

Distribution Charging Methodologies Development Group (DCMDG) - Issue 09 Sub-Group - Meeting 01

06 January 2021 at 10:00am

Teleconference via Microsoft Teams

Attendees	Company
Charles Mott [CM]	SSE
Diandra Orodan [DO]	BU-UK
David Fewings [DF]	Inenco
Kara Burke [KB]	NPg
Lee Stone [LS]	E.ON
Mark Jones [MJ]	SSE
Tim Ellingham [TE]	RWE Generation
Tony Collings [TC]	Ecotricity
Secretariat	
Angelo Fitzhenry [AF] (Chair)	ElectraLink
Dylan Townsend [DT] (Technical Secretariat)	ElectraLink

1. Administration

- 1.1 The Chair welcomed the DCMDG Sub-Group attendees to the meeting.
- 1.2 The Sub-Group reviewed the DCUSA “Competition Law Guidance” and agreed to be bound by this for the duration of the meeting.

2. DCMDG Forward Work Plan and Issues Log

- 2.1 The Chair questioned if there was need to cover off what the issue at hand was or if members were generally comfortable with the topics raised by the issue that had been submitted, to which members agreed that there was no need for a detailed overview. TE, who originally raised the issue, agreed to provide a brief summary of the issue for the benefit of the group.
- 2.2 It was explained that renewable developers are looking to align with end consumers to fix the price of output from generation projects via Corporate Power Purchase Agreements (CPPAs). It was noted that one practical way of facilitating this via the BSCP550 methodology, which allows for the allocation of active energy volumes from a single generation project across more than one supplier. This is achieved via the creation of ‘pseudo’ or additional MPANs which are then associated with the ‘primary’ MPAN.
- 2.3 It was noted that the issue which arises from this approach is related to over-charging of the fixed element of DUoS costs and more specifically, that there appear to be different descriptions

(i.e., pence per day vs. pence/MPAN/day) across the methodologies contained in the DCUSA and those that are set out in the DNO charging statements.

2.4 The Chair noted that the issue form, by way of some general questions, helpfully provides a steer as to what the group should consider and that these questions were:

- Is the charging statement wrong?
- Is the EDCM/DCUSA wrong?
- Should virtual EHV MPANs attract physical fixed charges?
- Which document/s should change?

2.5 Members of the group clarified their views in relation to the issue described and agreed that the issue stems from the fact that whilst DNOs can associate multiple MPANs that are registered by a single Supplier, their systems can't currently associate multiple MPANs that are registered across more than one Supplier. It was agreed that the issue is therefore not to do with the way in which the charge is specified, (i.e., as a pence/day amount or as a pence/MPAN/day amount) but one that is related to current system limitations.

2.6 With respect to the questions set out in the issue form itself, members came to the following conclusions:

- On the question of whether the charging statement is wrong, it was agreed that the contents of the charging statement were not the root cause of the issue, although agreed that alignment with the Charging Methodologies would be welcomed.
- On the question of whether the EDCM and/or the DCUSA more generally is wrong, members were of the view that this wouldn't be a correct assertion.
- On the question of whether virtual (pseudo) EHV MPANs attract physical fixed charges, members agreed that in a fixed charges should only be applied to MPANs set up to record physical power flows.
- On the question of which document/s should change, members agreed that a DCUSA Change Proposal is likely the best course of action to attempt to resolve the issue.

2.7 The Chair explained that his understanding of what the group was set up to consider was limited to confirming the existence of an issue and where an issue was found to exist, consideration was to be given on what could be done to resolve it. The Chair suggested that the given the discussions noted above, the group had likely met its objectives questioned if members had anything further to add. It was noted that members agreed with the Chair and not further comments were received.

2.8 The Chair summarised the next steps as being for TE to proceed with raising a formal Change Proposal in order to amend the DCUSA taking into account the discussions had during this meeting. The Chair confirmed that the Secretariat could provide assistance, in relation to ensuring the Change Proposal contained the information needed for it to be progressed into the Change Control process.

3. Any Other Business (AOB)

3.1 No items of AOB were raised and the Chair closed the meeting.