DCP 392 Working Group Meeting 01

21 September 2021 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Charles Deacon [CD]	Renewable Connections
Edda Dirks [ED]	SSE Generation
Grant Rogers [GR]	WPD
Gwen MacIntyre [GM]	SSE
Joanna Knight [JK]	SSE
Mike Harding [MH]	BU-UK
Simon Vicary [SV]	EDF
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Apologies	
George Barnes [GB]	Utilita
Peter Turner [PT]	NPG
Tom Cadge [TC]	BU-UK

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 There were no additional comments or feedback relating to the Working Group Terms of Reference.

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 introduce a new Change Proposal (CP) into DUCSA and to determine the next steps to deliver this to the DUCSA Panel.

3. Overview of DCP 392

3.1 SV provided an overview of the CP to the group.

3.2 The purpose of this CP is to apply the common connection charging method (CCCM) to all electricity connections in respect of DNO works, regardless of whether they are directly connected to a distribution system or not, and to apply the equivalent of the Electricity (Connection Charges) Regulations (ECCR) for reimbursement to the transmission-connected customer where cost apportionment factor (CAF) rules do not apply so that full charge for works is initially made to the transmission connected Customer.

3.3 SV explained that if a Party wanted to connect to the Distribution Network and triggered DNO works, then there are methodologies applied to recover the costs from the User (partial/full). If a Party is connected to a Transmission Network, they may trigger works that are required on a DNO Network where the charging approach to these Users are not clearly defined.

3.4 It was suggested there may be discrepancies relating to where people connect to the Electricity Networks and the intent of this Change is to add clarification to ensure consistency across connections.

4. Review and Discussion of Change Proposal

4.1 The Working Group reviewed both the Change Proposal alongside the Background Paper that was circulated prior to the meeting, which addressed a concern raised relating to the progression of this CP.

4.2 A concern was raised by a Party regarding the scope and intent of DCP 392 when the CP was issued for interested Parties to join an upcoming Working Group, and also whether this Change should be deemed by the Panel to fall within the vires of DCUSA and the CCCM.

4.3 It was suggested that this would be an issue that falls within the remit of CUSC and should therefore be discussed whether this CP will proceed under DCUSA or CUSC moving forward.

4.4 Legal advice was sought on this concern and after further review, it was agreed that this CP is not a matter for the CUSC and would more sensibly be dealt with in the DCUSA. It was also noted that

although tis CP would be a distribution matter, there seems to be complexities that may not allow for this CP to be easily dealt with.

4.5 It was noted that there is outstanding conversation to be held with MH and Gus Wood from Gowlings which may provide additional information/feedback to the Working Group. Members suggested having this discussion with Gus Wood to include additional Working Group members who wish to attend.

ACTION 01/01: Secretariat to invite Working Group members to have further discussion with Gus Wood from Gowlings regarding concerns around this CP.

4.6 One member raised a number of queries relating this CP which were further discussed within the group:

4.7 *Where are the arrangements formalised which set out that transmission users pay 100% of the cost for distribution reinforcements they have triggered?*

- One member stated that these arrangements are not in fact formalised and no charging mechanisms are in place – when an offer is accepted from an ESO, there is a Clause to say that Third Parties who may be affected must be contacted for an assessment and resolve these works. It was noted that the CUSC CMP 328 Mod is looking to formalise the administrative process for this, however the charging aspect is out of scope for the CUSC.

4.8 *What, if any, are the reimbursement arrangements for the reverse situation (i.e., where a distribution user pays for transmission reinforcement as per DCUSA Schedule 22, Clause 1.43 to 1.44A?*

- One member stated that there may be a view that various DNOs may have an informal arrangement in place for the reverse situation. It was suggested that all DNOs and ESOs are contacted to see how they deal with connections in these circumstances.

ACTION 01/02: Secretariat to draft an RFI to all DNOs and ESOs regarding their processes relating to reimbursement arrangements where a distribution user pays for transmission reinforcement (as per DCUSA Schedule 22, Clause 1.43 to 1.44A.

