DCUSA

DCP 341/342 Joint Working Group Meeting 04

16 May 2019 at 10:00am
Skype Meeting / Teleconference

Attendee	Company
Working Group Members	
Andrew Enzor [AE]	Northern Powergrid
Catalina Rozo [CR]	Zenobe
Chris Barker [CB]	ENWL
Emma Clark [EC]	SSEN
Julia Haughey [JH]	EDF Energy
Karl Maryon [KM]	Haven Power
Lee Wells [LW]	Northern Powergrid
Matt Thomas [MT]	Fulcrum
Rebecca Cailes [RC]	BU-UK
Sebastian Eyre [SE]	ESP Electricity
Tom Chevalier [TC]	Power Data Associates
Observers	
Ankita Mehra [AM]	Ofgem
Nicholas Rubin [NR]	Elexon
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Dylan Townsend [DT] (Technical Secretariat)	ElectraLink

Apology	Company
Chris Ong [CO]	UKPN
Claire Campbell [CC]	SP Energy Networks
George Moran [GM]	British Gas

1. Administration

1.1 The Secretariat welcomed those in attendance and noted the apologies for this meeting.

1.2 The Working Group reviewed the "Competition Law Guidance". All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.

1.3 The Working Group reviewed the minutes for meeting 03 and agreed that they were an accurate record of proceedings.

1.4 The Working Group reviewed the items on the actions list from the last meeting. Updates on all actions are provided in Appendix A.

2. Overview of joint Code Administrator discussion

2.1 DT and NR provided the Working Group with an overview of the joint Code Administrator discussion that took place on 03 May 2019. It was noted that the discussion centred around the potential for a cross-code solution with respect to exempting storage facilities from residual charges. Attendees included representatives from National Grid as the ESO with knowledge or involvement in the CUSC modification, Elexon as the Code Administrator for the BSC and as the Proposer of the CMP280 Workgroup Alternative Modification and ElectraLink as the Code Administrator for DCUSA. A high-level overview of the detailed discussions is set out below:

- <u>furthering the collective understanding of and considering progress to date:</u>
  - The DCPs 341/342 Working Group have held 3 meetings so far and a 4th is due to occur on 16 May 2019.
  - The P383 Workgroup have had 1 meeting to date and the 2nd is due to occur on 9 May 2019.
  - Both will need to progress to consultation within the next month in order to have final reports ready in time for their respective implementation dates.
  - The CMP280/281 Workgroup have held 16 meetings and are in final stages of agreeing legal text and report drafting.
- <u>expected timelines to produce final reports and proposed implementation dates:</u>
  - DCPs 341/342 and P383 are looking to be at the report stage in July, there appears to be limited scope to enact further changes to the solution for either and any further solution development would likely result in DCPs 341/342 being pushed back to 01 April 2022.
  - Implementation dates for CMP280/281 and P383 are likely to be April 2020 and DCPs 341/342 are likely to be April 2021 as long as no delays are seen.
- <u>views/thoughts as to whether there is a solution that provides consistency in the legal requirements (e.g. common definitions, principles and outcomes) and where appropriate the use of common processes and systems:</u>
  - It was agreed that alignment would be a good thing, but the question is at what cost (e.g. at what detriment to timings etc). There was a suggestion that to align the CUSC and DCUSA modifications would be a good win for industry and for Code Administrators/Managers. For

alignment to be achieved, it was recognised that the main two discrepancies between the CUSC and DCUSA proposals would need to be addressed. These main discrepancies are set out below:

- ❖ The approach taken by the DCP341/342 Working Group that storage tariffs will only be applicable to storage facilities that are metered with current transformer (CT) metering is a limitation that has not been built into solutions for CMP280/281.
- ❖ The approach taken by the CMP280/281 Workgroup that a storage operator seeking exemption from residual charges would need to become a generation licensee is a limitation that has not been built into solutions for DCP341/342.

  - Some possible next steps were discussed, including arranging a further meeting where the proposers and Ofgem representatives are in attendance to gain approval for alignment.

- <u>how achieving alignment/consistency might interact with the timescales for development:</u>
  - From the DCUSA perspective, there appears to be limited scope to enact further changes to the solution for either and any further solution development would likely result in DCPs 341/342 being pushed back to 01 April 2022. There is a similar risk but less severe for the other modifications but some suggested that their favoured approach was to get the right solution in place and if this meant a later implementation date then so be it.

- <u>what contingency arrangements might be needed to facilitate alignment/consistency:</u>
  - This area wasn't covered in great detail but there was a suggestion that Ofgem's views related to how new code governance arrangements may need to be more flexible, such that contingency arrangements are or will be necessary in order to facilitate change at the desires pace, however no Ofgem representative was present to further the understanding of those present.

