DCP 328 Working Group Meeting 29

24 September 2021 at 14:00 - Web-Conference

Attendee	Company
Working Group Members	
Edda Dirks [ED]	SSE plc
Dave Wornell [DW]	WPD
Thomas Cadge [TC]	BUUK
Kara Burke [KB]	NPg
Shannon Murray [SM]	Ofgem
Tom Chevalier [TC]]	Power Data Associates
Derek McGlashan [DM]	Forth Ports
Code Administrator	
Angelo Fitzhenry [AF] (Chair)	ElectraLink
Dylan Townsend [DT] (Technical Secretariat)	ElectraLink
Apologies	
Chris Ong [CO]	UKPN
Peter Waymont [PW]	UKPN
Donald Preston [DP]	SSEN

1. Administration

1.1 The Working Group reviewed the "Competition Law Guidance". All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.

1.2 The Working Group reviewed the minutes from the last meeting and agreed that the minutes were an accurate reflection of the discussions held.

1.3 The Working Group noted the items on the actions list from the last meeting. Updates on all actions are provided in Appendix A.

2. Purpose of the Meeting

2.1 The Chair set out that the purpose of the meeting was to continue to review the responses to the consultation and determine next steps.

3. Review of collated consultation responses

3.1 During the review of the consultation responses the following key points were noted:

Question 13:

3.2 Question 13 asked respondents whether there are any unintended consequences associated with DCP 328 and licence obligations.

3.3 There were concerns raised by respondents regarding Distributor licence obligations as stated by the proposer in the consultation. One responded noted that concern may be addressed through the EU regulations (Article 37 of the 2009/72 Third Energy Package, para 6., as adopted into UK law. The response is detailed below:

"We believe that this concern is addressed by EU regulations (Article 37 of the 2009/72 Third Energy Package, para 6., as adopted into UK law through the Brexit Withdrawal Act), which states that the regulatory authority shall be responsible for fixing or approving transmission and distribution tariffs or their methodologies. In the legal hierarchy, the EU regulation sits above the licence and therefore supersedes it, which, in our view, gives the regulator the powers to approve the proposed charging methodology changes even though they are not underpinned by the distributors' licence".

3.4 An action was taken to seek an independent legal opinion on the above.

ACTION 29/01: Secretariat to seek legal opinion on whether Article 37 of the 2009/72 Third Energy Package addresses the licence condition concerns raised in the consultation.

Question 14:

3.5 Question 14 asked respondents whether they had any comments on the legal text.

3.6 It was noted that the "and" in the below text needs to be amended to "or" in the legal text for option A.

"29.5A The following provisions shall apply in the case of an Entry Point or Exit Point on the Company's Distribution System that is subject to a Difference Metering arrangement and a Shared Metering arrangement"

3.7 It was noted that on page 7 of schedule 16, at the top of para 88, the text still refers to both fully settled and shared metering. Shared meeting will be deleted from the text.

3.8 It was noted that the capacity elements and reactive power elements will be allocated to the fixed charge based using an average kVA or kVArh. One respondent asked why the charging methodologies has been altered in this way. An action was taken to review the first consultation to determine the reasons for this decision and add to the action log to ensure this is captured.

ACTION 29/02: Secretariat to review legal text and make necessary amendments as stated in paragraph 3.6 and 3.7 of meeting 29 minutes.
ACTION 29/03: Secretariat to review previous discussions regarding capacity and reactive charges to determine why decision was made to allocate to the fixed charge using an average KVA or KVArh.

Question 15:

3.9 Question 15 asked respondents believe that the DCUSA Charging Objectives are better facilitated by this CP.

3.10 The Secretariat took an action to summarise these responses and the Working Group will make a final decision on this when producing the Change Report.

Question 16:

3.11 Question 16 asked respondents if they agreed with the proposed implementation date of April 2022, if this CP is approved.

3.12 The Working Group noted the responses and a decision on an appropriate implementation date will be made once a decision on the preferred solution has been made.

Question 17:

3.13 Question 17 asked respondents if they had any other comments to add.

3.14 The competition law concerns were articulated again, and it was noted that within the Change Report it will note that DNOs undertaken an AEC test may be beneficial.

3.15 Another comment stated that the solution may result in the disclosure of data not currently in the public domain. It was agreed that within the Change Report, clarity would be added regarding what data would be published.

3.16 One comment received was as follows:

"We believe that the assessment of this change would be more readily completed if a broader access to some final tariffs were available. We have attempted to undertake some work to highlight our concerns but we are aware that this work is incomplete and does not consider the broad range of eventualities for private network operation. We would welcome further transparency of the tariffs, if possible, ahead of the voting phase for this change proposal"

3.17 Clarity was added that the respondent was hoping to see what the end tariffs would look like and what the impacts to IDNOs would be. KB noted that they had undertaken some analysis on this and that also the impact assessment provides some data on the above. KB forwarded some analysis via email to the Working Group on 24 August and RC also forwarded the impact assessment analysis. The Working Group was asked to review this data for discussion at the next meeting.

4. Review of Issues Log

4.1 It was noted that the Secretariat should ensure that all the actions captured at the last meeting and this meeting are captured in the issues log.

4.2 An updated Issues Log can be found in Attachment 1.

5. Any Other Business

5.1 There were no other items raised.

6. Date of Next Meeting

6.1 The date of the next meeting has been scheduled for 17 September 2021.

7. Attachments

- Attachment 1: DCP 328 Issues Log

APPENDIX A

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
28/01	Billing the Primary supplier based on gross metered data from the boundary settlement meter. Concern raised that historically DCs were unable to provide this data. Secretariat to explore concerns further.	ElectraLink	Ongoing – captured in issues log
28/02	Secretariat to seek further information in relation to ENWL concern raised in question 3 of consultation.	ElectraLink	Ongoing – captured in issues log
28/03	Review the impact assessments to determine whether appropriate consideration was given in regard to impact on LDNO tariffs.	All	Ongoing – captured in issues log
28/04	Review the impact assessments to determine whether there are any impacts where an end customer is connected to the DNO via both an IDNO and private network.	All	Ongoing – captured in issues log
29/01	Secretariat to seek legal opinion on whether Article 37 of the 2009/72 Third Energy Package addresses the licence condition concerns raised in the consultation.	ElectraLink	
29/02	Secretariat to review legal text and make necessary amendments as stated in paragraph 3.6 and 3.7 of meeting 29 minutes.	ElectraLink	
29/03	Secretariat to review previous discussions regarding capacity and reactive charges to determine why decision was made to allocate to the fixed charge using an average KVA or KVArh.	ElectraLink	

Closed Actions

Action Ref.	Action	Owner	Update
25/02	SM to review whether there are any approved charging methodologies for Private Networks with fully settled metering.	SM	There are no approved charging methodologies for Private Networks with fully settle metering.
27/01	Secretariat to issue a doodle poll to members to confirm date which has best availability on which to hold the next meeting.	ElectraLink	Closed