Their decision should be circulated to the Working Group once known.	ElectraLink	Open

Closed actions

Action Ref.	Action	Owner	Update
01/01	Request an exemption from Ofgem covering this change proposal, and bring to their attention that the scope is broader than just Storage.	ElectraLink	Action Closed
01/03	Share the Ofgem documents on the TCR to the Working Group	ElectraLink	Action Closed
01/04	Ask Ofgem for clarity on why Storage should not be charged for demand residual charges.	ElectraLink	Action Closed
01/05	Draft a consultation document	ElectraLink	Action Closed