2.2 The Working Group gave consideration to the overview that had been provided, during which the Secretariat pointed out that they had updated a number of sections throughout the consultation document to further highlight the Working Groups rationale for the solution it has developed as a result of the joint Code Administrator discussion.

2.3 Further to this, members discussed that the definition/eligibility criteria section of the legal text was silent on the fact that storage tariffs will only be applicable to Current Transformer (CT) metered sites and so it was suggested that this should be included in some form when reviewing the draft consultation document.

2.4 The Working Group discussed if it is restrictive to only apply the tariffs to CT sites given that two DNOs had undertaken investigation into this area and were able to confirm that there were no storage facilities that would meet the other criteria and were metered with WC metering. The Secretariat questioned whether it would be worthwhile obtaining a view from the storage community if they think it is likely that there any storage only sites that are metered with WC metering. It was noted that the answers provided may not change the current course of work and that a question around this matter will still be included in the consultation document. The Secretariat took an action to liaise with CR around whether any information from within the storage community could be obtained around the numbers of WC storage facilities that would otherwise be eligible for the new tariff.

ACTION: 04/01 – ElectraLink to liaise with CR around whether any information from within the storage community exists around the numbers of WC storage facilities that would otherwise be eligible for the new tariff.

3. Review of draft consultation document

3.1 The Working Group reviewed and updated the consultation document during the meeting and the document that captures these amendments acts as Attachment 1 to the minutes. During their review, the following actions were captured:

ACTION: 04/02 – ElectraLink to review both sets of legal text to ensure the wording 'electricity storage facility whose sole function is electricity storage' is correctly applied throughout. ElectraLink to amend the meaning of the definition for an 'Electricity Storage Facility' in both sets of legal text to state 'means a facility with CT metering where Electricity Storage occurs'.

ACTION: 04/03 – ElectraLink to update consultation document as agreed during the meeting and circulate to the Working Group for review.

4. Next steps and Work Plan

4.1 The Working Group reviewed and updated the Work Plan and in doing so agreed that the next steps. The updated Work Plan acts as Attachment 2 to the minutes and a summary of the next steps is below:

- ElectraLink to update consultation document as agreed during the meeting and circulate to the Working Group for review;
- Once received, ElectraLink to circulate the completed modelling for both CPs and the impact assessment for DCP 341 and request for the DNOs to test both models and undertake an impact assessment for DCP 342 in readiness for the next meeting; and
- Next meeting to be held at 10am until 3pm on 30 May 2019 to review the modelling and impact assessment and finalise the consultation document.

5. Any Other Business

5.1 There were no items of any other business and the Chair closed the meeting.

6. List of Attachments

- Attachment 1 – DCP 341/342 Draft Consultation - Updated
- Attachment 2 – DCP 341/342 Work Plan – Updated
- Attachment 3 – DCP 342 Draft Legal Text - Updated

Appendix A – Actions

New and Open Actions (Updates set out in blue)

Action Ref.	Action	Owner	Update
03/02	Consider the case for looking at shared MPANs as this is being discussed within the Workgroup developing BSC modification P379 'Multiple Suppliers through Meter Splitting' that is looking into this. Specifically, to consider what the impacts might beand to understand how DUoS is attributed to the different MPANs.	Working Group	16/05/2019 – Ongoing:
03/03	Find the documentation provided by the Elexon representative during the development of the now withdrawn DCPs 319 and 321 and share these with the Working Group.	ElectraLink	16/05/2019 – Ongoing:
04/01	Liaise with CR around whether any information from within the storage community exists around the numbers of WC storage facilities that would otherwise be eligible for the new tariff.	ElectraLink	
04/02	Review both sets of legal text to ensure the wording 'electricity storage facility whose sole function is electricity storage' is correctly applied throughout. ElectraLink to amend the meaning of the definition for an 'Electricity Storage Facility' in both sets of legal text to state 'means a facility with CT metering where Electricity Storage occurs'.	ElectraLink	
04/03	Update consultation document as agreed during the meeting and circulate to the Working Group for review.	ElectraLink	

Closed Actions (Updates set out in blue)

Action Ref.	Action	Owner	Update
03/01	The Secretariat and NR liaise with NR and relevant National Grid representatives to understand the expected timelines for change reports and implementation for the other related changes and discuss whether it is believed that alignment can be achieved and what contingency processes might look like if the BSC approach is to be incorporated into the solutions for DCP 341/342.	ElectraLink / NR	16/05/2019 – Completed: Discussion held on 03 May and update provided to Working Group meeting 04