

DCP 287 Working Group Meeting 13

14 March 2018 at 10:00am

Skype Meeting

Attendee	Company
Working Group Members	
Alessandra DeZottis [AD]	UK Power Reserve
Anika Brandt [AB]	SSE
Chris Barker [CB]	ENWL
Chris Ong [CB]	UKPN
Dan Starman [DS]	Cornwall
Julia Haughey [JH]	EDF Energy
Kathryn Evans [KE]	Scottish Power Energy Networks
Observers	
Edda Dirks [ED]	Ofgem
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Dan Fittock [DF] (technical secretariat)	ElectraLink

Apologies	Company
Caroline Bragg	ADE
Andrew Enzor	Northern Powergrid

1. Welcomes and Apologies

1.1 The Secretariat noted the welcome and apologies for this meeting.

2. Administration

- 2.1 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.
- 2.2 The Working Group agreed that that from the previous meeting were a fair and accurate representation of the discussions held.

3. Purpose of the Meeting

- 3.1 The Chair set out that the purpose of the meeting was to review the Reckon modelling response and review the consultation document

4. Review of Reckon’s Modelling Response

- 4.1 The Working Group reviewed Reckon’s modelling response which can be found as Attachment 1, and also noted Andrew Enzor’s email reply to the raised points. Following are the key discussions held in relation to each of Reckon’s raised points:
 - In response to Point A *‘We have applied the direct, indirect and network rate contribution rates to annuitised figures even though this conflicts with common sense and is different from the way these items are charged to EDCM demand’*, the Working Group discussed AE’s response suggesting that Charge One be reverted back to £/kVA rather than £/kVA/Year to ensure that generators with low or zero charge one are not unduly rewarded for offsetting costs. The Working Group agreed that it would be beneficial to discuss this further with Reckon;
 - In response to Point B *‘We have included a hard-coded factor of 0.6 for indirect costs even though this figure has no visible means of support and there is no corresponding factor in the calculation of charges for EDCM demand’*, the Working Group agreed with AE’s response that no further action is required due to this being in line with the Working Groups view and supported by the consultation responses;
 - In response to Point C *‘We have included the “proportion eligible for charge 1 credits” factor in the calculation of transmission exit credits even though it is not included in the most recent version of the working group’s draft legal text and it discriminates against no-F-factor generation exporting to the DNO’s system through an EDCM connection during super-red compared to similar generation exporting through a CDCM connection or embedded within a demand-dominated site’*, the Working Group noted that they have made it explicit that the change is seeking to apply credits to eligible generators and DCP 313 is responsible for setting the eligibility criteria. It was agreed that this should be discussed at the next Working Group meeting. An update to the legal text to make this clear is required;

- In response to Point D '*We have not applied any loss adjustment factors to the calculation of transmission exit credits even though such factors would seem to make sense and are included in the calculations of the transmission exit elements of EDCM demand charges and CDCM generation credits*', the Working Group agreed that this may be a valid point and requires further discussion at the next Working Group meeting; and
- In response to Point E '*We have made no attempt at preventing the double payment of transmission exit credits to generators that may support the distribution system through a contract to provide distribution system support in GSP outage scenarios*', the Working Group discussed the fact that the DCP 287 RFI has shown that bilateral contracts between Generators and DNOs that would allow for Transmission Exit Charge credits do not appear to currently be in place and so it is unlikely that a double credit would be awarded. However it was also noted that there are two differing requirements, one for providing support during a SGT outage via a contract and the second for the perceived benefit the generator is providing via this change proposal. It was agreed that this should be considered at the next Working Group meeting.

- 4.2 As a result of these discussions it was agreed that the next Working Group meeting should be face-to-face and that both AE and Reckon should be in attendance to discuss these matters. ElectraLink took an action to arrange this meeting with Reckon and the DCP 287 Working Group members as a matter of priority in order to keep the change on track to ensure that the change proposal meets the July panel deadline.

ACTION: 13/01 - ElectraLink

5. Review of DCP 287 Draft Consultation Document

- 5.1 The Working Group went on to review the DCP 287 Draft Consultation Document, which can be found as Attachment 2. It was noted that this would not be able to be finalised until such a time as the modelling issues have been resolved.
- 5.2 The main points of discussion have been captured below:
- The Ofgem representative noted that the impacts of DCP 287 for generation dominated areas do not appear to have been considered, and the Working Group agreed that this should be included within the consultation document;
 - It was noted that the comments submitted by Ofgem are not currently able to be resolved until such a time as the modelling queries have been resolved and so these will remain embedded in the consultation until they have been answered; and
 - Clause 5.34 was updated to remove references to Direct Costs and Indirect Costs as these are calculated differently compared to Network Rates.

- 5.3 The Working Group agreed that the consultation document will be revisited once the modelling queries have been resolved.

6. Next Steps

- 6.1 The Working Group agreed to the following next steps:

- ElectraLink to contact Working Group members and Reckon to arrange a face-to-face meeting to resolve the modelling queries; and
- Once these queries have been resolved, the Consultation Document will be reviewed.

7. Work Plan

- 7.1 The Working Group reviewed and refined the Work Plan and indicated that the contingency would be used as a consequence of the need to further refine the model. An updated version of which can be found as Attachment 3.

8. Any Other Business

- 8.1 There were no items of any other business discussed.

9. Date of Next Meeting: TBC

- 9.1 The Working Group agreed that the next Working Group meeting will be arranged via Doodle Poll.

Attachments

- Attachment 1 – Reckon’s Modelling Response
- Attachment 2 - DCP 287 Draft Consultation Document with Working Group Comments
- Attachment 3 – DCP 287 Work Plan

Appendix 1: New and open actions

Action Ref.	Action	Owner	Update
12/05	To investigate what the impact on the price control is as a result of DCP 287, and how the long term cost savings will be realised upon implementation of this change; and	All DNOs	Ongoing
13/01	To arrange a face-to-face Working Group meeting with Reckon and the DCP 287 Working Group members as a matter of priority.	ElectraLink	

Closed actions

Action Ref.	Action	Owner	Update
12/01	To replace 'Exit Charge' with 'transmission exit charge' throughout the consultation document.	ElectraLink	Completed post-meeting
12/02	To replace 'Peak' with 'peak demand' throughout the consultation document.	ElectraLink	Completed post-meeting
12/03	To provide their DCP 287 RFI Response by Monday 04 March.	SSE	Completed post-meeting
12/04	To review and update clause 5.19 to include any required references to DG/DNO demand contracts.	ElectraLink	Completed post-meeting
12/06	To include an overview paragraph in Section 6 detailing how the legal text is being altered for the four change areas with DCP 287.	ElectraLink	Completed post-meeting
12/07	To compile a common DNO Impact Assessment spreadsheet to be circulated to Working Group members ahead of the models being received from the DCUSA Modelling Consultant.	Andrew Enzor	Completed post-meeting