

DCP 274 Working Group Minutes

Meeting Name	DCP 274 Working Group
Meeting Number	03
Date	21 October 2016
Time	1pm
Venue	Web-Conference

Attendee	Company
Rosalind Timperley [RT] (Chair)	ElectraLink
Andrew Enzor [AE]	Northern Powergrid
Andy Pace [AP]	Cornwall Energy
Anika Brandt [AB]	SSE
Chris Ong [CO]	UK Power Networks
Claire Campbell [CC]	Scottish Power Networks
Dan Hickman [DH]	npower
Deirdre Bell [DB]	Ofgem
Julian Wayne [JW]	RES Group
Julia Haughey [JH]	EDF Energy
Urmi Mistry [UM]	National Grid
Claire Hynes [CH] (Secretariat)	ElectraLink

Apologies	Company
Pat Wormald [PW]	Northern Powergrid
Keith Burwell [KB]	Ofgem

1 ADMINISTRATION

- 1.1 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.
- 1.2 The minutes of the previous meeting were agreed without amendment. The actions log is included as Appendix A.

2 REVIEW OF THE DCP 274 REQUEST FOR INFORMATION RESPONSES AND DRAFT CONSULTATION

- 2.1 The Working Group reviewed the DCP 274 Request for Information responses which act as Attachment 1. Members commented that the majority of responses clearly indicated that this change would have a very small impact on customers, with over 95% of customers not being impacted by it.
- 2.2 The Working Group requested that an aggregated customer count summary table including the UK Power Networks data be added to the DCP 274 Consultation.

ACTION 03/01: ELECTRALINK

- 2.3 Members considered that a revised model would be required to carry out an impact assessment if the originating DCP 274 solution is chosen to be progressed. If the alternate is chosen, it could be tested by manually setting the Network Use Factors (NUFs) to zero within

the calculation tables. The Working Group will discuss this topic further once the preferred solution has been identified through the consultation.

- 2.4 Members requested that an explanation of GL and GPA be added to paragraph 5.1 of the consultation.

ACTION 03/02: ELECTRALINK

- 2.5 The Working Group agreed to check that how DNOs determine the allocations of costs within the powerflow has been correctly identified in paragraph 5.14 of the consultation.

ACTION 03/03: ELECTRALINK

- 2.6 DB asked the Working Group to show in the consultation that there is two distinct solutions being put forward by the Working Group. The Working Group agreed to add text on the alternate solution to the introduction of the consultation. Attendees agreed to make it clear that the alternate solution would have a greater impact in the consultation than the originating solution.

ACTION 03/04: ELECTRALINK

- 2.7 Members considered that the principle that the change is based on is a debatable topic. The core question is whether Parties consider that the same assets are being used and whether it is the correct approach for Parties to be charged twice for import and export from a site where the same assets are being used.

- 2.8 If Parties do consider they are the same assets being used, what differentiates them. Is it due to:

- the power flow at the different times the assets are in use,
- the customers accessing the network in a different way at the time; or
- is it still correct to charge the customer separately as they should be considered different assets.

- 2.9 One member suggested that the Working Group provide a preference on their preferred solution within the consultation. The Working Group agreed that they do not have a preference on either of the solutions being proposed at this stage and are looking for respondents to put forward evidence on whether the original or alternate proposal provides the better solution.

- 2.10 One member flagged that legal text had been provided for the originating solution and not the alternate solution. The Working Group agreed to not provide legal text until the preferred solution had been chosen. Members agreed that a second consultation will need to be issued to Parties after this initial consultation containing an impact assessment on the preferred solution. The Working Group agreed to reflect that the legal text will be drafted once the preferred solution has been identified in the consultation.

- 2.11 Following discussions on whether Charging Objective 2 and 3 are better facilitated by this change, it was agreed to not state a view in the consultation as it may be leading. Members agreed that the proposed implementation date for this change should be the 01 April 2019.

- 2.12 The Working Group agreed to move the draft DCP 274 consultation in to the Ofgem standardised template and send it to the Working Group to review. The Working Group agreed to issue the consultation to Parties for a period of three weeks on Monday, 07 November 2016 if no material comments are received.

3 WORK PLAN

- 3.1 The updated DCP 274 Working Plan acts as Attachment 2.

4 NEXT STEPS

- 4.1 The DCP 274 Working Group agreed the next steps as follows:
- Issue the DCP 274 consultation to the Working Group for review;
 - Issue the consultation to Parties for a period of three weeks on Monday, 07 November 2016; and
 - Working Group to meet on 05 December 2016 to consider the consultation responses.

ACTION 03/05: ALL

5 ANY OTHER BUSINESS

- 5.1 There were no items of any other business and the Chair closed the meeting.

6 NEXT MEETING

- 6.1 The next meeting is scheduled for 10:00am on 05 December 2016 via web-conference.
- 6.2 The Working Group will discuss the following agenda items at this meeting:
- DCP 274 consultation responses;
 - Preferred solution; and
 - Draft legal text and any charging model changes.

7 ATTACHMENTS

- Attachment 1 – Informal RFI to DNOs Collated Responses
- Attachment 2 - DCP 274 Work Plan
- Attachment 3 – DCP 274 Consultation_Updated

APPENDIX A: SUMMARY OF ACTIONS**NEW AND OPEN ACTIONS**

Action Ref.	Action	Owner	Update
01/03	To circulate the updated model to all DNO members for testing upon receipt.	All	Ongoing.
03/01	Add an aggregated customer count summary table including the UK Power Networks data to the DCP 274 Consultation	ElectraLink	
03/02	Add an explanation of GL and GPA to paragraph 5.1 of the consultation.	ElectraLink	
03/04	Add text on the alternate solution to the introduction of the consultation	ElectraLink	
03/05	<ul style="list-style-type: none"> • Issue the DCP 274 consultation to the Working Group for review; • Issue the consultation to Parties for a period of three weeks on Monday, 07 November 2016; and • Working Group to meet on 05 December 2016 to consider the consultation responses. 	ElectraLink	

CLOSED ACTIONS AT THE MEETING

Action Ref.	Action	Owner	Update
01/01	To circulate the Ofgem paper recommending capping Network Use Factor (NuF) costs to the Working Group	AP	Completed.
02/01	To remove the CP view of the DCUSA Objective best met by this CP and add a question to the draft consultation document asking industry which DCUSA objective is best facilitated.	ElectraLink	Completed post-meeting.