

DCP 283 Working Group Meeting 06

04 May 2017 at 10:00am

The Bloomsbury Building, 10 Bloomsbury Way, Holborn, London, WC1A 2SL
/ Skype Meeting

Attendee	Company
Working Group Members	
Andrew Enzor [AE]	Northern Powergrid
Andy Pace [AP]	Cornwall Insight
Julia Haughey [JH]	EDF
Edda Dirks [ED]	Ofgem
Emma Clark [EC] (teleconference)	Scottish and Southern Electricity Networks
Urmi Mistry [UM]	National Grid
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Dylan Townsend [DT] (technical secretariat)	ElectraLink

Apologies	Company
Simon Yeo	Western Power Distribution
Chris Ong	UK Power Networks

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.

- The minutes of the last meeting were approved as an accurate record of proceedings. It was noted that in the last meeting that an Issue Log was discussed however a log was not produced. ElectraLink took an action to create an issue log and circulate to Working Group members.

ACTION 06/01: ElectraLink to create an issue log and circulate to Working Group members as discussed in the last meeting.

3. Purpose of the Meeting

- 3.1 The secretariat advised that the purpose of the meeting is to review the actions from the last meeting as well as the discussion points that were highlighted in the previous meeting.

4. Actions from previous meeting

Customer Contributions

- 4.1 AP presented a paper on Customer Contributions, which provided further detail on the customer contributions section of the proposal.
- 4.2 The Ofgem representative questioned the appropriateness of individual calculations for each DNO area to which it was noted that a common DNO approach is needed. It was questioned which customers were represented in the figures presented to which AP noted that the figures are representative of demand customers. AP was asked what could be expected of figures for generators to which it was noted that most generators have managed connections and that their connection will be curtailed if a network is constrained.
- 4.3 One Working Group member noted that Customer Contributions are under review by the DCP 243 Working Group and the group have covered the topic of where a Low Voltage (LV) connection requires work at the High Voltage (HV) level. It was noted that the DCP 243 Working Group have highlighted an issue where a portion of the calculation is attributed to the full network instead of only on part of the network.
- 4.4 AP noted that the costs are accounted for in the CDCM by factoring in the unit rates when looking at the voltage of connection and then at the voltage levels above connection.
- 4.5 It was noted that the diagram included under section 4 relates to asset reinforcement carried out on 500MW modelling. It was highlighted that an example of an extension asset would be a new housing development with a substation and lead in cable that would be considered a shared use asset. Extending on that example, it was considered that a cable from the substation to individual houses would be a sole use asset. Although, at the time of connection it could be considered that all assets are sole use as they are only being used by the developer but once individual properties are sold the DNO would see some assets as shared use. AP agreed to take an action to update the diagram to include the above scenario.

ACTION 06/02: Andy Pace to update the diagram that was provided under section 4 of the customer contributions paper to include the following scenario:

- **The example of an extension asset for a new housing development with a substation and lead in cable that would be considered a shared use asset and a cable from the substation to individual houses would be a sole use asset.**

- 4.6 One member noted that the recovery of value is mainly against sole use assets and that shared use assets are recovered via the 500MW model. This recovery is split between reinforcement assets and extension assets. It was noted that if generation connects to a transformer that already has demand customers connected and further demand customers wish to connect in future then the existing transformer may be sufficient due to the connected generation.
- 4.7 The Ofgem Representative questioned as to the reason why the conclusion section only draws on shared use assets. It was noted that this is due to sole use assets being paid for upfront, meaning customers won't be paying for depreciation. It was noted that the models currently don't differentiate between the two types of assets and that sole use assets are standalone and generation can't reduce that.
- 4.8 The Working Group discussed second comer rules and how DCP 255 'Changes to Electricity (Connection Charges) Regulations 2002' has changed the way second comer rules work. The regulations allow the first connectee who paid in whole or in part for the wider reinforcement of the network and the extension assets to accommodate their connection and receive a refund from any subsequent connectee for the available capacity used by them that was created by the initial reinforcement.
- 4.9 AE noted that he can provide the impacts on LV customers of excluding customer contributions from the calculation of embedded generation credits noting that from a brief look at data to hand it would generally appear to be a 0.1% increase to end user tariffs.
- 4.10 AE provided a LV Generators Summary template for Northern Powergrid which was an agreed action for all DNO Working Group members (Action 05/02) from the previous meeting and noted the data shows that most connected generators have sole use substations. It was noted that there is only a need to concentrate on non-intermittent generators as specified in the change proposal form. One Working Group member noted that if this data is to be used to calculate a sharing factor, then the sharing factor would need to be set to something near zero. The Working Group agreed that it would be beneficial for all DNOs to provide the same data. ElectraLink took an action to provide an updated version of the template to the Working Group so DNO members can complete. The LV Generators Summary template acts as Attachment 3.

