

# DCP 328 Working Group Meeting 21

1 March 2021 at 10:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Edda Dirks [ED]	SSE plc
Donna Tonsend [DT]	Energy Assets
Pamela Howe [PH]	NPg
Lee Wells [LW]	NPg
Tom Chevalier [TC]	Power Data Associates
Kara Burke [KB]	NPg
Dave Wornell [DW]	WPD
Donal Preston [DP]	SSEN
Claire Campbell [CC]	SPEN
Lee Stone [LS]	E.ON
Will Ellis [WE]	Leep Utilities
David Fewings [DF]	Inenco
Derek McGlashan [DM]	Forth Ports
<b>Code Administrator</b>	
John Lawton [JL] (Chair)	ElectraLink
Richard Colwill [RJC] (Technical Secretariat)	ElectraLink
<b>Apologies</b>	
Peter Waymont [PW]	UKPN
Julia Haughey [JH]	EDF

## 1. Administration

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- 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 approved the minutes of the previous meeting as an accurate record.
- 1.4 An update on the actions can be found in Appendix 1.

## 2. Purpose of the Meeting

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- 2.1 The Chair set out that the purpose of the meeting was to review and agree the modelling legal text and specification documentation.

## 3. Review of Draft Legal Text and Modelling Specification

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- 3.1 The Working Group reviewed the proposed legal text and modelling specification documentation. Key points to discussions are below:

### Solution A – Rebate

#### Schedule 16

- Figure 1 – does not need to be updated for rebate solution.
- Section 92 – Revenue Matching
  - No change needed for the rebate solution.
- 95A amended to read:
 

For the tariffs to be used to calculate rebates for Fully Settled and Shared Metering customers connected to Licence Exempt Systems, calculated in paragraphs 88E and 88F, the residual surplus or residual shortfall for customers connected to Licence Exempt Systems will be scaled by multiplying the residual surplus or short fall for all-the-way customers calculated in paragraph 92 by the ratio of the revenue before matching for a customer connected to a Licence Exempt System calculated using the tariffs in paragraph 88B-88D, to the revenue before matching for a customer connected to a Licence Exempt System calculated using the tariffs in paragraph 88A.

For each customer group this is:

$$\begin{aligned} & [\text{Residual surplus or shortfall for Licence Exempt Systems customers}] = \\ & \frac{[\text{Residual surplus or shortfall for all – the – way customers}] \times [\text{Revenue before matching from License Exempt System tariffs}]}{[\text{Revenue before matching from all–the–way tariffs}]} \end{aligned}$$

## Schedule 17 and 18

- Paragraphs 28.2 now reads “The DNO Party applies the EDCM to calculate an import and export charge based on power flow data at the boundary **and the agreed capacity at the boundary. Prior to paragraph 28.3 and 28.4, for Final Demand Sites the residual charge will be calculated in accordance with Paragraph 18.18 and for Non-Final Demand Sites will be calculated in accordance to Paragraph 18.21A.**
- The above replaces the suggested 18.19 and 26.12 previously added.
- Paragraphs 28.4 updated to include shared metering as well as fully settled.

## Solution B – New Tariffs

### Schedule 16

- Figure 1 – does not need to be updated for tariffs solution.
- Section 92 – Revenue Matching, add the following to 92:

92. Revenue matching is achieved by:

- (a) apportioning the total value of the residual surplus or residual shortfall to be returned or recovered respectively, via a fixed charge to (i) the domestic LV-connected charging band and (ii) the specific charging bands set out in paragraph 2.4 of Schedule 32 on the basis of (A) the aggregated consumption of all Final Demand Sites in that band (including the consumption of any Related MPANs **and scaled consumption of any Fully Settled or Shared Metering MPANs associated with Licence Exempt Systems** where applicable), relative to (B) the combined total net consumption for all Final Demand Sites (including the consumption of any Related MPANs **and scaled consumption of any Fully Settled or Shared Metering MPANs associated with Licence Exempt Systems** where applicable) plus the total consumption for unmetered customers. **The consumption for Fully Settled or Shared Metering customers connected to Licence Exempt Systems will be scaled by multiplying by the ratio of the revenue before matching for a customer connected to a Licence Exempt System calculated using the tariffs in paragraph 88B-88D, to the revenue before matching for a customer connected to a Licence Exempt System calculated using the tariffs in paragraph 88A.**

