

DCP 345 'SANDBOX APPLICATION' COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	Q1: Do you understand the intent of DCP 345?	Working Group Comments
British Gas	Non-confidential	Yes, we understand the intent of DCP 345 as it is noted that the current DCUSA derogation process is not flexible enough to cater for sandbox applications that are received via Ofgem to trial innovations in a live environment without having to comply with all industry obligations.	Noted
Electricity North West	Non-confidential	We do understand the intent of this change proposal.	Noted
ESP Electricity Ltd	Non-confidential	Yes.	Noted
Npower	Non-confidential	Yes	Noted
Northern Powergrid	Non-confidential	Yes.	Noted
Scottish Hydro Electric Power Distribution plc and Southern Electric Power	Non-confidential	Yes	Noted

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Distribution plc			
UK Power Networks	Non-confidential	Yes	Noted
Western Power Distribution	Non-confidential	Yes	Noted
Working Group Conclusions: The Working Group concluded that all respondents to the consultation understood the intent of DCP 345.			

Company	Confidential/ Anonymous	Q2: Are you supportive of the principles of DCP 345?	Working Group Comments
British Gas	Non-confidential	Centrica are supportive of the principles of DCP 345 and welcome the activities to progress a sandbox process across each of the applicable codes.	Noted
Electricity North West	Non-confidential	We are supportive of the principles of this change proposal.	Noted
ESP Electricity Ltd	Non-confidential	Yes, introducing a regulatory framework to support innovation in the energy markets will have a positive impact and enable consumer and wider system benefits.	Noted
Npower	Non-confidential	Yes	Noted

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Northern Powergrid	Non-confidential	Yes.	Noted
Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	Yes	Noted
UK Power Networks	Non-confidential	Yes	Noted
Western Power Distribution	Non-confidential	Yes	Noted
Working Group Conclusions: The Working Group concluded that all respondents to the consultation were supportive of the principles of DCP 345.			

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Company	Confidential/ Anonymous	Q3: Do Parties believe that there should be a pre-Panel consultation period whereby Parties will be able to provide comments or feedback to the DCUSA Panel on each Sandbox Application? Please provide your rationale.	Working Group Comments
British Gas	Non-confidential	We support the view that a short pre-Panel consultation period is implemented for parties to provide views to aid Panel's determination. This would allow industry parties to provide an opportunity to share expertise and identify potential solutions to the application that may not be included in the initial submission.	Noted Supportive of pre-Panel consultation period.
Electricity North West	Non-confidential	As long as Parties are provided with the opportunity to review and provide comments either pre-Panel or post Panel meetings should be acceptable. However, it may be useful to have the Panel's view prior to any consultation, so potentially post Panel may be more appropriate.	Noted Supportive of post-Panel review, this aligns with the current drafting of the legal text
ESP Electricity Ltd	Non-confidential	<p>Yes, DCUSA Parties should be given the opportunity to review and provide comment on sandbox applications. Those Parties may have sight of activity underway under other industry codes, new technologies, commercially led investigations and research. It would be prudent to ascertain any 'lessons learn' from similar or complementary trials elsewhere in the market that could assist an applicant who is unaware of the work.</p> <p>Though strictly not part of the consultation, we would like the code to acknowledge the potential sensitivities that may arise related to the protection of intellectual property rights (IPR) during the pre-consultation period for the applicants.</p>	Noted IPR needs to be considered when reviewing the access to information, e.g. on the website.

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Npower	Non-confidential	N/A	N/A
Northern Powergrid	Non-confidential	Yes, in principle, although if the applicant is proposing a significant innovation and wishes that the initial assessments are done confidentially, we would have no objection to that.	Noted The detail of the derogation will be consulted on, not the details of the innovation idea (if there are commercially sensitive aspects to it).
Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	Yes, this would seem reasonable, as Parties will have an opportunity to assess their preparedness for any impacts of the derogation/Sandbox.	Noted Supportive of pre-Panel consultation.
UK Power Networks	Non-confidential	Yes, this approach would allow the panel to consider the views of other DCUSA parties when considering the application, prior to making their decision on the sandbox application.	Noted Supportive of pre-Panel consultation.
Western Power Distribution	Non-confidential	Yes, because the applicant may be new to or unfamiliar with the industry and this would allow a wider audience to provide any comments or feedback on the application before it is considered by the panel.	Noted Supportive of pre-Panel consultation.

