

DCP 268 Working Group Meeting 12

11 January 2018 at 10:00am

Skype Meeting

Attendee	Company
Working Group Members	
Angela Picciariello [AP]	Ofgem
Dan Hickman [DH]	Npower
Dave Wornell [DW]	WPD
Emma Clark [EC]	SSE
George Moran [GM]	British Gas
Julia Haughey [JH]	EDF
Kathryn Evans [KE]	Scottish Power
Mark James [MJ]	UKPN
Pamela Howe [PH]	Northern Powergrid
Tom Chevalier [TC]	Power Data Associates
Tony Collings [TCO]	SSE
Tracey Pitcher [TP]	Western Power Distribution
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Dan Fittock [DF] (Technical Secretariat)	ElectraLink

Apologies	Company
Chris Ong	UKPN

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 minutes and agreed that they were a fair and accurate representation of the discussions held.
- 2.2 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.

3. Purpose of the Meeting

- 3.1 The Chair explained that the DCUSA Panel has directed that the DCP 268 Working Group be reconvened to address the feedback received from Ofgem when they referred the DCP 268 Change Declaration back to industry. The purpose of the meeting is to review Ofgem's comments and make any required amendments to the DCP 268 Change Report.

4. Review of DCP 268 Ofgem Decision Letter

- 4.1 Working Group reviewed the Ofgem Decision Letter and noted that the salient points were the lack of an impact assessment for Generation customers, and concerns regarding the proposed implementation date.

5. Review of DCP 268 Change Report

- 5.1 The Working Group reviewed the DCP 268 Change Report in light of Ofgem's decision letter and broke down the issues into various sections that required review:

The DCUSA Charging Objectives

- 5.2 As a starting point, some Working Group members believed that the implementation of DCP 268 may have direct impact on customers due to the changes in tariffs. However, the majority of Working Group members were in agreement that these tariff changes would impact Suppliers rather than customers, and it is down to those Suppliers to manage the impacts to end user customers through their individual pricing strategies.
- 5.3 Upon review of the DCUSA Charging Objectives as detailed in the Change Report, a number of decisions were made:
- It was agreed that DCUSA Charging Objective 1 is better facilitated by this change as by moving to a Red, Amber, Green time band approach, there is a core cost reflective charging scheme in place for different times of day based on network usage, and this is true for intermittent generation, non-intermittent generation and demand customers;

- It was agreed that DCUSA Charging Objective 2 is better facilitated by this change as DCP 268 removes a potential distortion between technology types and seeks to bring benefit to generators seeking to support the network in times of high demand, regardless of generation type. When a Working Group member asked how this fit with the engineering recommendation as part of P26, it was explained that the DUoS charging using P26 as a distinction between intermittent and non-intermittent generators was never envisioned to address this DCUSA issue;
- It was agreed that the existing rationale provided for DCUSA Charging Objective 3 was valid for both Generation and Demand customers; and
- It was agreed that DCUSA Charging Objective 6 is better facilitated by this change as DCP 268 reduces the number of tariffs from 33 to 16 and provides long term simplification in the calculation of the tariffs (demand and generation).

5.4 On this basis, the Working Group made minor amendments to the DCUSA Charging Objectives section of the DCP 268 Change Report which can be found as Attachment 1.

5.5 Implementation Date

5.6 The Working Group discussed the DCP 268 implementation date in light of the comments received from the previous voting round as well and Ofgem's decision letter.

5.7 It was noted that during the last voting round, two DNOs and four Suppliers had raised concerns on the 12 month lead time for the implementation of DCP 268, citing system changes that would be required.

5.8 It was generally agreed that in light of the additional work that is likely to be required as part of the development from DCP 268, the soonest that the change could be implemented would be April 2020. It was further noted that by early 2019 it is likely that Market Wide HH Settlement would be defined by Ofgem.

5.9 Keeping in mind the vote responses from the last voting round, some Working Group members were concerned that by the time DCP 268 is voted on for a second time following further development, an implementation date of April 2020 would still only allow 12 months worth of lead time, and an alternative implementation date of April 2021 was suggested. The Working Group was split regarding this suggestion, with some members stating that any further delay to the implementation of this change would not be acceptable due to the delays to date.

