

DCP 328 Working Group Meeting 02

05 November 2018 at 10:00am

Web-Conference

Attendee	Company
Working Group Members	
Julie Haughey (JH)	EDF
Chris Ong (CO)	UKPN
Donna Townsend (DT)	ESPUG
Peter Waymont (PW)	UKPN
Donald Preston (DP)	SSE
Nigel Kempson (NK)	WPD
Virginia Patey (VP)	Centrica
Chris Barker (CB)	BU-UK
Kevin Mukuzvazva (KM)	Fulcrum
Lee Stones (LS)	EON
Andrew Enzor (AE)	NPg
William Jago (WJ)	NPower
Code Administrator	
John Lawton (JL) (Chair)	ElectraLink
Richard Colwill [RC] (technical secretariat)	ElectraLink

Apologies	Company
Tom Chevalier (TC)	Power Data Associates
Kathryn Evans (KE)	SPEN

Dave Worrell (DW)	WPD
Peter Gray	SSE
Derek McGlashan (DMcG)	Forthports

1. Administration

- 1.1 The Chair welcomed the members to the meeting.
- 1.2 The Working Group reviewed the “Competition Law Guidance”. All Working Group members agreed to be bound by the Competition Laws Guidance for the duration of the meeting.
- 1.1 The Working Group noted that they were happy with the draft minutes from the previous meeting held on 05 October 2018 and agreed that they were a true reflection of the discussions held. These can be found in Attachment 1.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review the proposed options and to consider the pros, cons and consumer impacts for each.

3. Review Solutions

- 3.1 AE took an action from the previous meeting to define the second option a little more carefully and add a fifth option. AE circulated the updates prior to the meeting and the Working Group discussed these amendments.
- 3.2 The Working Group reviewed the five options to ensure that everyone was still comfortable with the proposals, prior to completing a more detailed analysis. The main points of this review are below:
 - **Option 1**
 - Similar to what happens now but under bilateral agreement not DCUSA
 - Reliant on boundary supplier being registered and therefore only caters for difference metering. This option therefore needs to be paired with another option.
 - The Working Group agreed that this option is worth considering further.
 - **Option 2**
 - Option 2 has been redefined to “Invoice all suppliers based on the tariff which the DNO would apply if the end user were connected at the DNO to private network boundary, with a correction to fixed charges and some form of capacity allocation
 - This option would not introduce new tariffs

- The Working Group agreed that this option is worth considering further.
- **Option 3**
 - A mechanism would be needed regarding how much the Private Network Operator (PNO) could claim
 - This option would not introduce new tariffs
 - The Working Group agreed that this option is worth considering further.
- **Option 4**
 - Need for a contract with the PNO.
 - Need for zero tariffs to be produced to ensure that suppliers are aware that there is no use of system charging and that these will be invoiced directly to PNO.
 - The Working Group agreed that this option is very complicated and that it recommends that this option should not be considered further. It was agreed that this option along with the Working Groups considerations would still be included in the consultation to gather feedback and opinions from industry parties.
- **Option 5**
 - Under this approach, the DNO would invoice use of system charges to both the boundary supplier and the supplier of embedded customers (under the difference metering approach) or the suppliers of all embedded customers (under the full Settlement or shared metering approach), based on units received through Settlement, using new tariffs calculated for each DNO to private network boundary voltage based on the voltage levels which the DNO provides.
 - It was noted that capacity needs to be consider carefully when communicating to customers for example, the PNO may have 500KVA with five customers but each customer has 120KVA because the PNO has appropriate diversity in place.
 - The Working Group agreed that this option is worth considering further.

4. Detailed Review of Solutions – Pros, Cons and Consumer Impacts

- 4.1 The Working Group reviewed all five options and consider the pros, cons and consumer impacts for each.
- 4.2 The details of this analysis can be found in Attachment 2.

- 4.3 It was agreed that the Working Group would review and consider the pros, cons and consumer impacts and add, amend and comment as necessary by Friday 16th November so that these can be included in the draft consultation for review at the next meeting.
- 4.4 It was also noted that the Working Group needed to sense check each option against NHH metered, HH metered, Unmetered, different voltage levels at the boundary and within the network, fully settled, and partial settled instances.

ACTION 02/01: The secretariat to circulate the outcome of the discussions regarding pros, cons and consumer impacts for each option and the Working Group to provide responses to the questions posed (see Appendix 1).

5. Consultation – decide which options to take forward

- 5.1 Following review of the proposed options the Working Group agreed that option 4 should not be progressed further. However, this will be included on the first consultation to seek industry feedback. Therefore, all five options will be included in the first consultation.
- 5.2 The secretariat agreed that to produce a first draft of the consultation, once feedback has been received from the Working Group as per action 02/01 above. This will be made available prior to the next meeting.

ACTION 02/02: The secretariat to produce draft consultation and circulate prior to next meeting.

6. Work Plan

- 6.1 The Secretariat agreed to update the work plan post meeting and an updated version and be found in Attachment 3.

7. Agenda Items for the next meeting

- 7.1 The Working Group agreed to add the following items to the agenda for the next meeting;
- Review and finalise first consultation document.

8. Any Other Business

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

9. Date of Next Meeting –

- 9.1 The Working Group agreed that the next meeting will be held on 29th November 2018, via teleconference.

10. Attachments

- Attachment 1: DCP 328 Minutes – 5th October 2018
- Attachment 2: Review of Solutions – Pros, Cons and Consumer Impacts
- Attachment 3: Updated DCP 328 Work Plan

New and open actions

Action Ref.	Action	Owner	Update
01/01	ElectraLink to consider approaches to ensure appropriate engagement with private network operators.	ElectraLink	Secretariat to ensure that consultation document is circulated to all PNOs
02/01	The secretariat to circulate the outcome of the discussions regarding pros, cons and consumer impacts for each option and the Working Group to provide responses to the questions posed (see Appendix 1).	ElectraLink	
02/02	The secretariat to produce draft consultation and circulate prior to next meeting.	ElectraLink	

Closed actions

Action Ref.	Action	Owner	Update
01/02	ElectraLink to circulate details of the change proposal that look at introducing NTC to DEHs.	ElectraLink	Completed
01/03	AE to expand on option 2 and consider whether there is a need for a fifth option	AE	Completed
01/03	The Secretariat to update work plan and circulate for approval	ElectraLink	Completed