

DCP 222 Working Group Minutes

Meeting Name	DCP 222 Working Group Meeting
Meeting Number	10
Date	05 February 2016
Time	10:00
Venue	Web-Conference

Attendee	Company
Dave Wornell [DW] (Chair)	WPD
Chris Ong [CO]	UKPN
Emma Clark [EC]	SSEPD
Steven Inglis [SI]	Northern Powergrid
Karl Maryon [KM]	Haven Power
Pat Wormald [PW]	Northern Powergrid
Nisha Doshi [ND]	Ofgem
Fungai Madzivadondo [FM] (Secretariat)	ElectraLink

1 ADMINISTRATION

- 1.1 No apologies were received prior to the meeting.
- 1.2 The Working Group confirmed that they agreed to the terms set out in the “Competition Law Dos and Don’ts”.
- 1.3 The group reviewed the open actions and these are shown in Appendix A.

2 REMOVAL OF CHARGES FOR EXCESS REACTIVE POWER FOR GENERATORS IN THE CDCM

- 2.1 A member of the Working Group suggested for the group to consider the option of removing the charge of excess reactive power for generators to avoid an extra layer of complexity and a number of extra tariffs with customers potentially migrating between tariffs yearly. It was noted that there will also be the requirement for a new suite of LLFCs¹ and each DNO will be required to actively manage the allocation of these to customers.
- 2.2 The Working considered the following:
Meeting the original intent of DCP 222
- 2.3 A member of the Working Group pointed out that if total reactive power is removed there is a risk of the intent of the CP not being met. The group noted that by removing the charge of excess reactive power the intent of DCP 222 would still be met as DNOs will be removing the charge for excess reactive power for all generators, and if a generator was then instructed to operate outside the 0.95 power factor, that specific generator would not be charged for excess reactive power – thus meeting the original intent of the CP.
The impact of not charging for excess reactive power
- 2.4 It was noted that the current proposed solution could become difficult to manage with customers switching between arrangements each year, however it is important to understand

¹ Line Loss Factor Class

the impact of removing the charge for excess reactive power and also the revenue currently recovered from these customers.

- 2.5 The group agreed that the impact of not charging for excess reactive power would be minimal. Attendees discussed the impact of removing the reactive power charge and noted that DNOs would be able to monitor the generators. It was noted that there will be a small amount of reactive power for all generators and the risk of keeping the reactive power charge is bigger than the revenue recovered.

Consultation

- 2.6 The Working Group agreed to issue a third consultation to seek industry views on the Option to remove the charge of excess reactive power for generators. It was noted that this would be consulted on as Option 3 to the DCP 222 change; previously the group has consulted on Option 1 and Option 2. ElectraLink took an action to draft the consultation document and issue to the Working Group for review.

ACTION 10/01: ELECTRALINK

- 2.7 The group noted that it is important to provide a justification for removing the reactive power charge from the CDCM and agreed that all DNOs are to provide information identifying the extent of the revenue each DNO would cover. CO took an action to put together the total generation revenue from the CDCM model for each given year and request for the figures from all six DNOs.

ACTION 10/02: CO

3 DCP 222 WORKPLAN

- 3.1 The Working Group reviewed the DCP 222 work plan. This is provided as Attachment 1. The next steps for the progression of the CP are as follows:
- ElectraLink to draft the consultation document and circulate to the Working Group for review and update.
 - CO to put together the total generation revenue from the CDCM model for each given year and request for the figures from all six DNOs.
 - ElectraLink to update the DCP 222 Work plan and circulate to the Working Group.

ACTION 10/03: ELECTRALINK

- 3.2 There were no items of any other business.

4 DATE OF NEXT MEETING

- 4.1 The next Working Group meeting has been scheduled for Thursday, 17 March 2016 to review the consultation responses.

ATTACHMENTS

Attachment 1 – DCP 222 Work plan

APPENDIX A: SUMMARY OF ACTIONS

NEW AND OPEN ACTIONS

Action Ref.	Action	Owner	Update
08/03	Review and finalise the Change Report by 27 November 2015. In progress until 25 January 2016	Working Group Members	Ongoing
10/01	Draft the consultation document and issue to the Working Group for review.	ElectraLink	
10/02	Put together the total generation revenue from the CDCM model for each given year and request for the figures from all six DNOs.	Chris Ong	
10/03	Update the DCP 222 Work plan and circulate to the Working Group	ElectraLink	

ACTIONS AGREED CLOSED AT THE MEETING

Action Ref.	Action	Owner	Update
08/03	Review and finalise the Change Report by 27 November 2015. In progress until 25 January 2016	Working Group Members	Ongoing
09/01	Draft the modelling specification and circulate to the Working Group for review.	Dave Wornell	Completed
09/02	Update and circulate Change Report for Review	ElectraLink	Completed