

DCP 361 Working Group Meeting 05

06 April 2020 at 10:00am

Teleconference

Attendee	Company
Working Group Members	
Alessandra De Zottis [ADZ]	Sembcorp
Brandon Rodrigues [BR]	ESP Electricity
Chris Barker [CB]	Electricity North West
Chris Ong [CO]	UK Power Networks
Claire Campbell [CC]	Scottish Power Energy Networks
Dave Wornell [DW]	Western Power Distribution
David Fewings [DF]	Inenco
Elizabeth Alkins [EA]	Ovo Energy
Josephine Lord [JL]	Cornwall Insight
Julia Haughey [JH]	EDF Energy
Kara Burke [KB]	Northern Powergrid
Karl Maryon [KM]	Haven Power
Kayt Button [KB]	Ofgem
Lee Wells [LW]	Northern Powergrid
Mark Jones [MJ]	SSE Business Energy
Paul Farmer [PF]	Shell Energy
Shiny Samson [SS]	Northern Powergrid
Thomas Cadge [TCa]	BUUK
Tony Collings [TCo]	Ecotricity
Apologies	
George Moran	British Gas
Helen Inwood	npower
Code Administrator	
John Lawton [JT] (Chair)	ElectraLink
Dylan Townsend [DT] (Technical Secretary)	ElectraLink

Hollie Nicholls [HN] (Administration Support)	ElectraLink
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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 previous meeting, held on 23 March 2020, and agreed that they were a true and accurate reflection of the discussions held.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to walk through the consultation document and to clarify a couple of comments that are still outstanding in the legal text.

3. Review and Sign-off of Draft Legal Text

- 3.1 The Chair walked the Working Group through the comments that were outstanding in the draft legal text and amendments were made during the meeting.
- 3.2 It was noted that in paragraph 20.2 of Schedule 17, “AE = Import consumption in kWh” should be changed to “AE = Export production in kWh” so that it aligns with Schedule 16. However, the Working Group highlighted that they had not changed this part of the legal text as part of this Change Proposal (CP) and so the amendment should be included on the DCUSA Panel Housekeeping Log so that it can be picked up at a later date. There is a similar requirement within Schedule 18.
- 3.3 A further housekeeping amendment was identified to the table references within paragraph 26.3 of Schedule 17 and therefore, this too will be added to the DCUSA Panel Housekeeping Log.
- 3.4 The Working Group also requested that the proposed legal text amendments are stripped back so that only the amendments are shown in one document to make it easier for the Working Group members and other interested parties to follow. The stripped back version of the legal text can be found as Attachment 1.

ACTION 05/01: The Secretariat to update the DCUSA Housekeeping Log to include the amendments discussed in paragraph 3.2 and 3.3.

4. DCP 361 Modelling Request Requirements

- 4.1 The Modelling Services Provider requested clarification on the modelling requests that had previously been sent to them.
- 4.2 The first query was on the changes being made to paragraph 16.7 within Schedules 17 and 18. It was noted that this paragraph isn’t calculating an import capacity based charge for residual revenue, but instead calculating how much residual revenue should be collected, and this is based on users’ import capacity. By deleting text in this paragraph, it will mean that it will reduce the EDCM Demand Revenue Target (by removing a residual component from that target). This means that the Demand Revenue Target will just be comprised of direct and indirect opex and network rates, and that there is essentially no residual within the EDCM. The difference (as defined in paragraph 18.18) between the sum of (a), (b) and (c) (as defined within paragraph 18.2), and this Demand Revenue Target will just be negative (c). This means that residual will just be a means of paying back to users the costs associated with FCP and LRIC charges but socialised across bands. Therefore, it is suggested that paragraph 16.7 is retained.
- 4.3 Working Group members discussed this point and agreed that paragraph 16.7 should be retained, however, it was suggested that CEPA/TNEI should double check the Targeted Charging Review (TCR)

Decision document as to how the revenue is calculated. CEPA/TNEI agreed to do this and include rationale within their write up.