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Working Group Conclusions: The Working Group concluded that they are supportive of a pre-Panel communication process and agreed that there should be a standard consultation document seeking Party views which would aid the Applicant and the production of the Sandbox Report for discussion at the DCUSA Panel.

Company	Confidential/ Anonymous	Q4: Should the detail of all Sandbox Applications be accessible to all industry Parties, DCUSA Parties only or the DCUSA Panel only? If you have a preference, please provide your rationale. If you believe there is an alternative, please provide details.	Working Group Comments
British Gas	Non-confidential	Centrica's current view is that it is reasonable that the detail of all sandbox applications should be accessible to all DCUSA parties as it is they that could be directly impacted by the proposed derogation(s).	Noted Supportive of all DCUSA Parties having access to the detail of the Sandbox Applications.
Electricity North West	Non-confidential	<p>This being specifically for the DCUSA, it would seem reasonable for DCUSA Parties to be able to have access to all Sandbox Applications, early sight of applications for Parties could potentially be beneficial and demonstrates the transparency of the process.</p> <p>However, with these applications containing new ideas/innovations some protection should be afforded, so it will be more appropriate for all Sandbox Application to only be accessible to the DCUSA Panel.</p>	Noted Supportive of all DCUSA Parties having access to the detail of the Sandbox Applications depending on the detail of the innovation idea.
ESP Electricity Ltd	Non-confidential	With regards to our response to Q3 (including reference to IPR) and the fact that we believe that DCUSA Parties should be given an opportunity to comment on sandbox applications pre-Panel determination, we would support maintaining a register of	Noted Supportive of all DCUSA Parties having access to the information.

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		<p>sandbox applications on the DCUSA website accessible by all DCUSA Parties.</p> <p>For the register to be accessible to <u>all</u> industry parties, including those not signed up to DCUSA, it may be more suitable to hold the register on the Authority's website with links to the sandbox trials on relevant code administrator's websites.</p>	
Npower	Non-confidential	N/A	N/A
Northern Powergrid	Non-confidential	For the reason stated in our response to question 3 we would be happy for accessibility to be limited to the DCUSA panel initially prior to ultimately sharing with DCUSA Parties.	Noted Supportive of the DCUSA Panel having access to the information before sharing with DCUSA Parties.
Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	DCUSA Panel only – this seems to maintain equivalence with the BSC requirements for the Transmission Sandbox process.	Noted Support for the information to be accessible by the DCUSA Panel only.
UK Power Networks	Non-confidential	We believe that such information should be accessible to all, unless there is a clear confidentiality consideration which would need to be clearly stated in the initial application.	Noted Support for the information should be accessible to all industry

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			parties unless the information is commercially sensitive.
Western Power Distribution	Non-confidential	Generally, yes, but not in all cases. There may be scenarios where the details of a Sandbox Application could be commercially sensitive, and the applicant should have the option that the details only be seen by the panel.	Noted Support for the information being accessible to all industry parties unless the information is commercially sensitive.
Working Group Conclusions: The Working Group concluded that application forms should only be accessible by the DCUSA Panel if the innovator highlights that there is commercially sensitive information included. If there is not, then the application form will be accessible to all industry parties. The consultation to DCUSA Parties will only contain information regarding the rationale as to why a derogation to the legal text is being requested and not how the innovation will be delivered. Any information received back from the DCUSA Panel and the Authority will equally be available to all industry parties via the DCUSA website.			

Company	Confidential/ Anonymous	Q5: Do you agree with the proposed solution for this CP? Please provide your rationale.	Working Group Comments
British Gas	Non-confidential	Yes, the proposed solution is aligned to other code changes to support a sandbox application and therefore provides a consistent framework to progress	Noted
Electricity North West	Non-confidential	It is important to enable innovators to have the opportunity to at least put forward ideas that can be tested within a controlled environment to enhance the way in which industry processes under the DCUSA work, so we agree with the proposed solution.	Noted
ESP Electricity Ltd	Non-confidential	ESPE supports the proposed solution. It introduces a concise regulatory process for the progression of sandbox applications and delivers a clear guidance document.	Noted

