DCP 404 Working Group - Meeting 01

19 May 2022 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Brandon Rodrigues [BR]	ESP
Donald Preston [DP]	SSE
Donna Townsend [DT]	ENA
Edda Dirks [ED]	SSE
Grace March [GM]	SembCorp
Helen Stack [HS]	British Gas
Karin Cadwallader [KC]	BUUK
Karl Maryon [KM]	Drax
Kyran Hanks [KH]	Waters Wye Associates
Lee Wells [LW]	NPg
Madelaine Brooks [MB]	Octopus
Mike Kaveney [MK]	WPD
Peter Turner [PT]	NPg
Rebekah Pryn [RP]	UKPN
Ross Thompson [RT]	UKPN
Simon Shaw [SS]	Good Energy
Simon Vicary [SV]	EDF
Tom Cadge [TC]	BUUK
Tony McEntree [TM]	ENWL
Wendy Mantle [WM]	SPEN
Code Administrator	

Andy Green [AG]	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Richard Colwill [RC]	ElectraLink
Tim Hipperson [TH] (Chair)	ElectraLink
Apologies	
Tom Selby [TS]	ENWL

1. Administration

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

1.2 An action log has been created and all updates are provided in **Appendix A**.

2. Purpose of the Meeting / Timeline for Delivery

2.1 The Chair explained that the purpose of this meeting is to review and discuss the DCP 404 Change Proposal and legal text within the Working Group and agree next steps.

2.2 The Chair stated that a Consultation document needs to be finalised and circulated to wider industry no later than 23 July 2022 due to time constraints.

3. Overview of DCP 404

3.1 The Chair introduced the proposer (TM) to provide an overview of the CP to the Working Group.

3.2 The purpose of this CP is to implement parts of Ofgem's Access SCR Decision in respect of Non-Firm Access Rights. This CP seeks to address paragraphs 18 to 22 of the Access SCR Direction. The full Access SCR implementation will also change other parts of the DCUSA and other industry documents.

3.3 TM explained that this CP seeks to implement the necessary changes to the DCUSA to deliver the obligations placed on DNOs in the Access SCR Direction with regard to:

- *The Definition of Curtailment.*
- *Setting Curtailment Limits.*
- *Obligations on the Network Operator if Curtailment is required above accepted limits.*
- *End dates for curtailable access.*

3.4 the Access SCR Direction places an obligation on DNOs to bring forward the necessary code changes to implement the decision. Failure to implement the decision may lead to DNOs breaching their Distribution Licence obligations.

3.5 The new DCUSA Schedule will focus on the following areas:

- *Bilateral Arrangements between Distributors and Customers to reflect curtailment arrangements.*
- *The Methodology for determining the curtailment limits.*
- *The methodology for setting the price where a Distributor exceeds the maximum curtailment hours.*

3.6 This CP also includes minor changes to Schedule 22 (Common Connection Charging Methodology) to ensure the costs of any equipment needed to manage the curtailment are borne by the Customer.

4. Review & Discussion of DCP 404

4.1 The Chair invited the Working Group to both review and further discuss the CP.

4.2 Before discussions began, ED queried whether there was an Ofgem representative for this Working Group -MK informed the group that Ofgem were invited, however were not on the call and agreed to take an action to follow this up post-meeting as an Ofgem representative would be beneficial to this group.

ACTION 01/01: The Secretariat to contact Ofgem to ask for a representative for this Working Group post-meeting.

4.3 The Chair re-iterated to the group that we need to be mindful not to go out of scope with conversations of this change and to work on resolving the clear direction.

4.4 ED queried 1.4 of the CP and asked how we are going to make sure that all other impacted industry documents are aligned – although this may be slightly out of scope, TM ensured that all necessary changes will be discussed at the DNO Steering Group to ensure all needed amendments are aligned as much as possible.

4.5 It was noted that as this is a charging modification, this will be progressed as a separate charging modification, however there will need to be close liaison as both changes (DCP 404 /DCP 405) are impacting the sae sections of the DCUSA.

5. Review of Legal Text

5.1 The Chair invited the proposer (TM) to walk the Working Group through the legal text for this CP for the initial review and discussion. The updated draft Legal Text can be found as **Attachment 1**.

5.2 GM queried the first paragraph where 'small users' is referred to and asked whether this will be a defined term – the Working Group discussed this and agreed this will need to be defined within this change and will need to go into the definitions Schedule 1A within the DCUSA (if repeated more than once).

5.3 It was also noted that 'reinforcement' may also need to be referred to the definition already provided within Schedule 22 of the DCUSA.

5.4 PT informed the group that Ofgem have taken an action to provide further information around whether reinforcements for fault level and reactive power requirements are suitable for curtailable connections. PT agreed to inform the Working Group once the response from Ofgem has been given to the DNO Steering Group.

Part 1 Methodology for Setting Curtailment

5.5 DT pointed out there is a reference to 'DNO', however the National Terms of Connections references 'Network Operator' and suggested that these may need to be aligned.