5.10 On this basis, it was agreed that the next consultation should include a question on whether the revised DCP 268 implementation date should be April 2020 or April 2021.

6. Next Steps

- 6.1 The DCP 268 Working Group agreed that in order to progress DCP 268 to a stage that it can be issued for voting again, a number of additional steps are required.

RFI to DNOs

- 6.2 The Working Group agreed that an analysis of intermittent and non-intermittent generators is required to ascertain the impacts on the charging methodologies. Looking at the impact assessments undertaken as part of the DCP 268 change declaration, it was discovered that the analysis aggregated the intermittent and non-intermittent generators and assumes that the average of the intermittent generators acts in the same way as the average for non-intermittent generators; which is not in line with DNO expectations.
- 6.3 In order to understand the impacts to intermittent and non-intermittent generator customers, it was agreed that an RFI would need to be issued to DNOs quickly to verify the assumptions made as part of the previous modelling request. The results of this RFI could then be used in the next consultation to ascertain whether these assumptions are correct.
- 6.4 It was agreed that the RFI should take the intermittent and non-intermittent generation split tab from the existing modelling request and ask DNOs to update their splits by DNO area, ensuring that:
- The average split by time band is used for non-intermittent generators only;
 - Generation split table uses actual data from March 2017 to April 2017; and
 - The results show the percentage and volume in the red time band, the percentage and volume in the amber time band and the percentage and volume in the green time band.
- 6.5 ElectraLink took an action to prepare the RFI and issue this to DNOs with a deadline of 26 January 2018.

ACTION : 12/01 - ElectraLink

- 6.6 ElectraLink also took an action to update the 14 DNO generation split tables as a result of the RFI.

ACTION : 12/02 - ElectraLink

Consultation

- 6.7 Based on the discussions held, the Working Group agreed that a further consultation would be required in order to ascertain the impacts on generation Customers for DCP 268, which would support Ofgem's request for further analysis.

- 6.8 The consultation will utilise the outcome of the DCL 268 RFI to ascertain the impacts of this change on intermittent and non-intermittent generator Customers and ascertain industry views on the required lead time for these changes – which will aid the Working Group to form a view on the revised implementation date.
- 6.9 To aid with the new consultation, TC agreed to an action to draft a paragraph for the new consultation document on battery storage, and how this proposal will allow for batteries to aid the network by importing at times of low demand and exporting at times of high demand to aid the network.

ACTION : 12/03 - TC

- 6.10 ElectraLink took an action to start drafting a strawman for the next consultation based on the discussions held.

ACTION : 12/04 - ElectraLink

7. Work Plan

- 7.1 ElectraLink took an action to update the Work Plan for submission to the February DCUSA Panel meeting.

ACTION : 12/05 - ElectraLink

8. Any Other Business

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

9. Date of Next Meeting

- 9.1 The next Working Group meeting will be at 2pm on 6 February 2018.

Attachments

- Attachment 1 – DCP 268 Change Report with Working Group comments

Appendix 1: New and open actions

Open actions

Action Ref.	Action	Owner	Update
12/01	To prepare the RFI and issue this to DNOs with a deadline of 26 January 2018.	ElectraLink	Completed post-meeting
12/02	To update the 14 DNO generation split tables as a result of the RFI.	ElectraLink	
12/03	To draft a paragraph for the new consultation document on battery storage, and how this proposal will allow for batteries to aid the network by importing at times of low demand and exporting at times of high demand to aid the network.	Tom Chevalier	
12/04	To start drafting a strawman for the next consultation based on the discussions held.	ElectraLink	
12/05	To update the Work Plan for submission to the February DCUSA Panel meeting.	ElectraLink	

Action Ref.	Action	Owner	Update
11/01	Any further comments on the Change Report should be sent to the Secretariat no later than close of play on Monday 12th June.	All	Completed post-meeting.

Closed Actions