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Npower	Non-confidential	Yes, however there should be principles which prevent other industry parties being exposed to undue costs or other form of risk as part of this modification	Noted The applicant will be responsible for any administration costs. There may well be costs incurred that the Applicant is not aware of and the Panel will consider such before a recommendation on a derogation is sent to the Authority.
Northern Powergrid	Non-confidential	Yes.	Noted
Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	Yes	Noted
UK Power Networks	Non-confidential	Yes, we are comfortable with the approach suggested, this also closely aligns to the arrangements under the BSC.	Noted
Western Power Distribution	Non-confidential	Yes, because it meets the Ofgem requirements	Noted

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Working Group Conclusions: The Working Group concluded that all respondents to the consultation agreed with the proposed solution for DCP 345. The Applicant will be responsible for any administration costs and parties will have an opportunity in the consultation to provide the Panel with any costs they believe they may incur.

Company	Confidential/ Anonymous	Q6: Do you believe the Working Group should consider a different solution? If so, please provide your rationale.	Working Group Comments
British Gas	Non-confidential	We believe that the solution is appropriate and are in broad agreement with the solution proposed.	Noted
Electricity North West	Non-confidential	We believe the working group should continue to progress the current solution.	Noted
ESP Electricity Ltd	Non-confidential	ESPE supports the proposed solution but would like the working group to consider how sandbox applications could be efficiently managed where they affect more than one code e.g. DCUSA and BSC. There may be instances where the change could be progressed quickly under the DCUSA but introduce complexities to the BSC that halts the progression. It may be outside the scope of this DCUSA change however.	Noted Principle 14 of the Code Administrators Code of Practice states that "Collaborate with other code administrators (as per Principle 13) to identify issues that overlap with multiple codes, for the purposes of enabling innovative trials" therefore, cross-code impacts are already catered for.
Npower	Non-confidential	N/A	N/A
Northern Powergrid	Non-confidential	No.	Noted

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Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	No – the Sandbox process has been approved for Transmission networks and has entered CUSC. It seems logical to have the same/similar process in DCUSA to the same end.	Noted
UK Power Networks	Non-confidential	No.	Noted
Western Power Distribution	Non-confidential	No, as we agree that the proposed solution is suitable.	Noted
Working Group Conclusions: The Working Group agree that the respondents to the consultation did not believe that the Working Group should consider an alternative solution than the one being proposed for DCP 345. Working Group members also clarified that CACoP Principle 14 caters for cross-code impacts for Applications.			

Company	Confidential/ Anonymous	Q7: Do you agree with the inclusion of an Administrator fee to process the Sandbox Applications? Please provide your rationale.	Working Group Comments
British Gas	Non-confidential	Centrica agrees that there should be the option of an administration fee to process any sandbox applications received.	Noted Supportive of an administration fee so long as they are cost

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		We would suggest that a methodology common to the BSC standards is considered. Most notably, that the fee should be cost reflective rather than an arbitrary barrier to entry.	reflective. Current drafting of the legal text provides detail of "reasonable costs" that will be agreed by the Panel from time-to-time.
Electricity North West	Non-confidential	As this is in essence not business as usual but value adding a fee does seem reasonable, but there isn't an indication of what the fee might be in the consultation documents and that needs to be balanced against the intent of the change. We wouldn't want to put applications off by having a prohibitive Administrator fee, consequently any fee would need to be cost reflective.	Noted Supportive of an administration fee so long as they are cost reflective.
ESP Electricity Ltd	Non-confidential	Yes, processing sandbox applications will require additional work by the Secretariat and reasonable administrations costs should be recoverable.	Noted Supportive of administration fee.
Npower	Non-confidential	As it will be set at zero initially, I'm not sure we can provide detailed comment on this at present. If it is determined that the fee is to increase from zero, detail about how long it would take to increase the cost and how this applies to retrospective requests may need to be addressed	Noted Costs will be addressed as a bilateral arrangement between the DCUSA Administration and the Applicant and the DCUSA Panel will establish whether the work required will go above and beyond what is already covered in the Code Administrators contract.
Northern Powergrid	Non-confidential	Yes, but only if the potential costs are shown to be considerable.	Noted

