

DCUSA SIG Meeting 117 Minutes

26 February 2021 at 10:00am: Web Conference

Attendee	Company
Working Group Members	
Charles Deacon [CD]	Renewable Connections
George Barnes [GB]	Utilita
Karina Mølgaard [KM]	Centrica
Maddie Brooks [MB]	EDF Renewables
Matthew Paige-Stimson [MPS]	National Grid ESO
Paul Soskin [PS]	Arlington Energy
Peter Turner [PT]	NPg
Donald Preston [DP]	SSEN
Code Administrator	
Angelo Fitzhenry (AF) (Chair)	ElectraLink
Richard Colwill [RC]	ElectraLink
Dylan Townsend [DT]	ElectraLink
Apologies	
Peter Waymont [PW]	UKPN
Richard Ellis [RE]	WPD

1. Administration

- 1.1 The Chair welcomed the members to the meeting.
- 1.2 The Group reviewed the “Competition Law Guidance”. All members agreed to be bound by the Competition Law Guidance for the duration of the meeting.

2. Issues Log

- 2.1 The SIG reviewed the Issues Log. There was one open item, which was on the agenda for discussion (DIF 61). An updated issues log can be found in Attachment 1.

3. DIF 61 - Anti-competitive charging of Third Party DNO works to transmission connected users

Overview of DIF 61

- 3.1 Maddie Brooks and Charles Deacon provided an overview of DIF 61, full details of which can be found in Attachment 2.
- 3.2 A transmission connected customer (typically generation or energy storage) may be obliged to undertake a CUSC Third Party Works assessment with an affected Third Party (typically a DNO) as a condition of their contract with the NETSO. The CUSC is unable to govern the basis of DNO Third Party Works charges arising from the impact of transmission connected users, which can often be considerable and too much for one developer to fund.
- 3.3 The CCCM sets out DNO charging methodology for DNO connected customers and is governed by DCUSA. There is currently no mechanism to apply the CCCM to transmission connected customers who are not applying for a distribution connection pursuant to s16 of the Electricity Act. The principles of the Common Connection Charge Methodology (CCCM) include cost apportionment, whereby a distribution connected customer will only pay an amount proportional to capacity used if new capacity is created, with the rest socialised.
- 3.4 The Electricity Connection Charge Regulations (ECCR) allows for second comer charges for distribution connected customers and for the original customer to be rebated if another distribution connected party makes use of capacity they have paid for. The regulations do not apply in respect of works triggered by a transmission connected customer.
- 3.5 DIF 61 proposes to apply the CCCM to all electricity connection in respect of DNO works, regardless of whether they are directly connected to their distribution system or not. It also proposes to apply equivalence to the ECCR to provide reimbursement to the transmission connected customer in circumstances that the Cost Apportionment Factor rules do not apply and full charge for works is initially made to the transmission connected customer.

Review of DIF 61

- 3.6 SIG members on the call were invited to provide feedback on DIF 61.
- 3.7 One member asked how a DCUSA change would impact the transmission charging boundary. It was noted that the intent would be to apply the charging methodologies to all works undertaken by the DNO regardless of whether they are licenced distribution connection or not. It was also noted that

National Grid ESO have stated that this issue is out of scope of CUSC and should be picked up with DNOs.

- 3.8 One member informed the SIG of an [Ofgem Access and Forward-Looking Charges Significant Code Review Winter 2019 working paper](#). This looked at options for reforming the distribution connection charging boundary and options for focused reforms of transmission network charges and may be something to consider when a DCUSA Change Proposal Working Group is formed.
- 3.9 After discussions, it was acknowledged that this was an issue that needed to be further considered and that it should be raised as a DCUSA Change Proposal (CP). It was noted that the next DCUSA Panel meeting is 17 March and for a CP to be submitted to this meeting it would need to be submitted to the DCUSA Secretariat no later than 10 March.

ACTION 117/01: EDF to raise a DCUSA CP in relation to the issue of charging of Third Party DNO works to transmission connected users.

Next Steps

- 3.10 As noted above, EDF took an action to raise a DCUSA CP regarding issue of charging of Third Party DNO works to transmission connector users.

4. Any Other Business

- 4.1 There was no other business and the meeting was closed.

5. Date of Next Meeting:

- 5.1 The SIG has a standing timetable. The meetings take place on the last Friday of each month subject to any issues being tabled for discussion. The next meeting is scheduled for Friday, 26 March 2021 and the Secretariat will confirm if this meeting will go ahead no later than Friday, 19 March 2021.

Appendix 1

New and open actions

Action Ref.	Action	Owner	Update
117/01	EDF to raise a DCUSA CP in relation to the issue of charging of Third Party DNO works to transmission connected users.	EDF	On-going