

DCP 313 Working Group Meeting 05

11 May 2018 at 10:00am

Web-Conference

Attendee	Company
Working Group Members	
Alessandra De Zottis [ADZ]	UK Power Reserve
Andrew Enzor [AE]	Northern Powergrid
Anika Brandt [AB]	SSE
Chris Ong [CO]	UK Power Networks
Dave Wornell [DW]	WPD
Kathryn Evans [KE]	SP Energy Networks
Observers	
Edda Dirks [ED]	Ofgem
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Hollie Nicholls [HN] (technical secretariat)	ElectraLink

Apologies	Company
Julia Haughey	EDF Energy
Simon Yeo	WPD

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 Working Group reviewed the minutes from the previous meeting, held on 10 April 2018 and the teleconference minutes, held on 17 April 2018, and agreed that they were a true reflection of the discussions held.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting is to review the responses received to the DCP 313 clarifying questions sent to the generators who responded to the consultation, review the responses received to the DCP 313 RFI, ensure that the DCP 313 proposed legal text is still fit for purpose and review the draft DCP 313 Change Report.

3. Review of Outstanding Actions

Action 04/01

- 3.1 The Secretariat highlighted that the suggested amendments to the intent of DCP 313 were submitted to the DCUSA Panel and were discussed at their last meeting on 18 April 2018.
- 3.2 The DCUSA Panel rejected the Working Group’s request to amend the intent of the change as it was felt that with the withdrawal of DCP 291, the aim was to ensure that the intent was vague. It was also noted that the DCUSA Panel believed that when the intent was read alongside the What, Why and How sections of the Change Proposal form, the intent was clear, and the proposed solutions were in keeping with the original intent that was provided to Parties.
- 3.3 The DCUSA Panel recognised that the intent of a Change Proposal can be interpreted differently by different Parties at the consultation phase of the Change Process, but it was decided that DCP 313 should continue to be progressed in its current form.

Action 04/02

- 3.4 The Chair highlighted that this action was for the DNOs to sense check the responses to question two of the consultation that were provided by the generator community to determine whether their interpretation of the P2/6 and ETR130 requirements were the status quo.
- 3.5 One Working Group member discussed that there was an RFI some years ago that looked at this and it was established that generally, generators that were non-intermittent were given a non-zero factor. However, the fact that these eligibility criteria are up for interpretation is the whole reason that DCP 313 was raised.

- 3.6 The Working Group agreed that this action should be kept open until the agenda item covering the discussion on the clarification question from generators.

Action 04/04

- 3.7 The Chair highlighted that the DNOs were to determine where the Energy Networks Association, as the Code Administrator for the Distribution Code, were up to with the P2/7 work that is currently being undertaken and if, under the ETR130, intermittent and non-intermittent generation definitions were going to be retained. A copy of ETR130 was provided by a Working Group member and circulated to the group.
- 3.8 The Working Group decided to keep this action open to determine further details from Energy Networks Association.

4. Review of Clarifying questions from generators.

- 4.1 The Chair discussed the response that the Working Group had received from the generators (Attachment 1) to the following question:
- Did the respondent believe that the DNOs are non-compliant with the DCUSA and the Charging Methodologies, as suggested in their response to question three of the DCP 313 consultation?

- 4.2 The Chair highlighted the following in the generators clarification:

“Some DNO’s are referring to ETR130 and P2/6 more widely to determine whether to zero the proportion eligible for generation credits. Engineering recommendation P2/6 is a guidance document on system planning and network capacity requirements and details the minimum standard for the security of supply of a network. Where a network does not meet the requirements of P2/6 without the contribution of DG the DNO may use the value in Table 2-4 to determine how much of the DG’s capacity can be taken into account in assessing the adequacy of the network.

Certain DNO’s are using this to say that unless the network relies on DG to meet the standard laid down in P2/6 that the generation credits should be set to zero by setting the F factor to zero. This means that even when Table 2-4 states a non-zero F factor and the Charge 1 is non-zero (indicating future demand led reinforcement) the generation credits are set to zero as the F factor is overridden and set to zero.

It is our view that this is an incorrect application of the requirements of Schedule 17 of DCUSA and results in the prevention of cost reflective generation credits being signalled to generators. It also makes it impossible for potential DG to calculate the potential generation credits as they rely, in certain DNO regions, on a subjective assessment and application of the F factor.”

- 4.3 The Ofgem representative of the Working Group questioned whether this response aligned with the intent of DCP 313. The Working Group discussed that from the interpretation of the response, it seems as though the insertion of Table 2-4 should be copied from P2/6 into DCUSA which would align with Option two of the proposed solutions.