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Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	Yes – the level of the fee will have to be assessed, in order that it's fair and prevents speculative requests. It should be clear that the Sandbox is not a means of avoiding DCUSA requirements and rules.	Noted Supportive of an administration cost.
UK Power Networks	Non-confidential	We do, as should there be a cost it is only correct that this should be paid by the requesting party and not shared amongst all DCUSA signatories.	Noted Supportive of an administration fee. Clarification made to state that the Applicant will be responsible for paying the fee.
Western Power Distribution	Non-confidential	Yes, because if this were free of charges there may be a tendency for a lot of speculative applications potentially wasting the time of the Panel and secretariat.	Noted
Working Group Conclusions: The Working Group concluded that that all respondents who provided a preference to this question agreed that an administrator fee would be supported so long as any fees are cost reflective. The Working Group also noted that the drafting of the legal text in this area has only been slightly amended (parties involved in the process) from that which has already been approved by the Authority as part of the BSC Innovation Sandbox Modification.			

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Company	Confidential/ Anonymous	Q8: Do Parties have any suggested amendments on the DCUSA Sandbox Application Guidance Document?	Working Group Comments
British Gas	Non-confidential	We have reviewed and feel the Guidance Document meets the initial requirements.	Noted
Electricity North West	Non-confidential	The guidance document seems concise and informative and it is useful being split into the different sections.	Noted
ESP Electricity Ltd	Non-confidential	No	Noted
Npower	Non-confidential	N/A	N/A
Northern Powergrid	Non-confidential	No.	Noted
Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	No	Noted

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UK Power Networks	Non-confidential	No, we believe that this guidance document is a useful document and will greatly assist parties in further understanding the arrangements.	Noted
Western Power Distribution	Non-confidential	No	Noted
Working Group Conclusions: The Working Group concluded that all respondents to the consultation were happy with the DCUSA Sandbox Application Guidance Document and they did not have any further amendments or comments on the content.			

Company	Confidential/ Anonymous	Q9: Do you have any comments on the proposed legal text for DCP 345? Please provide your rationale.	Working Group Comments
British Gas	Non-confidential	No comments on the legal text have been identified.	Noted
Electricity North West	Non-confidential	We believe the legal text will deliver the intent of this change proposal.	Noted
ESP Electricity Ltd	Non-confidential	No	Noted
Npower	Non-confidential	N/A	N/A
Northern Powergrid	Non-confidential	No.	Noted

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Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	CI 56.17.1 [In making a determination under Clause 56.16, the Authority:] "May follow such procedure as it considers appropriate". Should this not be pre-defined, so that the Applicant knows the criterion being applied. It would not be particularly helpful for the Applicant and Authority to go through an iterative process whilst the Authority arrives at its determination.	Noted No different to the send back clause already included in clause 13.10 of DCUSA. The Authority will already have the criteria for the Applicants regarding their decision process. The Applicant will also need to go through the Authority in the initial stages of their Application so the Authority procedures should be accessible at that stage.
UK Power Networks	Non-confidential	No, we are comfortable with the proposed changes.	Noted
Western Power Distribution	Non-confidential	Yes, Paragraph 56.12.7 is unclear. We would suggest the following amendment: 56.12.7 State the length of time the derogation is required, the end of which should be no greater than two years from the Authority approval;	Noted The Working Group did not have a preference as to whether to include this suggestion or not. The Working Group have agreed to leave the legal text as currently drafted but include a comment when they send the document to Gowlings to ask their advice.
Working Group Conclusions: The Working Group concluded that the majority of the respondents did not provide any comments or amendments to the drafted legal text. One respondent suggested that the Authority procedures should be pre-defined in the legal text, however, the Working Group agreed that the text was no different to the send back clause that is already included in clause 13.10 of DCUSA. It was also suggested that a minor amendment be made to state that			

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the length of the derogation should be no longer than two years when it is completed. The Working Group did not have a preference whether to include this and so have left a comment within their legal text drafting to request advice from the DCUSA Legal Advisors as part of their review.

