

DCP 294 Working Group Meeting 04

08 September 2017 at 10:00am

Web-Conference

Attendee	Company
Working Group Members	
Brian Hoy [BH] (part)	ENWL
Michael Doward [MD]	ENWL
Mihaly Orban [MO]	SSE
Moshe Kinshuck [MK]	Ofgem
Peter Turner [PT]	NPG
Thomas Cadge [TC]	BUUK
Tim Hughes [TH]	WPD
Wendy Mantle [WM]	SPEN
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Hollie Nicholls [HN] (technical secretariat)	ElectraLink

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 agreed that the minutes from the previous meeting, held on 11 August 2017, 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 draft consultation document and updated proposed legal text.

3. Review of the DCP 294 draft consultation

- 3.1 The Working Group reviewed the draft consultation (Attachment 1) and after consideration decided that the consultation was confusing and was straying away from the intended scope of the change.
- 3.2 The proposer clarified the areas that the change was attempting to address. These are as follows:
- Capacity Ramping
 - Over/Under Utilisation
 - Customer Contributions
 - Other Impacted Initiatives.

Capacity Ramping

- 3.3 The Proposer explained that the intent of the change is to focus on capacity ramping with a back stop whereby DCP 115 is mimicked.
- 3.4 Current drafting in the Common Connection Charging Methodology (CCCM) doesn't allow for the distribution planning for a longer period after the three years.g. if 10MVA is requested over a 5-year period but the customer only uses 6MVA, they must reapply for the other 4MVA for the next 2 years.
- 3.5 One Working Group member explained that capacity ramping is when there is energisation and the connection has been made. This is included in the CCCM and kicks in post the first connection, and the proposed legal text may make it less clear where the checkpoints are from a consistency perspective across the industry
- 3.6 The Working Group confirmed that, as a consequence of the discussions, they would like to include a consultation question which asks whether the industry believe capacity ramping should be included in the CCCM or whether it should be moved to Section 2B of DCUSA and the legal text may need revisiting..

Over/Under Utilisation

- 3.7 The Chair highlighted that the Working Group need to keep in mind the change proposal when discussing unutilised capacity. Within the draft consultation, over utilisation is discussed which could be out of the scope of the intent of the change.
- 3.8 One Working Group member raised a concern that they did not think a solution could be reached that would be favourable to the proposer. However, the proposer confirmed that an improvement in the guidance is all that is needed as this would provide clarity on the procedure. There is nothing stopping the Working Group from adding a section into the guidance which clarifies how to request capacity back if it has been underutilised.
- 3.9 The Working Group agreed that this could be included in the consultation document, however, there was still a concern as to whether requesting capacity back would be successful as it hasn't been in

the past. There have been attempts to come up with iterations to make this successful but it has not been successful thus far.

- 3.10 One Working Group member highlighted that over capacity is already catered for in Section 2B of DCUSA and as such this change should be specific to under utilisation in line with the intent of the change proposal.
- 3.11 The Proposer concluded that it would be reasonable to make the process clear if there are instances where capacity is under utilised from what was stated in the connection agreement.

Customer Contributions

- 3.12 One Working Group member discussed that no refund should be given to customer if they underutilise what is stated in the connection agreement. Only in accordance with the Electricity (Connection Charges) Regulations (ECCRs) can a refund be given if another party comes to connect and the current customer provides capacity back.
- 3.13 The proposer accepted the position that where the distributor has designed and constructed assets in line with the connection offer and the agreed maximum capacity then no rebate could be given if the capacity was relinquished unless it was utilised by another customer. The Chair concluded that where there is an agreed reduction in the capacity that was originally agreed, and that capacity is taken by another customer, ECCR should apply and the original customer should get a refund. This should be clarified in the change proposal legal text.

Other Impacted Initiatives

- 3.14 One Working Group member stated that part of the change is regarding unlocking capacity, and Ofgem has published a document on the same topic and it could be of interest for this change. This will be circulated to the Working Group for consideration.

ACTION 04/01: PT

Bilateral Connection Agreements and Deemed Contract

- 3.15 The Proposer discussed that there is currently an inconsistency with connection offers when the connection has been agreed and the BCA that should be in place. There are some concerns within industry that some BCAs do not exist and the Proposer believes that Section 2B of DCUSA is unclear about the procedure in this regard.
- 3.16 The Chair confirmed that in order to manage capacity when there is no formal BCA in place, Section 2B of DCUSA states that a deemed BCA would be assumed in existence, however the Chair also stated that a BCA can be requested and the distributor is obliged to put one in place.
- 3.17 One Working Group member questioned whether BCAs, deemed agreements and connection offers are within the scope of the change. The Working Group agreed that they are not because DCUSA already have provisions in place to put BCAs in place where none exist and these would replace any connection offer post connection and therefore should be excluded from the consultation document,

apart from agreeing that they are out of scope and why. Any legal text should not include any such references to connection offers.