- 4.4 It was suggested that an alternative third option should be developed to strengthen the legal text and align with the generator interpretation without including Table 2-4 from P2/6 which had caused concerns in the consultation responses.
- 4.5 There was a concern that the transition from P2/6 to P2/7 would remove the differences between intermittent and non-intermittent generation which would mean that further work would need to be done in this area.
- 4.6 The Ofgem representative questioned whether DCP 313 should be deferred until the P2/7 work is complete. However, the Working Group agreed that the change should continue to be developed. Industry still have to comply with P2/6 and ETR130 as they are enforced until they are changed.
- 4.7 The Working Group agreed that the development of an “Option 2B” would warrant a further consultation to be issued to Parties as the legal text would be completely different to the first consultation. One Working Group member highlighted that the majority of the respondents to the first consultation were supportive of Option One and the new option could change industry views and therefore a consultation should be issued.
- 4.8 The Working Group noted that should a consultation be required it puts at risk the implementation date of this change.
- 4.9 The Working Group agreed that action 04/02 could be closed because it is self-evident from the impact assessment undertaken that some generators would be receiving credit under option 1 that currently do not now so there is no need for any further work in this area.

5. Review of DCP 313 RFI

- 5.1 The Working Group reviewed the RFI responses received from 5 of the 6 DNOs (Attachment 2), and noted that there are only 4 mixed sites, 3 of which are actually charged separately so that impacted by the definition within the legal text for option 1.
- 5.2 In response to Question two on how the calculation of the F factor would be made, the majority referred to P2/6 and ETR130 together with a site assessment. One response went further indicating that they would assess the site and use an average of the generic F factors based on the MEC proportionate to both intermittent and non-intermittent generation. It was clarified at the meeting that this was for new connections.
- 5.3 There was a mixed response to the question as to whether the F factor would be reduced on a mixed site resulting in a reduction in the credit provided and whether such a reduction would result in a similar reduction in the credits provided. The expectation was that the F factor would be reduced but the credit would be subject to the outcome of the load flow analysis. The Working Group agreed that the reduction is not likely to be linear.
- 5.4 On the final question as to whether mixed generation sites which have a separate MPANs would result in separate treatment, the response again was mixed. Some do treat them as separate and as such charge each one separate, some treat them as one site and one DNO follows the Elexon guidelines. The Working Group noted that it may be an expensive solution to charge each one

separately due to the impact on DNO systems to accommodate this and the corresponding impact on demand connections.

6. Review of the DCP 313 Change Report

- 6.1 The Working Group agreed to defer the review of the draft Change Report as there is a need to further consult the industry on the alternative solution for this CP.

7. Review of the DCP 313 Legal Text

- 7.1 The Working Group reviewed the original legal text which included both solution options. This can be found as Attachment 3.
- 7.2 It was suggested that for the new Option, the table in option 2 could be removed, and specific points pulled from P2/6 and ETR130 to align with the points made by the generator responses would be the best way forward.
- 7.3 The Chair questioned whether it would be a good idea to copy some of the proposed legal text from Option 1 into the new Option 2B. The Proposer of the CP did not think that this would be sufficient enough as it would still be open to interpretation and therefore would not change the current status quo.
- 7.4 The Chair concluded that the Working Group will take verbatim what P2/6 and ETR130 detail and if the generator is determined to have an F factor then that F factor would be used. It will be highlighted that it will be a non-locational F factor. For a new site if the F factor is stated in P2/6 for that technology type then that is what is assigned i.e. the DNO will assume that the network is reliant on the generator when undertaking its site assessment.
- 7.5 The Chair agreed to draft a strawman of the new option legal text and circulate to the Working Group by close of play on 15 May 2018.

ACTION 05/01: Chair

- 7.6 An impact assessment will need to be completed to determine whether the new solution would be viable. Some DNO Working Group members highlighted that they would incur costs to be able to complete the impact assessment. Therefore, the Working Group agreed that it would be worth seeking advice from TNEI and ask them to conduct the impact assessment on the load flow models associated with both the FCP and LRIC models. This would be dependent on the DCUSA Panel agreeing to a) approach TNEI to do so and b) approve the costs received from them in order for the work to be carried out. The Secretariat agreed to raise this with the DCUSA Panel at their next meeting on 16 May 2018.

ACTION 05/02: ElectraLink

8. Work Plan

8.1 The Working Group agreed the following next steps:

- The Chair to draft an updated version of the legal text to align with Option 2B and circulate to Working Group members by close of play on 15 May 2018;
 - The Secretariat to request approval from the DCUSA Panel as to whether the Working Group can have funding to request that TNEI complete a qualitative impact assessment.;
 - An impact assessment to be completed by TNEI (if approved by DCUSA Panel) to distinguish the following:
 - What would the impact on the charges for a generator or other customers in the area be, should the F factor be changed from zero to non-zero in:
 - A) a generator dominated area; or
 - B) a demand dominated area.
- Using both the LRIC and FCP approaches?
- The Proposer to liaise with TNEI to provide background of DCP 313 and request a quote for the work that needs to be completed (the quote to be sent to the Secretariat);
 - Secretariat to seek Panel approve; and
 - The Secretariat to organise a face-to-face meeting once the legal text has been drafted and impact assessment have been received from TNEI (subject to approval).

