Meeting Session	Panel Open Session
Paper Reference	DCUSA_2020_1118_03_DCMDG Headline Report 33
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 33

1. Synopsis

1.1 This report sets out the headlines from the 33rd DCMDG held on 05 November 2020 via teleconference. The full minutes and associated papers are available on the DCUSA website.

2. Attendance

2.1 This meeting was chaired by Angelo Fitzhenry and technical secretariat support was provided by Elliot Firth.

2.2 A total of 30 industry participants dialled into the meeting.

3. Forward Work Plan

3.1 **Issues** - No new Issues were received and there are none in progress.

3.2 **Change Proposals** - DCP 314 was confirmed as withdrawn. DCPs 358, 359 and 360 were confirmed as implemented 1st October 2020.

3.3 **External Activities** – The BEIS Call for Evidence on Electricity Licence Exemptions has been added – closing date of 01 March 2021. Reasons for the Review are:

- a recognition that the wider energy market has developed since the legislation underlying the exemptions regime came into effect. For example, there is now much more decentralised, low carbon energy and there is likely to be more in the future.
- new organisations offering energy flexibility services to consumers and businesses, through electricity storage and growing numbers of smart appliances and electric vehicles, will form a key part of the energy system. The review will therefore identify whether changes are needed

to ensure the exemptions regime functions appropriately for current and future energy markets

- Net Zero and
- ensuring all market participants pay their fair share of policy and network costs.

4. Ofgem Update

Change Proposals

4.1 DCP 266 'The calculation and application of IDNO Discounts'is being finalised and Ofgem's decision should be published soon.

4.2 The Ofgem representative questioned whether the group wanted DCP 313 'Eligibility Criteria for EDCM Generation Credits'to be followed up on. The Chair noted that there are currently five CPs awaiting Authority Consent, four of which are beyond the 25 day Ofgem SLA and any updates are always appreciated.

4.3 DCP 343 'Use of a nominated calculation agent for the calculation of the LV mains split' continues to remain deprioritised, and whilst more work has been done, the CP has not been significantly progressed.

Network Charges Deferral Scheme

4.4 The Ofgem representative discussed the Network Charge Deferral Scheme, highlighting that the total worth of charges deferred now stands at £65.1 million. This would need to be paid in full by March 2021.

5. TCR Implementation

5.1 The group discussed the publication of banding information, and it was noted that there have been issues for multiple party types, but that this has now been completed and would be published on the Charging Futures website within the week. It was also noted that the information to be published is largely consistent with the information already available, although as the data is somewhat volatile, it would not be a surprise to see changes.

5.2 A member asked when it was expected that Suppliers would be able to see which bands customers will be assigned to, and also whether this information would be published for all customers. The official line is that banding information would be available in November.

5.3 The group also discussed DCP 376 'Provision of Customer Residual Charging Bands to Suppliers', and whether there would be an obligation under this CP to provide information, or if it would be on a voluntary basis. One member commented that if this data is to be received individually from DNOs and IDNOs, it would be beneficial for networks to agree common format. It was confirmed that this had already been discussed and a template had been created and circulated for networks to utilise.

6. Ofgem/Elexon Update on Market-wide Half-Hourly Settlements Process

6.1 The representatives from Ofgem and Elexon presented materials relating to the Market-wide Half-Hourly Settlements process, with an aim to gathering feedback from the group and answering any related questions. The presentation materials and the detail of the key points discussed are included within the published minutes of the meeting.

7. Actions

7.1 The DCUSA Panel is invited to:

- **NOTE** the contents of this Paper.

Angelo Fitzhenry
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