$$\begin{aligned} & [\text{Consumption for Licence Exempt Systems customers for revenue scaling}] \\ &= [\text{Consumption for Licence Exempt Systems customers}] \\ &\times \frac{[\text{Revenue before matching from License Exempt System tariffs}]}{[\text{Revenue before matching from all – the – way tariffs}]} \end{aligned}$$

- There is now no need for the 95A, which is required within the rebate solution.

### Schedule 17 and 18

- Paragraphs 28.2 now reads “The DNO Party applies the EDCM to calculate an import and export charge based on power flow data at the boundary **and the agreed capacity at the boundary. Prior to paragraph 28.3 and 28.4, for Final Demand Sites the residual charge will be calculated in accordance with Paragraph 18.18 and for Non-Final Demand Sites will be calculated in accordance to Paragraph 18.21A.**”
  - The above replaces the suggested 18.19 and 26.12 previously added.
  - Paragraphs 28.4 updated to include shared metering as well as fully settled.
- 3.2 The Working Group agreed the above changes to the legal text and the updated text can be found in Attachments 1 and 2.
- 3.3 The Working Group reviewed the modelling specification document, which was circulated prior to the meeting. After review, it was agreed they would like the modelling service providers to provide CDCM and EDCM impact assessments using the 2022/23 CDCM and dummy national data for EDCM. Assumptions below:

#### **CDCM**

Difference metering – less than a hundred nationally

Fully settled – non-domestic 0.5%

Fully settled – domestic 0.5%

#### **EDCM**

Dummy national data

## Post Meeting Note

- 3.4 The modelling documentation has been issued to the service providers and we have received some questions from the modellers seeking clarification. An email was issued to the Working Group on Friday, 5 March asking for feedback on the modeller's questions by Tuesday, 9 March.

**ACTION 21/01: Working Group to review the questions posed by the modelling service providers and provide feedback by Tuesday, 9 March.**

## 4. Review of other legal text aspects and consultation document

- 4.1 At a previous meeting, it was questioned whether there was a need to create a pseudo MPAN in order to collect the gross metering data and whether it would be easier to add the sum of the settlement metering data received for MPANs contained within the Licensed Exempt network. An action was taken for the Working Group to consider further their preferred approach and whether the new clause 29.5A, and 29.5B are required.
- 4.2 It was agreed to delay these discussions to the next Working Group, but members are encouraged to consider the above prior to the meeting.

## Second Consultation Document

- 4.3 Regarding the rebate solution, the Working Group discussed how this rebate would be paid to the PNO. In the draft second consultation, the below questions have been raised. After discussion, it was agreed that the Working Group should provide a view on each of the below before issuing the second consultation and early thoughts have been provided below:

- How would a Private Network Operator know they could claim a rebate?
  - There should be a clause added to the Nation Terms of Connection (NTC) providing details of how a claim can be made.
  - Could there be a new Section within Schedule 16, 17 and 18, similar to Part 3 of Schedule 16 which details network unavailability rebate payments.
- Should there be a minimum value of claim?
  - Consideration is needed regarding a minimum claim. Should it be £5 minimum similar to Clause 178 in part 3 of Schedule 16, which reads as below:

*Distributed Generation Network Unavailability Rebate scheme payments will be calculated by the DNO Party on an annual basis (1st April - 31st March) and payments made shortly after the end of each year. This payment is automatic and does not need to be claimed by the generation customer. The de minimis level of rebate is £5 (and below that amount no payment will be made)*
- Should it be billed monthly, quarterly or annually?

