

DCP 392 Working Group Meeting 03

27 October 2021 at 14:00 - Web-Conference

Attendee	Company
Working Group Members	
Charles Deacon [CD]	Renewable Connections
Edda Dirks [ED]	SSE Generation
Gwen MacIntyre [GM]	SSEN
Joanna Knight [JK]	SSEN
Peter Turner [PT]	NPg
Simon Vicary [SV]	EDF
Tom Cadge [TC]	BU-UK
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Apologies	
Grahame Neale [GN]	National Grid ESO

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 additional comments relating to the previous meeting minutes (WG meetings 01 & 02) – updated versions can be found as **Attachment 1 & Attachment 2**.
- 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 review the DNO RFI 02 responses, continue reviewing the outcomes from Gowlings and review the legal text.

3. Continuation of Review of Discussion with Gowling

- 3.1 The Working Group continued the review of the document created by MK with embedded comments from the previous meeting.

Economic Costs of Connection

- 3.2 One member stated that it may not be appropriate for the Consumer to fund and subsidise higher connection costs. The Working Group felt it was necessary to highlight that this is an opinion from one of the Working Group members and other Parties may have an alternate view on this.
- 3.3 Another member stated that DNOs have funding in place for distribution triggered connections (can recover costs through DUoS Customers) and queried whether there is funding in place for transmission connected customers – the Working Group agreed this needs to be further considered.

Working Group Discussion of Document

- 3.4 One member queried the status of this document and what will be used for moving forward and discussion outcomes from the document may better sit within the Consultation. It was also suggested that the name of the document (discussion with Gowling) should be amended as it does not appear to be an accurate reflection of what it entails.
- 3.5 The Working Group agreed that the MH opinions need to be clearly separated from the outcomes of the discussion with Gowling.
- 3.6 The Chair stated that this document can be used as background information and to help draw out any key points that may be able to be included within the Consultation.
- 3.7 The Working Group discussed and agreed that this document should include a caveat at the start which notes that this document represents a DCUSA Parties views which may not be reflective of the entire Working Group; however, this has been fed into the Working Group to help stimulate discussions.

ACTION 03/01: Secretariat to include a caveat at the start of the discussion with Gowling document to state that the opinions of one DCUSA Party may not be reflective of the entire Working Group.

ACTION 03/02: TC to amend the document name and comments within the document to better reflect the intent of a Working Group Background Information Paper to the Change Proposal.

- 3.8 The amendments to the document can be found as **Attachment 3**.

4. Review of DNO Responses to RFI 02

- 4.1 The Chair ran through each of the DNO responses to the second RFI for Working Group comments. An updated version can be found as **Attachment 4**.

Question 1 A) – How do Distributors calculate charges for a transmission connected Customer that has an impact on the distribution system? An example would be a transmission connection to a tertiary winding that trigger works on the distribution system.

- 4.2 The Working Group noted that one of the responses to this question relates to Distribution Connection rather than Transmission Connection. Noting this, the representative from this Party noted that they would pass those tertiary winding costs in full.

Question 1 B) – What methodology do you use to determine what costs should be charged?

- 4.3 Based on feedback during today's meeting, the Party that responded as though the question was related to Distribution Connection rather than Transmission Connection stated that they would align with another Parties response in which the scenario of a tertiary connection at transmission is not currently covered by the existing rules and the CCCM does not apply.
- 4.4 Due to this, there is currently no specific methodology, however it is expected they would charge the costs in full as no mechanism for cost apportionment applies.

Question 1 C) – Please provide justification for your charging arrangements, be that apportioning or charging in full.

- 4.5 The responses to the question reflected that the process is to charge in full which aligns with what they believe their current obligations are. It was noted that no alternative approaches have been suggested within the responses.

5. Legal Text Review & Location within DCUSA

- 5.1 The Working Group reviewed the current legal text extracted from Schedule 22 within the DCUSA – an updated version can be found as **Attachment 5**.
- 5.2 The Chair proposed that a new Schedule is implemented into the DCUSA specifically for Third Party requests – the Working Group agreed that a new Schedule sounds like the most sensible approach.
- 5.3 The Chair stated that the CCCM is on the DNO and asked the Working Group whether this change will apply to just DNOs or IDNOs as well – The Working Group discussed this and agreed this could be a potential question to include within the Consultation.
- 5.4 It was also suggested that there could be a Consultation question around whether it is appropriate for transmission connected customers that have an impact on the distribution system to be classed as 'other matters' which are outside the scope of the CCCM (as stated within Schedule 22, paragraph 3), or alternatively as a separate standalone document that can be referred to on the DCUSA website; and, whether there are any consequential impacts that may need to be considered.

- 5.5 TC agreed to take an action to draft some wording indicating what happens currently within the CCCM and use this to ask a Consultation question around whether this is the correct approach or whether IDNOs should also be included.

ACTION 03/03: TC to draft some wording indicating what happens currently within the CCCM which can be used to ask a Consultation question around whether this is the correct approach or whether IDNOs should also be included.

