

DCP 328 Working Group Meeting 26

25 May 2021 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Edda Dirks [ED]	SSE plc
David Fewings [DF]	Inenco
Dave Wornell [DW]	WPD
Thomas Cadge [TC]	BUUK
Lee Wells [LW]	NPg
Kara Burke [KB]	NPg
Donal Preston [DP]	SSEN
Will Ellis [WE]	Leep Utilities
Chris Ong [CO]	UKPN
Tom Chevalier [TC]	Power Data Associates
Oliver Bubb-Humfries [OBH]	CEPA
Gordon McFadzean [GM]	TNEI Group
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Richard Colwill [RJC] (Technical Secretariat)	ElectraLink
Apologies	
Peter Waymont [PW]	UKPN
George Moran [GM]	Centrica
Shannon Murray [SM]	Ofgem
Kathryn Evans [KE]	SPEN

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 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

- 2.1 The Chair set out that the purpose of the meeting was to review the modelling questions posed by Working Group members, the legal text and latest consultation document.

3. DCP 328 Modelling

- 3.1 Oliver Bubb-Humfreys (CEPA) and Gordon McFadzean (TNEI Group) were invited for this agenda item to discuss some queries received from Working Group members.

- 3.2 Key points from these discussions are below:

- There is a potential for private networks being charged more for the connection on the rebate scheme. After discussion, it was agreed there will be no negative rebates, i.e. private networks will not be charged more than they would if they were connected to the DNO network. It was agreed that this needed to be made clear in the legal text and consultation document.
- Comparison with LDNO tariffs. The following text was included in the modelling summary document:
 - LES tariffs are similar in kind to LDNO tariffs, which also aim to exclude costs/assets associated with network levels below a boundary. LDNO tariffs are calculated in the PCDM as a percentage of ATW tariffs and are typically stable from year-to-year and apply equally to tariffs at the same network level.
 - By contrast, LES tariffs are highly dependent on the distribution of costs between network levels in the CDCM for each tariff. The share of the residual paid at a LES boundary is also determined by the ratio between LES and all the-way pre-matching revenues, which are dependent on the ratio of average volumes recorded for that customer category. LES tariffs can therefore be greater or lesser than LDNO tariffs for the equivalent boundary level.

It was therefore agreed to add a consultation question for respondents to consider, based on their portfolio, whether the impacts in this area are material.

- EDCM Impact Assessment – the consultation document to be populated with commentary on the impact assessment and any associated attachment.

- Legal text needs to be updated to reflect the CDCM and EDCM assumptions.

4. Review of Legal Text

4.1 As stated above, there was an action to update the legal text based on discussions. The following updates have now been made to the legal text:

- CDCM assumptions:
 - Volumes
 - Revenue Matching
 - Unmetered Supplies residual
 - Fixed adder for SoLR and bad debt
- EDCM assumptions:
 - Allocation of fixed charge to import/export
- CDCM cap on rebates

4.2 The updated legal text can be found in Attachment 1 and Attachment 2.

5. Review of Second Consultation Document

5.1 The Working Group stepped through the current draft consultation document. Key points to the discussion can be found below:

- Date for release of the consultation has been provisionally set at 03 June 2021, with a deadline for responses by 01 July 2021.
- Various changes have been made post meeting in relation to EDCM impact assessment, CDCM assumptions, cap on rebates and comparison with IDNO tariffs and an updated version of the consultation can be found in Attachment 3.
- Working Group members were emailed on 01 June, with a request to provide any further comments by midday 03 June.
- The updated legal text was also circulated on 01 June, with a request to provide any further comments by midday 03 June.
- Lastly, an updated version of the Energy Park example with a worked example of the proposed solution was circulated for review by midday 03 June. This can also be found in Attachment 4 of these minutes.

ACTION 26/01: Working Group to review the consultation document, updated legal text and the updated energy park example and provide comments by midday 03 June 2021.

6. DCP 328 Work Plan

6.1 An updated work plan can be found in Attachment 5.

7. Any Other Business

7.1 There were no other items raised.

8. Date of Next Meeting

8.1 The date of the next meeting was confirmed for **Monday, 10 May 2021, starting at 10am.**

9. Attachments

- Attachment 1: DCP 328 Draft Legal Text – Solution A
- Attachment 2: DCP 328 Draft Legal Text – Solution A
- Attachment 3: DCP 328 Consultation
- Attachment 4: Example EDCM Energy Park
- Attachment 5: DCP 328 Work Plan

New and open actions

Action Ref.	Action	Owner	Update
01/01	ElectraLink to consider approaches to ensure appropriate engagement with private network operators.	ElectraLink	Ongoing and considered at each meeting or consultation circulation
25/02	SM to review whether there are any approved charging methodologies for Private Networks with fully settled metering.	SM	Ongoing
26/01	Working Group to review the consultation document, updated legal text and the updated energy park example and provide comments by midday 03 June 2021.	All	

Action Ref.	Action	Owner	Update
25/01	Working Group to review Attachment 1 of these minutes and confirm provide any comments.	All	Closed
25/03	Working Group to review the current draft consultation document found in Attachment 2 and provide any feedback by Wednesday, 19 May.	All	Closed
25/04	Working Group to review the updated legal text found in Attachment 3 and provide any comments by Friday, 21 May.	All	Closed
25/05	KB and DP to consider how best to undertake the EDCM impact assessment for the fully settled solution.	KB and DP	Closed