

DCP 348 Working Group Meeting 03

30 October 2019 at 13:00

Teleconference

Attendee	Company
Working Group Members	
Chris Allanson [CA]	Northern Powergrid
Donna Townsend [DT]	ESPUG
Gwen Macintyre [GM]	SSEN
Mike Doward [MD]	ENWL
Paul Graham [PG]	UK Power Reserve
Vanessa Buxton [VB]	Western Power Distribution
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Hollie Nicholls [HN] (Technical Secretary)	ElectraLink

Apologies	Company
Becky Cailes	BUUK
Peter Turner	Northern Powergrid
Tim Hughes	Western Power Distribution

1. Administration

- 1.1 The Chair welcomed the members to the meeting.
- 1.2 The Working Group reviewed the “Competition Law Guidance”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.3 The Working Group reviewed the minutes from the last Working Group meeting, held on 30 September 2019, and agreed that these were a true reflection of the discussions held.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review the DCP 348 consultation responses, finalise the solution and legal text for the change and to review the DCP 348 draft Change Report.

3. Review of DCP 348 Consultation Responses

- 3.1 The Working Group reviewed the DCP 348 Collated Consultation Responses Document and an updated version can be found as Attachment 1.
- 3.2 **Post-meeting note:** A further response from a DNO Party has been received following the meeting. These responses have been included in Attachment 1 for Working Group consideration.

Question one

- 3.3 It was noted that all respondents to question one to the consultation understood the intent of DCP 348.

Question two

- 3.4 It was noted that all respondents to question two to the consultation were supportive of the principles of DCP 348.

Question three

- 3.5 In response to question three, one respondent identified that “Connection Components” was not defined in DCUSA and questioned whether the Working Group would consider doing so. The same respondents also questioned who owns the “Local System management unit” and the “End user control unit for the customer” and who defines what specification is used for each. The Working Group discussed this and agreed that none of these terms were defined in DCUSA and so they would all be made lower case within the proposed legal text apart from Extension Assets which is defined. It was agreed that a footnote would be included within the illustrative table to explain that each connection component would be defined (including the funding arrangements for each) within the connection offer provided by the DNOs.
- 3.6 **Post meeting note:** it was agreed that the footnote would be broadened to the main connection components rather than each.
- 3.7 A further respondent highlighted that the proposed solution is not explicit as to where the capital costs would be picked up for flexible connections. It was noted that the first-time communications equipment is mentioned within DCUSA is in regard to flexible connection but there are instances where there is communications equipment that is not in a flexible connection. The Working Group agreed that to alleviate this, the legal text needed to be updated to remove “...to enable Flexible Connections” from the additional bullet point included in paragraph 1.7 of Section 1 of Schedule 22.
- 3.8 The Working Group agreed that other responses to question three could be noted.

Question four

- 3.9 The Working Group noted that there was a ratio of 4 to 1 in favour of Option A, sharing the costs equally irrespective of capacity.
- 3.10 However, it was questioned what the Working Group would do if a second comer wanted to connect on a dedicated scheme. It was noted that any second comers will be added to the same circuit that

would have been created for the first customer and currently the second comer's connection offer is based on capacity currently.

- 3.11 The Chair questioned whether the Working Group are leaning more towards moving forward with Option B because there is already a mechanism in place on whether there is a second comer.
- 3.12 The Working Group reviewed the legal text associated with the second comer connection offers and agreed that the first connectee would have a right to recover some of its costs irrespective of the options being considered. The Working Group provided majority support for option A and so this will be the option that is taken forward. The Secretariat to use the last point in the WPD response for rationale in the Change Report but no change to the legal text is required.

Question five

- 3.13 The Working Group noted all responses to question five and agreed that all respondents did not think that there was another solution that the Working Group should consider.

Question six

- 3.14 The Working Group agreed that all respondents to the consultation agreed that Supplier Parties would not be impacted by DCP 348 and the Working Group had provided a fair assessment as to why.
- 3.15 The Working Group also noted that Supplier Parties were provided the opportunity to provide a response to the consultation and they did not.