Consultation Document Next Steps

- 3.18 The Chair confirmed that the what, why and how sections need to reflect the proposer's view. The background section of the consultation document needs to be re-written with 2-4 paragraphs of detail rather than verbatim what is in the change proposal since a significant amount of the content is no longer valid but still available to parties since the change proposal always forms part of the change process. The proposer agreed to draft these sections.

ACTION 04/02: TC

- 3.19 The Chair agreed to draft some information on capacity ramping, customer contributions and underutilisation once the revised text on the background and legal text was made available. The current consultation questions will need to be amended to reflect the detail included. One Working Group member suggested that the consultation questions would need to be more open so that respondents can provide more detail.
- 3.20 One question that would need to be included should ask where capacity ramping should sit – either in Section 22 which covers the CCCM or in Section 2B of DCUSA.

ACTION 04/03: ElectraLink

- 3.21 The Chair confirmed that the relevant objectives would need to be revisited to make sure the Working Group are confident that the change better facilitates one (or more) of the objectives.
- 3.22 Within the impact and other consideration section, it was suggested that the Working Group should refer to unlocking capacity, mention the DNO's DG Forum and QMEC. The proposer agreed to research if there any other forums that can be included in this part of the consultation.

ACTION 04/04: TC

4. Review of the DCP 294 draft legal text

- 4.1 The Working Group reviewed the updated legal text (Attachment 2) and agreed the following:

Capacity ramping

- 4.2 The Working Group agreed that the legal text should reference LDNO rather than IDNO.

- 4.3 The Working Group discussed the inclusion of “...or connection offer, as appropriate...”, the proposer explained that this had been included to cover where there are no BCAs in place. After discussion, the Working Group agreed that this should be removed from the legal text as customers should request a BCA prior to a connection being energised.

Over/Under utilisation

- 4.4 The Chair questioned whether the proposer had reviewed Section 2B of DCUSA as there are already legal text paragraphs that cover exceeding capacity. The Proposer agreed to review this as well as what DCP 115 amended in the National Terms of Connection (NTC) to see if there can be any replication.

Customer Contribution

- 4.5 Where there is a reduction in the capacity that was originally agreed and the capacity is relinquished by another customer, ECCRs should apply and the customer should get a refund if that capacity is utilised by another connectee. The Chair concluded that a clause would need to be included in the reduction capacity section of the legal text so that it closes the loop and aids clarity.
- 4.6 The Proposer agreed to re-work the legal text to include the Working Groups suggestions after the discussions held.

ACTION 04/05: TC

5. Work Plan

- 5.1 The current Work Plan will be updated to reflect the discussions held during the meeting. The updated version can be found as Attachment 3.
- 5.2 The Working Group agreed the next steps as follows:
- TC to update the proposed legal text to reflect the discussions held and send to the Secretariat by close of play on Monday 18th September.
 - TC to draft the DCP 306 Background consultation section and send to the Secretariat by close of play on Monday 18th September.
 - The Chair will update the draft consultation document to make sure that it is fit for purpose and will circulate to the Working Group by close of play on Tuesday 26th September
 - The Working Group will then have three working days to provide any comments or amendments to the Secretariat.

6. Any Other Business

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

7. Date of Next Meeting: Monday, 2 October 2017

7.1 The Working Group agreed to have the next meeting at 2pm on 02 October 2017 to review the updated draft of the consultation document.

8. Attachments

- Attachment 1 – DCP 294 draft consultation v0 1
- Attachment 2 – DCP 294 proposed legal text
- Attachment 3 – Updated DCP 294 Work Plan

New and open actions

Action Ref.	Action	Owner	Update
04/01	Peter Turner to circulate the Ofgem document “unlocking capacity in the electricity industry”	Peter Turner	
04/02	Thomas Cadge to update the Background sections of the consultation document	Thomas Cadge	
04/03	John Lawton to provide details on capacity ramping, customer contributions, underutilisation and make the consultation questions more open	John Lawton	
04/04	Thomas Cadge to research if there are any other forum that can be included within the impacts and other considerations section of the consultation document.	Thomas Cadge	
04/05	Thomas Cadge to re-work the legal text to reflect the discussions held during the meeting.	Thomas Cadge	

Closed Actions

Action Ref.	Action	Owner	Update
01/01	Prepare questions for submission to the DCUSA Legal Advisor.	TC	Action Closed
01/02	Seek Panel approval to request legal advice.	ElectraLink	Action Closed
03/01	ElectraLink to include the suggested questions within the draft consultation document	ElectraLink	Action Closed

03/02	Thomas Cadge to amend the proposed legal text and circulate to ElectraLink for inclusion with the post meeting papers	TC	Action Closed
03/03	ElectraLink to draft the consultation document for circulation on Friday 18 th August 2017	ElectraLink	Action Closed
03/04	ElectraLink to update the Work Plan to reflect the discussion held	ElectraLink	Action Closed