8.2 The DCP 313 Work Plan was updated to reflect these next steps and an updated version can be found as Attachment 4.

9. Any Other Business

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

10. Date of Next Meeting – TBD

10.1 The Working Group agreed that they will need to wait for the updated legal text to be produced and the impact assessment results to be received before deciding on when to have their next meeting. It was agreed that the next meeting should be held as a face-to-face session.

11. Attachments

- Attachment 1 – DCP 313 Clarifying Questions (Generators)

- Attachment 2 – DCP 313 DNO RFI Responses
- Attachment 3 – DCP 313 Original Proposed Legal Text
- Attachment 4 – DCP 313 Updated Work Plan

New and open actions

Action Ref.	Action	Owner	Update
04/04	The DNO Working Group members to obtain a status update on the P2/7 work and to check their understanding of the ETR130 in terms of whether intermittent and non-intermittent generation will be being retained.	DNO Working Group Members	Ongoing
05/01	The Chair to draft a strawman of the legal text for Option 2B and circulate to the Working Group by close of play on 15 th May	ElectraLink	
05/02	The Secretariat to request for monies from the DCUSA Panel to be able to instruct TNEI to complete an impact assessment for Option 2B	ElectraLink	

Closed actions

Action Ref.	Action	Owner	Update
01/01	ElectraLink to review the DCP 313 legal text and Schedules 17 and 18 and provide the Working Group with all instances of where F Factor will be changed to PDG Factor to ensure the Working Group are comfortable with the name change.	ElectraLink	Action Closed
01/02	The Proposer agreed to circulate a table for DNOs to include their impact assessment results in so that it can be included in the consultation	Andrew Enzor	Action Closed
01/03	ElectraLink to write out to DNOs who are not members of the Working Group to request that they complete the impact assessment on the EDCM	ElectraLink	Action Closed

01/04	DNOs to complete an impact assessment on the EDCM for both options of the proposed legal text changes.	DNOs	Action Closed
01/05	ElectraLink to draft the first consultation document and include the suggested questions as well as the generic consultation questions	ElectraLink	Action Closed
01/06	ElectraLink to update the work plan and submit to the DCUSA Panel for approval	ElectraLink	Action Closed
02/01	The Secretariat agreed to obtain further details on the P2/7 work from the Distribution Code administrator and see if there is a proposed implementation date for their change.	ElectraLink	Action Closed
02/02	AE to provide a small paragraph on the effects that the CP may have on the location of generation sites as the super red credits associated will depend on the network and any reinforcements.	Andrew Enzor	Action Closed
02/03	The Secretariat to introduce a new line in the table for option 2 of the proposed legal text for “other non-intermittent generations” and include an average for each of the PDG Factors	ElectraLink	Action Closed
02/04	The Secretariat to include the definition of non-intermittent generation from P2/6 into the proposed legal text	ElectraLink	Action Closed
02/05	AE to provide a copy of the ETR 130 to the Secretariat	Andrew Enzor	Action Closed
02/06	AE to provide an updated Npg spreadsheet without random data that can be used to populate the other DNO responses	Andrew Enzor	Action Closed
02/07	DNOs to complete impact assessments for both options of the legal text by close of play on Wednesday 31 st January	DNO Working Group Members	Action Closed
02/08	The Secretariat will ensure the DNO that is not Working Group member completes the impact assessments before the deadline	ElectraLink	Action Closed
03/01	The Secretariat to extend the RFI request for impact assessments to be completed until close of play on 09 February 2018	ElectraLink	Action Closed
03/02	The Proposer to provide some text for inclusion in the consultation document to clarify the changes to intermittent generation credits	Andrew Enzor	Action Closed

03/03	The Secretariat to include the impact assessment results in the consultation document after the deadline has been completed	ElectraLink	Action Closed
03/04	The Secretariat to review Schedules 17 and 18 and include the correct table numbering in the proposed legal text	ElectraLink	Action Closed
04/01	The Secretariat to request acceptance from the DCUSA Panel on the suggested amendment to the intent of the Change Proposal	ElectraLink	Action Closed
04/02	DNO members of the Working Group to sense check the generators response to question 2 of the consultation with the P2/6 requirement.	DNO Working Group Members	Action Closed
04/03	The Secretariat to request further clarity on the response to question 3 from the generator	ElectraLink	Action Closed
04/05	The Proposer to include a clause within the proposed legal text to include transparency regarding credits being assigned to a dominant technology type on a mixed generation site	Andrew Enzor	Action Closed