- 5.6 One member of the group suggested amending Third Party Works to Distribution Assessment as this will then be suitable regardless of the outcome of CMP 328. The Working Group agreed this was the best approach and the document was amended live.
- 5.7 A section within the legal text states that 'work required to reconfigure the Distribution System to meet your requirements where no additional Network or Fault Level Capacity is made available shall be charged in full to you'. The Working Group agreed that examples may need to be considered to go alongside this.
- 5.8 The Working Group discussed the 5 current exceptions within the legal text and agreed to reduce this to 2 exceptions (the original exception 2 and 4 remained with necessary amendments).
- 5.9 The Chair ran through the definitions table that are currently used within the application of the CAFs. The Working Group agreed that Existing Capacity will need to remain within the legal text but will need to be redefined. Depending on the equations, more/all of the definitions will need to be relooked at and potentially redefined. The Working Group agreed to take an action to look at what these definitions should be redefined as.

ACTION 03/04: The Working Group to redefine the definitions within the definitions table of the legal text that is currently used within the application of the CAFs.

- 5.10 The Working Group discussed the recovery of costs for previous works section within the legal text and agreed it should include both a new connection for both transmission and distribution connected customers.
- 5.11 It was noted, however, that the distribution connection section within Schedule 22 would need to be updated to include this so that it aligns.
- 5.12 In regard to the rebate section of the legal text, the Chair suggested asking the Ofgem representative whether the CAF rules should be put in place as to how the distributor will be able to recover costs or within the current Ofgem framework of recovering costs (under CR5). The Working Group agreed that this would be helpful.

ACTION 03/05: The Secretariat to contact the Ofgem representative and query whether the CAF rules should be put in place as to how the distributor will be able to recover costs or within the current Ofgem framework of recovering costs (under CR5).

5.13

6. Areas to be Covered within the Consultation Document

- 6.1 The below questions have been drafted to be considered as part of the Consultation:

- 1) How will the remaining DNO costs be recovered from transmission connected Customers?
- 2) Should IDNOs equally be involved within this Schedule and update their connection methodologies?
- 3) Is it appropriate for transmission connected customers that have an impact on the distribution system to be classed as 'other matters' which are outside the scope of the CCCM to be included within the legal text (as stated within Schedule 22, paragraph 3), or alternatively as a separate standalone document that can be referred to on the DCUSA website? Are there any consequential impacts that may need to be considered?

7. Next Steps

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

1. The Secretariat to circulate the updated legal text for Working Group review.
2. The Secretariat to contact the Ofgem representative for views on the legal text.
3. The Secretariat to draft the Consultation for Working Group review.

8. Any Other Business

- 8.1 The Chair asked the group whether there were any other items of business to discuss.
- 8.2 There were no other items raised.

9. Date of Next Meeting

9.1 The date of the next meeting has been scheduled for 26 November 2021 at 10am.

10. Attachments

- Attachment 1_DCP 392 Working Group Meeting 01_Final Minutes v1.0
- Attachment 2_DCP 392 Working Group Meeting 02_Final Minutes v1.0
- Attachment 3_DCP 392 Discussion with Gowling v3.0 (WG Comments)
- Attachment 4_DCP 392 DNO RFI 02_Collated Responses v2.0 (WG Comments)
- Attachment 5_DCP 392 Updated Legal Text

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
03/01	Secretariat to include a caveat at the start of the discussion with Gowling document to state that the opinions of one DCUSA Party may not be reflective of the entire Working Group.	ElectraLink	Completed.
03/02	Secretariat/Working Group to amend the document name and comments within the document to better reflect the intent of a Working Group Background Information Paper to the Change Proposal.	TC	Ongoing.
03/03	TC to draft some wording indicating what happens currently within the CCCM which can be used to ask a Consultation question around whether this is the correct approach or whether IDNOs should also be included.	TC	Ongoing.
03/04	The Working Group to redefine the definitions within the definitions table of the legal text that is currently used within the application of the CAFs.	Working Group	Ongoing.
03/05	The Secretariat to contact the Ofgem representative and query whether the CAF rules should be put in place as to how the distributor will be able to recover costs or within the current Ofgem framework of recovering costs (under CR5).	ElectraLink	Ongoing.

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.
01/06	Secretariat to invite an Ofgem Representative to join the Working Group.	ElectraLink	Completed.
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.
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 works (as per DCUSA Schedule 22, Clause 1.43 to 1.44A).	ElectraLink	Completed.
01/05	Secretariat to invite an ESO Representative to join the Working Group.	ElectraLink	Completed.
02/01	Secretariat to circulate a second RFI to DNOs/ESOs and bring the responses to the next Working Group meeting for review.	ElectraLink	Completed.
02/02	Secretariat to circulate Gowlings output of the DCP 392 legal stance discussion to the Panel, to the Working Group, post-meeting (with the DCUSA Panel and Gowlings approval to do so).	ElectraLink	Completed.