ACTION 06/03: ElectraLink to provide an updated version of the LV Generators Summary template to the Working Group and DNO members to complete template. (see Attachment 3)

Sharing Factor/Diversity Factor

- 4.11 The Ofgem representative questioned if a calculation should be developed to work this out, which could include thresholds levels that at which point credits will or won't be applied. The Working Group discussed the diversity of generators that are available at a connected point and the possible impacts/benefits seen on the network when there is one generator connected compared to multiple generators.
- 4.12 The Chair asked the group for their views on what level of network design the group is considering to assess this proposal on. The Working Group noted the lack of granular visibility over connected generators at the LV network level. The Proposer noted his view that the LV network level is still in scope as he believes that powerflows on the network are being monitored with sensors. The Proposer suggested that further discussions with engineers from DNOs is necessary to confirm how they are planning for connected generators. The Working Group agreed to hold a meeting on 16 May 2017 specifically for the purpose of facilitating a discussion with DNO engineers on how the network

is designed and developed at the LV level. ElectraLink took an action to arrange the meeting including only the one agenda item and request for DNOs to organise engineers from their respective companies.

ACTION 06/04: ElectraLink to schedule meeting for 16 May 2017 at 11:00am to facilitate a discussion with DNO engineers on the design/development of their LV networks. ElectraLink to request DNO Working Group members to organise engineers from their respective companies to attend the teleconference.

- 4.13 The Working Group agreed that any modelling requests or impact assessments on a sharing factor value at the LV voltage of connection will need to wait until the discussions with DNO engineers have taken place. It was noted that this is due to the need for further data, the availability of which, is currently unknown.

5. Review of draft legal text

- 5.1 The Working Group reviewed the draft legal text that had been circulated prior to the meeting. The draft legal text was amended during the meeting and acts as Attachment 1 to the minutes.
- 5.2 The Ofgem Representative raised concerns around the undoing of DCP 268 and wants to make sure that the other working group is aware of the consequential changes. ElectraLink agreed to take an action to check the legal text of DCP 268, specifically the addition of any extra rows of generation tariffs that may need to be added to this CP.

ACTION 06/05: ElectraLink to check the legal text of DCP 268, specifically the addition of any extra rows of generation tariffs that may need to be added to this CP.

6. Modelling Specification

- 6.1 It was noted by the Working Group that if sufficient information is available then an impact assessment on credits at the LV voltage of connection can be carried out internally by the Working Group. It was noted that this would use an agreed sharing factor percentage which is yet to be determined.
- 6.2 AE provided an impact assessment on customer contributions to show the impacts on LV customers of excluding customer contributions from the calculation of credits for embedded generation. The Chair questioned if the data accounts for intermittent and non- intermittent to which it was noted that it doesn't differentiate between them. The Working Group agreed that a summary of the spreadsheet provided by AE is to be included in the second consultation document. AE noted that the spreadsheet he provided needed some tidying up and agreed to submit a revised version to the Secretariat for circulation to the Working Group.

ACTION 06/06: Andrew Enzor to tidy up customer contributions impact assessment spreadsheet provided during meeting and submit the revised version to ElectraLink for circulation to the Working Group.