Company	Confidential/ Anonymous	Q10: Which of the DCUSA General Objectives does this CP better facilitate? Please provide supporting comments.	Working Group Comments
British Gas	Non-confidential	<p>Centrica supports the workgroup observations that this CP better facilitates DCUSA General Objective 4:</p> <p>The promotion and efficiency in the implementation and administration of the DCUSA.</p> <p>The rationale is that it mitigates the identified risks in the current process outlined in the Why Change text, contained in Section 3 of the change proposal.</p>	<p>Noted</p> <p>Support for DCUSA General Objective 4</p>
Electricity North West	Non-confidential	This change will better facilitate General Objective 4 enabling new and innovative ideas/solutions to be put forward resulting in 'The promotion of efficiency in the implementation and administration of the DCUSA'	<p>Noted</p> <p>Support for DCUSA General Objective 4.</p>
ESP Electricity Ltd	Non-confidential	ESPE agrees with the proposer in that Objective 4 will be better facilitated.	<p>Noted</p> <p>Support for DCUSA General Objective 4.</p>
Npower	Non-confidential	Agree that it supports the promotion of efficiency in the implementation and administration of the DCUSA	<p>Noted</p> <p>Support for DCUSA General Objective 4.</p>

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Northern Powergrid	Non-confidential	No comment.	Noted
Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	We agree with the Working Group/Proposer – DCUSA General Objective 4	Noted Support for DCUSA General Objective 4.
UK Power Networks	Non-confidential	We believe that DCUSA General Objective four will be better facilitated by the implementation of this change as it will provide a more robust and transparent process for handling sandbox applications received from innovators.	Noted Support for DCUSA General Objective 4.
Western Power Distribution	Non-confidential	We agree that DCUSA General Objective four will be better facilitated for the same reasons set out in the consultation document.	Noted Support for DCUSA General Objective 4.
Working Group Conclusions: The Working Group concluded that all of the respondents that commented to this question of the consultation agreed with the Proposer of DCP 345 that DCUSA General Objective 4 would be better facilitated by the implementation of this Change Proposal. One respondent did not provide a comment. Further Working Group conclusions can be found in the DCP 345 Change Report.			

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Company	Confidential/ Anonymous	Q11: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
British Gas	Non-confidential	No impacts have been identified.	Noted
Electricity North West	Non-confidential	We are not aware of any wider industry developments impacting this proposed change.	Noted
ESP Electricity Ltd	Non-confidential	ESPE is not aware of other industry developments over and above those obligations under CACoP. ESPE are aware of the current application under discussion with the DCUSA Panel and also a sandbox application progressing under the BSC.	Noted
Npower	Non-confidential	N/A	N/A
Northern Powergrid	Non-confidential	No.	Noted
Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	It's unclear how widely used the Sandbox will be during the current industry reviews (Access SCR, TCR etc), but we'd think it likely.	Noted

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UK Power Networks	Non-confidential	No	Noted
Western Power Distribution	Non-confidential	No	Noted
Working Group Conclusions: The Working Group concluded that all respondents who provided comments on this question did not believe that there were any wider industry developments that the Working Group needed to consider.			

Company	Confidential/ Anonymous	Q12: The proposed implementation data for DCP 345 is the first DCUSA Release following Authority approval. Do you agree with the proposed implementation date? Please provide your rationale.	Working Group Comments
British Gas	Non-confidential	Yes, we agree with the proposed implementation date.	Noted
Electricity North West	Non-confidential	Yes, this seems a reasonable approach to take for implementation.	Noted
ESP Electricity Ltd	Non-confidential	Yes, we agree with the proposed implementation date. We do not foresee the need to implement system changes to facilitate this change, so a lead time is not necessary. Given the potential benefits that could be realised for consumers and industry, we support implementation of this change as the next release following Authority Approval.	Noted
Npower	Non-confidential	Yes	Noted

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Northern Powergrid	Non-confidential	Yes, we see no reason for delay.	Noted
Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc	Non-confidential	Yes – this sits separately from normal tariff setting activities and that timetable, so early implementation should not prove disruptive.	Noted
UK Power Networks	Non-confidential	Yes, there is no reason to not progress with this change ASAP once it has been approved.	Noted
Western Power Distribution	Non-confidential	Yes, there are no other dependents and so no reason to delay when agreed.	Noted
Working Group Conclusions: The Working Group concluded that all respondents to the consultation agree that the implementation date for DCP 345 should be the first DCUSA Release following Authority approval. As the timetable for the CP may miss the 07 November DCUSA Release, the Working Group agreed that the implementation date should be changed to 5WD following Authority approval to avoid any unnecessary delay. However, if the Authority decision is received in time for the November DCUSA Release then the changes will be implemented then.			