4.9 *Do the ECCR provision apply only where the connectee (whether at transmission or distribution level) has fully paid for works, or also if they have made a partial contribution (DCUSA Schedule 22, Clause 1.8)?*

- It was noted that there are inconsistencies with references to ECCR in the DCUSA Schedule 22 where it states that the ECCR applies to connectee's who have paid in full for works, and in other areas it references the ECCR applies to those who have paid in either full and/or partial for works, which needs to be resolved. An action was taken to review the various terminology (paid/partial works) within the DCUSA Schedule 22, Clause 1.8.

ACTION 01/03: Secretariat to review the various terminology relating to ECCRs (paid/partial works) within the DCUSA Schedule 22, Clause 1.8.

- JL stated that the ECCRs are in effect in Section 19 of the Electricity Act and deals with connections to the distribution system. Due to this, it is not clear how the ECCRs can apply to a user connected to the transmission system.

- The ECCRs were revised in 2017, meaning Schedule 22 of the DCUSA may need to be amended to reflect any changes.

- MH agreed to provide the Secretariat with the current 2017 ECCR document to be circulated to the Working Group for information post-meeting. It was also agreed to circulate the ECCR Guidance Document (baseline draft) by Ofgem to the Working Group; although it was noted that this has not yet been published.

ACTION 01/04: Secretariat to circulate the current 2017 ECCR document as well as the ECCR Guidance Document (baseline draft) by Ofgem to the Working Group for information post-meeting.

4.10 Within the CP, it states that it is proposed that the common connection charging method (CCCM) be applied to all electricity connections in respect of DNO works, regardless of whether they are directly connected to a distribution system – the Chair asked the group, how would a DNO know if such instances were going to happen? Members discussed this and agreed that it would be useful to have an ESO Representative join the Working Group for these conversations.

ACTION 01/05: Secretariat to invite an ESO Representative to join the Working Group.

4.11 The Chair also noted that an Ofgem Representative should be invited to this Working Group as it is a Part 1 Matter, and an action was taken to seek regulatory representation.

ACTION 01/06: Secretariat to invite an Ofgem Representative to join the Working Group.

5. Next Steps and Work Plan

5.1 The Working Group discussed the next steps, and the following items were captured:

1. The Working Group will seek further legal advice from Gus Wood on Thursday 23 September 2021 at 2:30pm.
2. The Secretariat will draft and issue an RFI to all DNOs and ESOs regarding their processes relating to reimbursement arrangements to Transmission Networks.
3. A second Working Group meeting will be scheduled to discuss the responses to the RFI and any ongoing concerns around the intent of the CP.

6. Any Other Business

6.1 There were no other items raised.

7. Date of Next Meeting

7.1 The date of the next meeting has been scheduled for 13 October 2021 at 10am.

8. Attachments

- Attachment 1: Electricity Connection Charges Regulation (ECCR) 2017

- Attachment 2: ECCR Guidance Document Baseline Draft (Ofgem)

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
01/02	Secretariat to draft an RFI to all DNOs and ESOs regarding their processes relating to reimbursement arrangements where a distribution user pays for transmission reinforcement (as per DCUSA Schedule 22, Clause 1.43 to 1.44A.	ElectraLink	Ongoing. Deadline for response is 12 October 2021. Responses will be presented at the next Working Group meeting (WG 02).
01/03	Secretariat to review the various terminology relating to ECCRs (paid/partial works) within the DCUSA Schedule 22, Clause 1.8.	ElectraLink	Ongoing.
01/05	Secretariat to invite an ESO Representative to join the Working Group.	ElectraLink	Ongoing. Grahame Neale (National Grid) has been asked to be the ESO Rep for DCP 392.

Closed Actions

Action Ref.	Action	Owner	Update
01/01	Secretariat to invite Working Group members to have further discussion with Gus Wood from Gowlings regarding concerns around this CP.	ElectraLink	**Completed.** Meeting is being held on 23 September at 14:30.
01/06	Secretariat to invite an Ofgem Representative to join the Working Group.	ElectraLink	**Completed.** Dafydd Burton is the Ofgem Rep for DCP 392.
01/04	Secretariat to circulate the current 2017 ECCR document as well as the ECCR Guidance Document (baseline draft) by Ofgem to the Working Group for information post-meeting.	ElectraLink	**Completed.** These have been included within the post-meeting pack.