Post meeting note: The above action has been completed and the impact assessment acts as Attachment 4.

7. Work Plan

- 7.1 The DCP 283 Working Group agreed that the Secretariat should amend the Work Plan and circulate prior to the next meeting. The updated Work Plan is set out in Attachment 2.

ACTION 06/07: ElectraLink to update DCP 283 Work Plan and circulate with the minutes of this meeting.

8. Agenda Items for the next meeting

- 8.1 The Working Group agreed that the only agenda item for the meeting due to be held on 16 May 2017 is the discussion with DNO engineers on the design/development of their LV networks.
- 8.2 The Working Group agreed to add the following items to the agenda for the next meeting due to be held on 25 May 2017:
- - Discussion on outcomes from engineer discussions
 - Review of Modelling specifications
 - Review of the DCP 283 draft consultation two document

9. Any Other Business

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

10. Date of Next Meeting: 16 May 2017 and then 25 May 2017

- 10.1 The Working Group agreed to have the next meeting on 16 May 2017 at 11:00am to discuss LV network design/development with DNO engineers. It was also agreed to have the next full Working Group meeting on 25 May 2017 at 9:00am and for it to be via teleconference.

Attachments

Attachment 1 - DCP 283 draft legal text

Attachment 2 - DCP 283 Work Plan

Attachment 3 - LV Generators Summary template

Attachment 4 - Customer Contributions Impact Assessment

New and open actions

Action Ref.	Action	Owner	Update
05/04	Include the relevant responses to Question 4 which relate to the HV network level in the Change Report when the Change Report is drafted.	ElectraLink	04/05/2017 - Ongoing
05/05	Source a list of embedded generators and where possible the relevant email addresses.	ElectraLink	04/05/2017 - Ongoing
06/01	Create an issue log and circulate to Working Group members as discussed in the last meeting.	ElectraLink	
06/02	Update the diagram that was provided under section 4 of the customer contributions paper to include the following scenario: The example of an extension asset for a new housing development with a substation and lead in cable that would be considered a shared use asset and a cable from the substation to individual houses would be a sole use asset.	Andy Pace	
06/03	ElectraLink to provide an updated version of the LV Generators Summary template to the Working Group and DNO members to complete template. (see Attachment 3)	ElectraLink + DNO Working Group members	
06/04	Schedule meeting for 16 May 2017 at 11:00am to facilitate a discussion with DNO engineers on the design/development of their LV networks. ElectraLink to request DNO Working Group members to organise engineers from their respective companies to attend the teleconference.	ElectraLink	
06/05	ElectraLink to check the legal text of DCP 268, specifically the addition of any extra rows of generation tariffs that may need to be added to this CP.	ElectraLink	

06/06	Tidy up customer contributions impact assessment spreadsheet provided during meeting and submit the revised version to ElectraLink for circulation to the Working Group.	Andrew Enzor	
06/07	Update DCP 283 Work Plan and circulate with the minutes of this meeting.	ElectraLink	

Closed actions

Action Ref.	Action	Owner	Update
05/01	Review the customer contributions section and provide specific examples.	Andy Pace	04/05/2017 - Completed
05/02	Provide a response to the following question: At LV distribution substations where there is at least one LV network generation MPAN connected, what is the number of LV network generation MPANS connected at that distribution substation. If possible, please provide a split between intermittent and non-intermittent. If the complete data set is unfeasible to collect, please provide a representative sample.	DNO Working Group members	04/05/2017 – Completed by NPg Refer to new action
05/03	Circulate updated clean version of the collated response document.	ElectraLink	04/05/2017 - Completed
05/06	Update DCP 283 Work Plan and circulate with the minutes of this meeting.	ElectraLink	04/05/2017 - Completed
05/07	Send out a doodle poll to confirm availability for the next meeting for the following dates: 04 May 2017 or 09 May 2017	ElectraLink	04/05/2017 - Completed