

DCP 274 Working Group Meeting

10 January 2017 at 10:00am

ElectraLink, Holborn

Attendee	Company
John Lawton [JL] (Chair)	ElectraLink
Ankia Brandt [AB]	SSE
Chris Allanson [CA] (teleconference)	Northern Powergrid
Chris Barker [CB] (teleconference)	Electricity North West
Dave Wornell [DW] (teleconference)	Western Power Distribution
Franck Latremoliere [FL]	Reckon
Mike Harding [MH] (teleconference)	Brookfield Utilities
Pat Wormald [PW] (teleconference)	Northern Powergrid
Tim Aldridge [TA]	Ofgem
Dan Fittock [DF] (Secretariat)	ElectraLink
Apologies	Company
Keith Burwell	Ofgem
Chris Ong	UK Power Networks

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 Working Group reviewed the minutes of the last meeting and agreed that these were a fair and accurate representation of the discussions held.

- 1.3 All Working Group members agreed to the terms and agreed a revised work plan which acts as Attachment 1.

2. Review of DCP 251 & 252 Consultation Responses

- 2.1 The Working Group reviewed the DCP 251 & 252 Consultation Responses which have been included in Attachment 1. The consultation responses prompted a number of discussions, the highlights of which have been noted below:
- 2.2 Question 1 - Do the templates and diagrams provide you with sufficient information to understand the issue?
- 2.3 One consultation response noted that it was not clear whether Private Network Operators (PNOs) or Building Network Operators (BNOs) were considered License Exempt Distribution Operators as this is not mentioned in the legal text for DCPs 251 or 252. The Working Group questioned what relevance this had to the diagrams as if a BNO was operating under a license exemption, it would not alter the diagram in question.
- 2.4 ElectraLink agreed to take an action to correct the heading of diagram 2a to correctly state 'Private network with partial competition'

ACTION: 15/01 - ELECTRALINK

- 2.5 Question 2 - Should UMS arrangements be considered when reviewing various network set-ups as part of this change?
- 2.6 The majority of respondents stated that they believe that Unmetered Supply (UMS) arrangements should be considered when reviewing various network setups as part of this change.
- 2.7 Some Working Group members noted that when considering private networks, UMS arrangements may be beyond the boundary meter and so not visible to the DNO and that, arguably, it would fall to the network owner to make arrangements for UMS.
- 2.8 Another respondent noted that the defined term 'Metering Point' should be used in the legal text rather than 'Meter Point' as the definition for 'Metering Point' includes UMS arrangements. ElectraLink agreed to take an action to update the legal drafting of the change to reflect this.

ACTION: 15/02 - ELECTRALINK

- 2.9 In response to the outcome of the consultation, the Working Group agreed that UMS arrangements should be considered as part of this change.
- 2.10 Question 3 - Do you agree with the Working Group's comparison of the differences between DNOs, IDNOs and unlicensed distributors, as set out in the diagrams?
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- 2.11 All respondents agreed with the comparisons set out in the diagrams, but some respondents requested greater clarity. ElectraLink agreed to update the diagrams to reflect this.

ACTION: 15/03 - ELECTRALINK

- 2.12 Question 4 - Do you believe that unlicensed distributors are being unduly discriminated against please provide your rationale?

- 2.13 This question resulted in a number of different opinions from respondents, with no clear view on whether undue discrimination is taking place or not.

- 2.14 A number of respondents and Working Group members noted that in instances where an unlicensed network operator is providing the same services, on an equivalent basis, as they provide to an IDNO or DNO operating outside of its distribution service area, then it is highly likely that the DNO would be unduly discriminating (if the LDNO discounted tariff is not available).

- 2.15 The Working Group agreed that in these instances it is highly likely that the DNO would be unduly discriminating and noted this in the Working Group responses to this question.

- 2.16 In response to Western Power Distribution's comment that the introduction of a new tariff for PNOs, the Working Group noted that the introduction of new tariffs was not within the scope of this change.

- 2.17 Question 5 - Do you agree with the Working Group's view that the introduction of a Qualifying Network Operator (QNO) definition and a QNO tariff will alleviate any undue discrimination?

- 2.18 The majority of respondents agreed that the introduction of a QNO definition would alleviate any undue discrimination, however one respondent sought to amend the definition to ensure that undue discrimination is alleviated. The Working Group agreed to the following amended QNO definition:

- 2.19 " A Qualifying Network Operator (QNO) is

- a) an IDNO Party, whose electricity distribution system is connected to the electricity distribution system of a DNO Party operating within its Distribution Services Area; and who for the purpose of conveying electricity to premises or distribution systems connected to its electricity distribution system, receives use of system from that DNO Party, or
- b) a DNO Party who, in operating part of its electricity distribution system outside its specified Distribution Services Area, has that part of its electricity distribution system connected to the electricity distribution system of another DNO Party operating within its Distribution Services Area; and who for the purpose of conveying electricity to premises or distribution systems connected to that part of its electricity distribution system receives use of system from that other DNO Party or

- c) any person who does not hold an electricity distribution licence, and whose distribution system connects to the electricity distribution system of a DNO Party operating within its Distribution Services Area for the purpose of conveying electricity to or from premises or other distribution systems connected to its electricity distribution system and who receives use of system from that DNO Party; and:
- i) where the premises connected to that distribution system (or to such other distribution system that may be connected to that distribution system) import or export electricity through a Metering Point; and
 - ii) where a Distribution Business provides services such that the DNO Party is only required to provide services to such person on the same equivalent basis as it does to another IDNO or DNO Party.

2.20 Question 6 - What lead time do parties require in order to implement this Change Proposal?

2.21 Three different options for implementation became apparent from the consultation responses:

- Next DCUSA Release following approval;
- April 2019; and
- 12 months after approval.

2.22 On this basis the Working Group undertook a vote, with three Working Group members voting for the next DCUSA release after approval, two Working Group members voting for April 2019, and one Working Group member voting for 12 months after approval. Based on this vote the Working Group will recommend an implementation date of next DCUSA release following approval

3. Next Steps

3.1 The Working Group will reconvene on the 25 January 2017 via teleconference to continue their review of the DCP 251 & 252 Consultation responses.

4. Any Other Business

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

5. Next Meeting

5.1 The Working Group will reconvene on 25 January 2017 via teleconference.

Attachments

Attachment 1 – DCP 251 & 252 Consultation Collated Responses with WG Comments v0 1

Attachment 2 – Updated Network Setup Diagrams

New and open actions

Action Ref.	Action	Owner	Update
15/01	To correct the heading of diagram 2a to correctly state 'Private network with partial competition'	ElectraLink	Completed post-meeting.
15/02	To update the legal drafting of the change to use the defined term 'Metering Point'.	ElectraLink	Completed post-meeting.
15/03	To update the network setup diagrams to reflect the Working Group's comments for greater clarity.	ElectraLink	Completed post-meeting.

Closed actions

Action Ref.	Action	Owner	Update
10/03	Determine if undue discrimination is taking place so that this view can be captured in the consultation document.	All	Completed and included in consultation.
14/01	To prepare the consultation document for issuing to industry for a five week period week commencing 21 November 2016.	ElectraLink	Completed and included in consultation.
14/02	To make changes to the Work Plan in line with the discussions	ElectraLink	Completed and included in consultation.

	held at today's Working Group meeting.		
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