

# DCP 326 Working Group Meeting 06

05 February 2019 at 10:30am

Warnford Court, 29 Throgmorton Street, London, EC2N 2AT

Attendee	Company
<b>Working Group Members</b>	
Steven Gough –(SG)	SSEN
Oliver Day (OD)	UKPN
Richard Vernon (RV)	Npower
Derek Weaving (DW)	British Gas
Walter Hood (WH)	Everis on behalf of SP Energy Networks
Paul Duffus (PD)	WPD
Emslie Law (EL)	SSE
<b>Code Administrator</b>	
John Lawton (JL) (Chair)	ElectraLink
Richard Colwill [RC] (technical secretariat)	ElectraLink

Apologies	Company
Nigel Kempson (NK)	WPD

## 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.
- 1.3 The Working Group reviewed the previous minutes. It was agreed that these were an accurate reflection of the meeting. An update on the actions can be seen in Appendix 1.

## 2. Purpose of the Meeting

---

- 2.1 The Chair set out that the purpose of the meeting

## 3. Review and respond to consultation responses

---

- 3.1 The group reviewed the consultation responses received and provided responses. It was agreed that the Secretariat would finalise the document, adding Working Group conclusions at the end of each question. The Secretariat will provide an updated collated consultation response document by Friday 15<sup>th</sup> February. Once approved this will be uploaded to the DCUSA website.

**ACTION 06/01: Collated consultation response document to be updated by Secretariat and circulated to Working Group for approval by Friday 15<sup>th</sup> February.**

## 4. Alternatives Solutions

---

- 4.1 The Working Group considered an alternative solution which proposes the use of Line Loss Factor Class (LLFC) in preference to the Load Diversity Indicator (LDI). It was agreed that there are different solutions required to cater for the non-half hourly (NHH) market and the half-hourly (HH) market.
- 4.2 Key considerations for the NHH Market solution were as below:
  - A two-step approach is required.
  - The first step is to create new LLFCs and associate them to the same existing Meter Timeswitch Code (MTC)/Standard Settlement Configuration (SSC)/Profile Class (PC) combinations within Market Domain Data (MDD) and which also meet the requirements of BSCP128 along with the associated Loss Adjustment Factors.
  - This above would create two valid LLFCs which are associated with the same MTC/SSC/PC combination. The existing LLFC catering for the majority of the network and in place now and the second specific for Load Managed Areas (LMA)s.

- Once raised the distributor would need to introduce a validation process to ensure that the appropriate LLFC is associated with the MTC/SSC/PC combination i.e. by having some form of flag to recognise that the MPAN is in a LMA.
- Once the new LLFCs and associated combinations are in MDD, the distributor needs to change the LLFC for each MPAN in a LMA and update the Metering Point Registration System (MPRS). MPRS then notifies the supplier of a change to the LLFC.
- A second step would be required to cater for the removal of dynamic and semi dynamic Radio Teleswitches within a LMA.

#### 4.3 Key considerations for the HH Market solution were as below:

- Currently if a customer is Elective HH then they are provided with a pseudo SSC and Red, Amber, Green time bands, which allows their data to be aggregated for the purpose of continued NHH Supercustomer DUoS billing to the HH aggregated tariff via the existing D0030 data flow
- A potential solution is to introduce different LLFCs linked to a MTC in MDD. The distributor would need to create a new pseudo SSC and Red, Amber, Green time bands for each LMA (there may be the need for phased Green time bands to ensure appropriate diversification).
- This allows the distributor to set up the appropriate cost signals via the charges to be applied to the red, amber green periods as is the current practice in the HH market. The Supply Volume Allocation Agent needs to be provided with the pseudo SSCs by the distributor for incorporation within their system to automate the aggregation process.
- This introduces cost signals and new distribution tariffs to manage LMAs. There are concerns that this may introduce discriminatory tariffs against customers who are in LMAs. The counter argument is that without this type of arrangement the customer may lose their supply.
- Other concerns are that the red, amber and green time bands may need to be amended more frequently than a year and as such so would the current 15 months' notice period (schedule 16, paragraph 41 and 41A) so that if there is a greater risk with the security of supply within the LMA these can be amended in a more realistic timeframe.
- Other concerns are whether there is a need to introduce time of year tariffs since the impact may only be in the winter months (usually defined as from 1<sup>st</sup> November through to the end of February but may differ by distribution region).
- Also, there is a concern that the higher costs would be smeared across the customer base and passed through to the customers rather than shifting the switching times.
- In addition, Working Group members are aware of an Ofgem led Significant Code Review (Electricity Network Access and Forward-Looking Charging Review) and whether the introduction of new tariffs could result in an overlap with it.

The Working Group agreed to consider these options further and determine next steps at the next meeting.

## 5. Work Plan

---

- 5.1 The current work plan can be found in attachment 1.

## 6. Agenda Items for the next meeting

---

- 6.1 The Working Group agreed to add the following items to the agenda for the next meeting;

- Agree next steps in regard to proposed solutions.

## 7. Any Other Business

---

- 7.1 No other business was raised.

## 8. Date of Next Meeting

---

- 8.1 The Working Group agreed that the next meeting will be held on 6<sup>th</sup> March 2019. The meeting will be a face to face meeting as requested by the group.

## Appendix 1

### New and open actions

Action Ref.	Action	Owner	Update
<b>06/01</b>	Collated consultation response document to be updated by Secretariat and circulated to Working Group for approval by Friday 15 <sup>th</sup> February.	ElectraLink	
<b>05/01</b>	Consultation response document to be circulated to Working Group.	ElectraLink	

## Closed Actions

Action Ref.	Action	Owner	Update
01/02	SG to share high level process used regarding their analysis, along with some commentary for inclusion in the consultation document	Steven Gough	Completed
01/03	The Secretariat to draft a consultation document for review at next meeting	ElectraLink	Completed
02/04	Working Group to consider how long will be needed to incorporate the solution if this proposal is accepted.	All	Completed
01/01	Consult with Ofgem how they envisage distributors managing load in the future and how this is being incorporated into the market wide debate.	ElectraLink	Closed
02/02	SG to provide examples of how the SSE analysis was completed for inclusion in the consultation document	Steven Gough	Closed
02/03	ElectraLink to update consultation based on comments and circulate to Working Group for comments prior to next meeting scheduled for 8th November.	ElectraLink	Closed
04/01	Working Group to provide comments on consultation document prior to release	ElectraLink	Closed
05/01	Consultation response document to be circulated to Working Group.	ElectraLink	Closed

DCUSA