Question seven

- 3.16 The Working Group noted all responses to question seven of the consultation and highlighted that they will be taking forward the suggestion made by BUUK to include 'as per table 1.32b' in paragraph 1.32a. However, this will be amended slightly to align with the current wording of the legal text.
- 3.17 One respondent questioned whether the Working Group could envisage such a connection being changed from a dedicated scheme to a wide area scheme and how would this scenario be handled. If the scheme is distinguished at the time of installation, it was questioned whether the funding scheme would be impacted if assets are changed that aren't impacted by any of the ANM. The Working Group noted that the DNO would need to consult the Electricity Connection Charges Regulation (ECCR) to get credit back and then amend the scheme on the network because they wouldn't be charging on the costs to install as the asset is already installed. ECCR is law and so would trump the methodology in DCUSA.
- 3.18 It was also questioned what the scenario would be if a second comer isn't on the ANM scheme. If you can connect a demand customer on the end of the dedicated scheme because it controls more of the network, it could be classed as wide area scheme. Therefore, if it isn't part of the ANM scheme, DNOs would not be able to use ECRs to obtain credit. The Chair questioned whether this scenario was ever discussed as part of the ARAWG work conducted before the Change Proposal was raised. It was noted that it was not, but there was a general recognition that wide area schemes would become the norm, socialisation would become more prevalent and dedicated schemes more niche. The Working Group reviewed the ECCR arrangements included within Schedule 22 and agreed that paragraph 1.35 to 1.38 in the "Rebates" heading would cover this scenario.
- 3.19 A further respondent suggested that it is not clear who pays for the communications equipment or system management system into the customer's site and where the connection is not flexible. The currently drafted legal text limits only to flexible connections. The Working Group agreed that they

would remove “Flexible Connections” from the additional bullet point in paragraph 1.7 of Section 1 of Schedule 22. The same respondent also suggested that consideration should be given to whether the definition of Wide Area Scheme requires refinement. The broad delineation would be whether these systems are in place just to manage generation export constraints. The Working Group discussed this and agreed that the definitions of both schemes needed to be updated to include demand as well as generation.

- 3.20 The Working Group highlighted that the other responses to the question were answered with the inclusion of the suggestion from BUUK.

Question eight

- 3.21 The Working Group noted all responses to question nine of the consultation and agreed that the Working Group conclusions regarding the DCUSA Objectives would be included within the Change Report.

Question nine

- 3.22 The Working Group noted all responses to question nine and agreed that they would include some longer-term impacts, that were provided by one respondent, into the Change Report for the CP.

Question ten

- 3.23 The Working Group noted all responses to question ten of the consultation. There were mixed responses to the question with three respondents agreeing with the proposed implementation date of 5 Working Days and three other respondents providing other suggested implementation dates.
- 3.24 One respondent suggested that there should be a 6-month implementation to allow existing quotations to take account of the change. It was noted that the respondents’ connection offers would time-out within a six-month timeframe and so that would negate the need to reissue updated connection offers.
- 3.25 A further respondent suggested that DNOs will need to transition from current arrangements to the proposed method and so communications with customers are needed. There has been feedback received from customers previously regarding DNOs not providing enough notice of changes and so it would be beneficial to avoid this going forward.
- 3.26 A final respondent also suggested that a transition period would be necessary between existing and proposed funding mechanisms.
- 3.27 The Working Group discussed the suggestions and agreed that the implementation date would be updated to 01 April 2020 to allow for DNOs to be able to engage with customers before the implementation of the change. Rationale for the Working Group’s decision will be included within the DCP 348 Change Report.

ACTION 03/01: The Secretariat to update the DCP 348 Collated Consultation Responses document to reflect the discussions held.

4. Review and Finalisation of DCP 348 Legal Text

- 4.1 The Working Group reviewed the DCP 348 Legal Text and an updated version can be found as Attachment 2.

- 4.2 The Working Group reviewed the DCP 348 Legal Text when reviewing question seven of the consultation responses. Working Group conclusions and comments can be found in sections 3.15 – 3.19 of these minutes.
- 4.3 Whilst reviewing the legal text, it was noted that the square brackets included in the table could now be removed and only “shared equally between participants” should be retained due to the Working Group progressing with Option A.
- 4.4 The Working Group also discussed the amendment of the “Cost Allocation” to include “(excluding Flexible Connections)” title change. It was noted that there has been an unintended consequence of this change as the industry would not want to exclude any of the bulleted list when allocating costs to a Flexible Connection. It was agreed that the legal text title that has been drafted for new paragraph 1.32a and 1.32b will be updated to “Additional Cost Allocation (Flexible Connections)”.

