DCUSA

DCP 328 Working Group Meeting 16

14th January 2020 at 10:00
Web-Conference

Attendee	Company
Working Group Members	
Donald Preston (DP)	SSEN
Julie Haughey (JH)	EDF
Tom Chevalier (TC)	Power Data Associates
Christine Jamieson	Xero Energy Limited
Nigel Kempson (NK)	WPD
Kara Burke (KB)	NPg
Tom Cadge (TC)	BUUK
Chris Ong (CO)	UKPN
Code Administrator	
John Lawton (JL) (Chair)	ElectraLink
Richard Colwill [RJC] (technical secretariat)	ElectraLink

Apologies	Company
Donna Townsend (DT)	ESP Electricity Limited
Dave Wornell (DW)	WPD
Lee Stone (LS)	EON
Chris Barker (CB)	BU-UK
Derek McGlashan (DMcG)	Forthports

David Stearstree (DS)	Leep Utilities

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 Laws Guidance for the duration of the meeting.

1.3 The Working Group noted that they were happy with the minutes from the previous meeting held on 23rd September 2019, with the exception of one amendment. Within section 1.3 the date should read 5th August 2019, not 24th April 2019. An update version of the minutes can be found in Attachment 1.

1.4 An update on the actions can be found in Appendix 1.

2. Purpose of the Meeting

2.1 The Chair set out that the purpose of the meeting was to address the two outstanding issues regarding residual charging and definition of "Designated Property".

3. Outstanding Issues

Residual Charging

3.1 At present for both the rebate and the tariff solution it is indicated that no residual charges will apply. The Working Group reviewed this to determine whether there was appropriate rationale for this decision or not.

3.2 It was noted that the Ofgem TCR Decision and Impact Assessment released in November 2019, places an obligation on DNOs to review residual charges. The following sections were noted from the Ofgem document:

Aspects for network licensees to consider and develo

3.58. Network licensees, or the DNOs or ESO only where specified, must consider and seek to identify the most appropriate arrangements in relation to the following aspects and develop modification proposals consistent with the SCR Decision Principles set out above in relation to:

3) The approach to establishing appropriate and proportionate arrangements for residual charges for Independent Distribution Network Operator (IDNO) network customers, customers connected with private wires and complex sites, considering relative charging arrangements on IDNO networks and the customer's voltage of connection.

Specific alternatives for network licensees to assess

3.59. Through the consultation and assessment phases of the SCR, we have identified four specific issues which we believe merit further consideration. Accordingly, NGESO and the DNOs, engaging other industry parties as needed, are being directed to give proper consideration to each of the issues set out below whilst preparing and progressing modification proposals to implement the terms of the Directions. If, following such consideration and having regard to the SCR Decision Principles, NGESO and / or the DNOs are of the view that alternative modification proposals should be raised to address one or more of these issues then such alternative proposals must be raised. NGESO and the DNOs shall ensure that any alternative proposals raised are consistent with the SCR Decision Principles. The issues are as follows:

1. Distribution of users at high voltages:

We understand transmission-connected sites are likely to have a relatively narrow % range in size compared to other voltage levels, so our direction is for a single transmission band. But we are aware there may be small numbers of substantially smaller sites connected, for example as part of complex sites or private networks. Although agreed capacity data does not exist for these customers, it may be that a derived capacity level could better inform an assessment of the range of these customers. It is possible that this further analysis may suggest more than one charging band should apply at the transmission level.

3.3 It was noted that the decision on whether residual charges should be applied or not needs to be joined up with the DCUSA CPs that have been raised with regard to the Ofgem TCR as these will also be looking at residual charging for Private Networks.

3.4 There was a view that perhaps residual charging should apply for the voltage level above the boundary connection. The logic for this is that they should not be paying residual charges for networks that they are not involved in. After discussion it was agreed that further industry engagement was needed to seek views on whether residual charges should be applied to Private Networks or not.

Definition of "Designated Property

3.5 The Working Group discussed the issue regarding the approach to be adopted for customers connected at an Extra High Voltage connection but the metering being at the HV or LV.

3.6 After discussion it was agreed that this issue also needs further industry engagement to determine the best approach of dealing with these instances.

Next Steps

3.7 The Secretariat took an action to draft a mini consultation document detailing the two outstanding issues above and asking industry stakeholders their views on how these issues should be progressed. The draft consultation will be circulated to the Working Group for review by end of January.

ACTION 16/01: The Secretariat to draft a consultation seeking industry views on the two outstanding issues.

4. Any Other Business

4.1 There were no further items of AOB and the Chair closed the meeting.

5. Date of Next Meeting

5.1 The date of the next meeting is scheduled for 6th February, 2pm-5pm via Skype/ Teleconference.

6. Attachments

- Attachment 1: Updated DCP 328 Working Group Meeting 15

New and open actions

Action Ref.	Action	Owner	Update
01/01	ElectraLink to consider approaches to ensure appropriate engagement with private network operators.	ElectraLink	Ongoing and considered at each meeting or consultation circulation
16/01	The Secretariat to draft a consultation seeking industry views on the two outstanding issues.	ElectraLink	

Closed actions

Action Ref.	Action	Owner	Update
13/01	Draft legal text for both solutions to be circulated to Working Group for comments by Friday 19th July.	ElectraLink	Completed
13/02	Kara Burke to provide clarity on the comments made by Andrew Enzor regarding Section 1A of Schedule 16	KB	Completed
13/03	The Secretariat to produce draft second consultation document and circulate to the Working Group for review by Monday 29th July.	ElectraLink	Completed