- Similar to above should this be annually?
  - What about retrospective claims, how far back could you go if at all?
    - It was noted that PNOs will be able to make claims from the date that this CP is incorporated into DCUSA. Retrospective claims would only be able to date back to the date of implementation and no more than six years.
  - Should the process form part of the bi-lateral connection agreement?
    - Further consideration needed.
  - What impact will this have on under and over recovery and how should it be accounted for?
    - Further consideration needed.
  - Should the process form part of the LC14 statement?
    - There should also be some details contained in the LC14 statements. Consideration is needed regarding what text should be included.
- 4.4 The draft consultation document needs to be updated to add commentary on the above questions and needs to be reviewed based on the recent discussions regarding both solutions. An action was taking to update the draft consultation ahead of the next meeting.
- 4.5 JL took an action to draft some legal text to include an additional section in Schedule 16 to cover off the rebate process and to also look at the NTC to see if any additional text could be included.

**ACTION 21/02: Secretariat to update the draft consultation document ahead of the next meeting.**

**ACTION 21/03: Produce draft legal text to include an additional section in Schedule 16 to cover off the rebate process.**

**ACTION 21/04: To review the NTC to see if any text could be introduced regarding the rebate process.**

## 5. DCP 328 Work Plan

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- 5.1 An updated work plan can be found in Attachment 3.

## 6. Any Other Business

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- 6.1 There were no other items raised.

## 7. Date of Next Meeting

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- 7.1 The date of the next meeting was confirmed for **Tuesday, 16 March 2021, starting at 10am.**

## 8. Attachments

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- Attachment 1: DCP 328 Legal Text - Solution A
- Attachment 2: DCP 328 Legal Text - Solution B

- Attachment 3: DCP 328 Work Plan

## New and open actions

Action Ref.	Action	Owner	Update
<b>01/01</b>	ElectraLink to consider approaches to ensure appropriate engagement with private network operators.	ElectraLink	Ongoing and considered at each meeting or consultation circulation
<b>18/01</b>	The Working Group to consider whether Clause 29.5A and 29.5B are required and confirm their preferred approach.	All	It was agreed that this decision can be discussed whilst the modelling work is being completed and therefore will be considered later.
<b>18/05</b>	The Working Group to consider the questions posed in 3.13 (meeting minutes 18) ahead of discussions at the next meeting.	All	Ongoing review
<b>21/01</b>	Working Group to review the questions posed by the modelling service providers and provide feedback by Tuesday, 9 March.	All	Ongoing
<b>21/02</b>	Secretariat to update the draft consultation document ahead of the next meeting.	ElectraLink	Ongoing
<b>21/03</b>	Produce draft legal text to include an additional section in Schedule 16 to cover off the rebate process.	JL	Ongoing
<b>21/04</b>	To review the NTC to see if any text could be introduced regarding the rebate process.	JL	Ongoing



## Closed actions

Action Ref.	Action	Owner	Update
17/01	The Secretariat to keep the DCP 328 Working Group up-to-date on the progress of DCPs 358-361 so that if this CP is reconvened appropriate decisions can be made to progress the solution.	ElectraLink	Completed
18/02	The Secretariat to consider the Faster Switching Programme and any impacts this may have on the current draft legal text.	ElectraLink	Completed
18/03	Update the draft legal text to be reflected against the latest approved and yet to be implemented legal text for 16,17 and 18 to be introduced in April 2022	ElectraLink	Completed
18/04	The Working Group to consider options for residual charges for fully settled metering solution and consider whether there is a mechanism needed to deal with surplus residual ahead of the next meeting.	All	Closed
19/02	The Working Group to review the updated legal text in Attachment 1 and 2 and provide comments by Friday, 6 <sup>th</sup> February.	All	Completed
19/03	Secretariat to invite the modelling service providers to the next meeting.	ElectraLink	Completed
19/01	Based on suggested amendments to Schedule 16 in Paragraph 3.6 does the diagram in paragraph 3.7 need amending?	All	Completed
20/01	Working Group to review the draft legal text within Attachments 1 and 2 and provide feedback by Friday, 19 <sup>th</sup> February.	All	Completed
20/02	Working Group to consider the modelling impact assessment volumes so that this can be articulated in the modelling documentation.	All	Completed