- 4.4 Another issue was in regard to paragraph 26.11 of Schedules 17 and 18. The paragraph refers to the charge associated with the 20% share of the EDCM Connectee residual revenue, It was suggested that the legal text needs to be more specific about how this ought to be achieved. The Working Group discussed this and agreed that “share” should be removed from the text and residual revenue should read residual fixed charge. It was also suggested that CEPA/TNEI should ensure that the LDNOs are unaffected when they complete their modelling impact assessment.
- 4.5 Lastly, it has been suggested by the Working Group that the EDCM didn’t need to be changed to reflect the two options required by the modelling requests. However, it was suggested that it was still possible that you could get negative residuals in the EDCM (especially if the Working Group delete text in paragraph 16.7) and at the moment there’s no explicit discussions of this in the legal text. Currently, in the CDCM if the residual is negative it would be set to zero. If there are negative residuals in the EDCM then there isn’t a unit rate to apply them to. If it is not specified now, then there would still be negative residuals unless a unit rate is included. The Working Group agreed that they were happy with how the legal text was drafted now that paragraph 16.7 was being retained (as discussed in paragraphs 4.2 and 4.3 above) and highlighted that there may need to be something included within the consultation to state that there is a theoretical issue of negative fixed charges but no option for mitigating it in the EDCM. DNOs will be able to check whether there are any negative residuals in the EDCM when they complete their impact assessment on the updated models and this information can be included within the consultation document.

5. Review of the DCP 361 Draft Consultation Document

- 5.1 The Working Group reviewed the draft consultation document.
- 5.2 It was noted that the first page of the consultation should be updated to reflect the “Impacted Parties” as being DNOs, IDNOs, Suppliers and CVA Registrants. The “Impacted Clauses” section should also include Schedule 20.
- 5.3 The Secretariat highlighted that the consultation had been drafted similarly to how the other TCR CP consultations had been written. Background of the TCR had been added to the document, including footnotes, hyperlinks and extracts from the TCR documentation.
- 5.4 The Chair noted that the questions discussed at the last DCP 361 meeting would be included and information will be provided regarding each.
- 5.5 It was also noted that due to the withdrawal of CMP332, a footnote would need to be included to indicate that the Authority had provided approval for the withdrawal and that there would more than likely be a new modification raised.
- 5.6 The Chair also suggested that the consultation document needed background information regarding the solution options that the Working Group discussed before they arrived at their final options, i.e. what would the normal process be and what was the preferred option that was taken forward by the Working Group.
- 5.7 At the previous Working Group meeting, there was a discussion regarding the scaling issue for the IDNO Parties. It was agreed that this should be described in more detail within the consultation document and links should be provided to the suggested amendments in the EDCM legal text drafting. The Working Group agreed that there should be a consultation question asked on whether Parties believe that the status quo should be retained or whether the 20% share should be deleted. As agreed previously, there would be impacts on IDNO Parties (if any) reviewed by the Modelling Services Providers.
- 5.8 Within the Impacts and Other Considerations section of the consultation document, it was agreed that description of the other TCR CPs should be included and there should also be a short paragraph

included regarding DCP 363 'Refining the Definition of 'Eligible Electricity Storage Facility' within the EDCM'.

ACTION 05/02: The Secretariat to update the consultation document to reflect the discussions held.

6. Work Plan

- 6.1 The Working Group reviewed the DCP 361 Work Plan and agreed the following next steps for the CP. An updated Work Plan can be found as Attachment 2.
- The Secretariat to update the consultation document to reflect the discussions held; and
 - The Secretariat to send the updated draft legal text to the Modelling Services Provider.

7. Agenda Items for the Next Meeting

- 7.1 At the next meeting the Working Group will review the updated consultation document.

8. Any Other Business

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

9. Date of Next Meeting

- 9.1 The date of the next meeting is scheduled for 28 April 2020 and will be held via teleconference.

10. Attachments

- Attachment 1 – DCP 361 Slimmed-Down Draft Legal Text
 - Attachment 2 – DCP 361 Updated Work Plan
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New Actions

Ref.	Action	Owner	Update
05/01	The Secretariat to update the DCUSA Housekeeping Log to include the amendments discussed (paragraphs 20.2 and 26.3 of Schedule 17)	ElectraLink	
05/02	The Secretariat to include the missing step after paragraph 1.8 in both Schedule 17 and Schedule18 to the DCUSA Panel Housekeeping Log.	ElectraLink	

Closed Actions

Ref.	Action	Owner	Update
04/01	The Secretariat to include the update to paragraph 70 of Schedule 16 to the DCUSA Panel Housekeeping Log so that it can be picked up if the amendment is not approved under the vires of this Working Group.	ElectraLink	Action Closed
04/02	The Secretariat to include the missing step after paragraph 1.8 in both Schedule 17 and Schedule18 to the DCUSA Panel Housekeeping Log.	ElectraLink	Action Closed
04/03	The Secretariat to update the legal text to reflect the discussions held.	ElectraLink	Action Closed
04/04	The Secretariat to draft the modelling requests and submit them to the modelling service provider.	ElectraLink	Action Closed
04/05	The Secretariat to draft the consultation document for review at the next DCP 361 Working Group meeting.	ElectraLink	Action superseded by Action 05/02