

Distribution Charging Methodologies Development Group (DCMDG) - Meeting 39

06 May 2021 at 10:00

Teleconference via Microsoft Teams

Attendees	Company
Alan Fradley [AF]	SSE
Andrew Neves [AN]	Engage Consulting Ltd
Ahna Taylor [TA]	SSE
Chris Barker [ENWL]	Electricity North West
Chris Ong [CO]	UK Power Networks
Claire Campbell [CC]	SP Energy Networks
David Fewings [DF]	Inenco
Dave Wornell [DW]	Western Power Distribution
Edda Dirks [ED]	SSE Generation
George Moran [GM]	British Gas
Kara Burke [KB]	Northern Powergrid
Kyran Hanks [KH]	Waters Wye Associates
Karl Maryon [KM]	Haven Power
Kayt Button [KB]	Ofgem
Laura Waldron [LWa]	Engie UK
Lee Stone [LS]	E.ON
Lee Wells [LW]	Northern Powergrid
Mark James [MJ]	UK Power Networks
Megan Coventry [MC]	SSE
Paul Farmer [PF]	Shell Energy Retail Limited
Peter Tubey [PT]	Scottish Power
Rachel Mackinnon [RM]	Scottish Power
Rustam Majainah [RMj]	OVO
Ryan Roberts [RR]	Energy Potential
Tom Chevalier [TC]	Power Data Associates
Thomas Cadge [TCa]	BU-UK
Tom Perryman [TP]	St Clements Services Limited
Tom Faulkner [TF]	Cornwall Insight
Tony Collings [TCO]	Ecotricity
Secretariat	
Angelo Fitzhenry [AF] (Chair)	ElectraLink
Dylan Townsend [DT]	ElectraLink
Amina Uddin [AU] (Technical Secretary)	ElectraLink

1. Administration

- 1.1 The Chair welcomed the DCMDG attendees to the meeting.
- 1.2 The Chair noted apologies received from Julia Haughey [JH].
- 1.3 The Group reviewed the DCUSA “Competition Law Guidance” and agreed to be bound by this for the duration of the meeting.
- 1.4 Attendees reviewed the draft minutes from the last meeting, held on 01 April 2021 and agreed that they were an accurate representation of the discussions held.
- 1.5 Attendees were informed that the Actions Log was up to date and a version can be found as Attachment 1.

2. DCMDG Forward Work Plan and Issues Log

- 2.1 The group reviewed the DCMDG Forward Work Plan and Issues Log and an updated version can be found as Attachment 2.
- 2.2 The Chair confirmed that there were no new issues to discuss.
- 2.3 The Chair gave a brief overview on the DCUSA Charging Methodology Change Proposals and External Activities within the Forward Work Plan.
- 2.4 One member noted that there was discussion going on between CCDG and Distributors about the information that Distributors would like out of Market-Wide Half Hourly Settlement (MHHS) to enable new and different ways of calculating distribution charges and other related activities.
- 2.5 The Chair questioned if the group would appreciate a formal presentation from Ofgem and/or Elexon during the next meeting and members agreed that they have previously found the information and materials to be helpful.
- 2.6 One member noted that a discussion around the potential implications of MHHS on the current methodologies for calculating distribution charges may be useful to the DCMDG, if someone could present on the topic. There was a general consensus that Ofgem and/or Elexon should be invited to present on the recently released consultations related to MHHS.

3. Ofgem Update

- 3.1 KB provided an update on behalf of the Authority with respect to matters that are deemed to be in scope of the group. A summary of the update is set out in the paragraph below.
- 3.2 It was noted that there are two Change Proposals (CPs) with the Authority for decision, being DCP 313 and DCP 343, both of which continue to be deprioritised.
- 3.3 With respect to the three new CPs related to the furtherance of Ofgem’s TCR decision that have been recently raised, KB confirmed which Ofgem representatives will be joining the respective Working Groups. The CPs and the respective Ofgem representatives are set out below:

DCP 387 'Amendment to the Definition of Non-Final Demand Site to Align with CUSC'	Lina Apostoli
DCP 388 'Amendments to Facilitate Appropriate Residual Charging for Sites with a Mix of Final and Non-Final Demand'	Phil Brodie
DCP 389 'TCR – Clarification on Exceptional Circumstances and Allocation Review for 'New' Sites'	Hilary Algert

- 3.4 KB updated the group that BSC Modification P402 'Enabling reform of residual network charging as directed by the Targeted Charging Review' was with the Authority for decision and that the expected decision publication date is 17 May 2021.
- 3.5 KB informed members that Ofgem is trialling a new approach to how and when they make code modification decisions. It was noted that this has come about following a review of their Key Performance Indicator (KPI) for making code modification decisions, which up until this point had been set at 25 Working Days.
- 3.6 It was noted that Ofgem's new approach will be to assess each modification, based on importance, urgency and impact of the modification taking into account their strategic priorities. This assessment will be used to derive an expected decision date, which will then be published on the Ofgem website. The following link, to the dedicated page on Ofgem's website, was shared during the meeting: "[Modifications with Ofgem for Decision – Expected publication dates timetable](#)".
- 3.7 One member commented that they were looking forward to utilising the refined timetable based on this new approach as it was expected to be of benefit when tracking industry change.
- 3.8 KB informed members that, following a decision to take up a new role outside of Ofgem, Hilary Algert will be the new Ofgem representative at future DCMDG meetings. The Chair thanked KB for the continuous contribution and support to DCMDG and wished KB all the best for the future.
- 3.9 KB noted the request for a document setting out any information published by Ofgem related to 'mixed use sites' had not been forgotten and that this will be provided within the next two weeks. It was noted that the original request was made by DT during the April DCMDG meeting, however several members stated that they also wished have sight of it. Therefore, KB agreed to provide the document to the Secretariat who would then send on to all DCMDG members.

4. Targeted Charging Review (TCR) Implementation Update

- 4.1 A member noted that there have been some requests coming from some DNOs with regard to obtaining data pertaining to Measurement Class G customers and wanted to understand the rationale behind this request. One member explained that the DNOs are not provided with the data for Measurement Class G customers via the normal mechanisms (i.e., data flows) and that the data is required for the purposes of the allocating customers to residual charging bands in the future. The Chair went on to explain that the data used for the initial allocation of customers to residual charging bands was provided by ElectraLink which was extracted from data collected via the Data Transfer Service.

- 4.2 Another member noted that they thought there had been some discussions under the auspices of the BSC related to whether the changes resulting from the MHHS programme of work may be able to provide a solution for the Measurement Class G data issue. To which, a member noted that they have been looking a raising a change in this area, however, at this stage they are still considering how best to go about it.
- 4.3 One member checked regarding a comment that where data is not provided then some DNOs will allocate a customer to the highest residual charging band, to which it was confirmed that this was the case for at least one DNO.

5. Agenda Items for the next meeting

- 5.1 The Chair noted that an invitation will be extended to Ofgem/Elexon with a view to them providing the DCMDG with an overview of the current and planned phases of the MHHS programme.

6. Any Other Business (AOB)

- 6.1 There were no items of 'any other business' raised and therefore the Chair thanked members for their attendance and closed the meeting.

7. Date of Next Meeting

- 7.1 The next DCMDG meeting will be held on 03 June 2021 via Microsoft Teams/Teleconference at 10am.

8. DNO Operational Matters

- 8.1 There were no DNO Operational Matters raised at this meeting.

9. Attachments

- Attachment 1 – Updated DCMDG Actions Log
- Attachment 2 – Updated DCMDG Forward Work Plan