ACTION 03/02: The Secretariat to update the DCP 348 draft legal text to reflect the discussions held.

5. Review of the DCP 348 Change Report

- 5.1 The Working Group reviewed the DCP 348 Change Report.
- 5.2 It was requested that a table be circulated to Working Group members which shows the Proposer and respondent views on the DCUSA Objectives. The Working Group will then be able to comment on this and put forward their view on which are better facilitated by the implementation of DCP 348.

ACTION 03/03: The Secretariat to update the DCP 348 draft Change Report to reflect the discussions held.

ACTION 03/04: The Secretariat to circulate a table which showcases the Proposer and consultation respondents’ views on the DCUSA Objectives for Working Group consideration.

6. Work Plan and Next Steps

- 6.1 The Working Group reviewed the DCP 348 Work Plan and agreed the following next steps for the change:
- The Secretariat to update the DCP 348 Legal Text and circulate to Working Group members by close of play on Friday 01 November 2019;
 - Working Group members to provide any further amendments or comments to the Secretariat by Friday 08 November 2019;
 - The finalised legal text to be sent to the DCUSA Legal Advisor on Monday 11 November 2019;
 - The DCP 348 Change Report to be updated and circulated to Working Group members by close of play on Friday 08 November 2019; and
 - The Working Group to meet again on Tuesday 26 November 2019 to finalise the DCP 348 Change Report.
- 6.2 An updated version of the Work Plan can be found as Attachment 3.

ACTION 03/05: The Working Group to provide feedback on the updated DCP 348 legal text by close of play on Friday 08 November 2019.

ACTION 03/06: The Secretariat to send the finalised legal text to the DCUSA Legal Advisors on Monday 11 November 2019.

7. Agenda Items for the Next Meeting

- 7.1 The Working Group agreed that the agenda for the next meeting would be as follows:
- Review the DCP 348 Legal Text, following review by the DCUSA Legal Advisors; and
 - Review and finalise the DCP 348 Change Report.

8. Any Other Business

- 8.1 There were no further items of AOB, and the Chair closed the meeting.

9. Date of Next Meeting – Tuesday 26 November 2019

- 9.1 The Working Group agreed that the next meeting will be held on 26 November 2019 at 14:00. This will be held via teleconference.

10. Attachments

- Attachment 1 – Updated DCP 348 Collated Consultation Responses Document
- Attachment 2 – Updated DCP 348 Legal Text
- Attachment 3 – Updated DCP 348 Work Plan

New and Open Actions

Ref.	Action	Owner	Update
03/01	The Secretariat to update the DCP 348 Collated Consultation Responses document to reflect the discussions held.	ElectraLink	
03/02	The Secretariat to update the DCP 348 draft legal text to reflect the discussions held.	ElectraLink	
03/03	The Secretariat to update the DCP 348 draft Change Report to reflect the discussions held.	ElectraLink	
03/04	The Secretariat to circulate a table which showcases the Proposer and consultation respondents' views on the DCUSA Objectives for Working Group consideration.	ElectraLink	
03/05	The Working Group to provide feedback on the updated DCP 348 legal text by close of play on Friday 08 November 2019.	Working Group Members	
03/06	The Secretariat to send the finalised legal text to the DCUSA Legal Advisors on Monday 11 November 2019.	ElectraLink	

Closed Actions

Ref.	Action	Owner	Update
02/01	The Secretariat to update the Consultation Document to reflect the discussions held	ElectraLink	Action Closed
02/02	PT to review the 'definitions document' on the Energy Network Associations website to determine whether there is a definition of 'Firm'.	Peter Turner	Action Closed
02/03	The Secretariat to update the legal text to reflect the discussions held.	ElectraLink	Action Closed
02/04	The Secretariat to draft a Change Report for review at the next meeting.	ElectraLink	Action Closed