5.6 TM explained the current method for setting the curtailment limit and pointed out that a definition of 'load duration curve' will need to be created within this Working Group.

5.7 GM mentioned that it may be interested to see the number of offers that are made that do not turn into connections – if this number is significant, it may need to be reconsidered whether in-flight offers is appropriate and may need to be replaced with just connections.

5.8 The Working Group stated it would be beneficial to view the current methodology of how to produce a load duration curve – TM agreed to take an action to circulate this to the Working Group post-meeting.

5.9 Working Group members agreed to review this methodology post-meeting and provide any feedback and/or improvements on how to further develop this methodology (including potential variables needed) to the next Working Group meeting.

ACTION 01/02: TM to circulate the current methodology of how to produce a load duration curve with the Working Group post-meeting.
ACTION 01/03: Working Group members to review the methodology of how to produce a load curve duration and provide any feedback and/or improvements on how to further develop this to the next Working Group meeting.

5.10 TM reminded the group that if there are any alternative methodology suggestions, this will need to be brought to the group for further discussion at the next Working Group meeting due to time constraints.

5.11 TC asked whether ever DNO/IDNO have access to half-hourly data for every product, and if not, how will they calculate the load duration curve – TM stated that all DNOs/IDNOs should have access to all primary-level data if there is no data for a particular circuit.

Part 2 Methodology for determining the Exceeded Curtailment Prices

5.12 LW suggested that the Working Group define what an 'in-flight connection' is and to ensure this is clear.

5.13 TM noted that further clarity on both 'sufficiently higher' and 'markedly higher' has been sought from Ofgem and will feedback to the group once a response has been received. It was also agreed that this may need to be consulted on.

5.14 It was also noted that if a number is 'markedly higher' it also needs to satisfy being 'sufficiently higher'.

5.15 GM queried whether the money that is paid out by the DNO when exceeded the curtailment limit will be able to be recovered – TM suggested this is to be resolved between the DNOs and Ofgem and not within this Working Group.

5.16 TM informed the group that a methodology needs to be created to convert MW to MVA and then to £/MVAh to reflect time.

5.17 TM mentioned there is already two similar approaches of doing this within the Common Distribution Charging Methodology (CDCM) and also the Common Evaluation Methodology which could potentially be adopted within this change. The Working Group agreed that these two approaches will need to be explored further.

5.18 The Working Group agreed to take an action to review both methodologies (CDCM and CEM) and provide any further feedback at the next Working Group meeting.

ACTION 01/04: The Working Group to review both methodologies (CDCM and CEM) and provide any further feedback at the next Working Group meeting.

5.19 It was noted that the Common Evaluation Methodology is not codified.

5.20 The Direction states that as long as a DNO has been given one price within its area, then this approach is ok to use. However, if there are no such prices then this becomes an issue. LW suggested creating a hierarchy of numbers when calculating the Exceeded Curtailment prices; for example, 'if you do not have figure A, please use figure B' – the Working Group agreed with this suggestion.

5.21 GM stated that there may be a high chance of volatility within local flexibility markets - if DNOs set the price for a charging year based on the flexibility within the previous charging year, there may be issues if the price of flexibility significantly increases (meaning the price is no longer 'markedly higher' than the flexibility market.

5.22 It was also agreed that a consultation question is created seeking views on whether curtailment price should be fixed or variable across the contract period.

5.23 GM suggested that providing certainty for Customers may not be as important as ensuring Customers receive an appropriate price.

5.24 The Working Group agreed to include a consultation question around whether the Exceeded Curtailment price should be fixed or variable across the contract period.

5.25 GM suggested including a base price of what will be the minimum price will be for exceeding the curtailment limit to provide certainty for Customers, but where possible will reflect the nature of the market. The Working Group agreed this will also need to be consulted on to seek further views.

5.26 TM informed the group that further clarity has been sought from Ofgem as to whether both import and export prices are going to be the same – the methodology is expected to be the same for both, however the outcomes ay be different.

Part 3 Curtailable Connection Agreement

5.27 TM provided a high-level overview of the curtailable connection agreement with the Working Group.

5.28 The Working Group agreed to take an action to review part 3 of the legal text and provide any further feedback at the next meeting.

ACTION 01/05: The Working Group to review part 3 (Curtailable Connection Agreement) of the legal text and provide any further feedback to the next meeting.

Appendix 1 General Particulars of the Connection

5.29 TM provided a high-level overview of appendix 1 with the Working Group.

5.30 The Working Group had no further feedback at this current time on Appendix 1 of the legal text.

Appendix 2 Amendments to the Applicable NTC Section

5.31 TM stated that the Working Group will need to decide whether the definitions that are within the connection agreement with the Customer need to also be a part of the Schedule and/or Section 1A of the DCUSA as well.

5.32 The group agreed to take an action to review Section 3 of Appendix 2 to review and make a decision on whether this section should be left in the legal text or removed.

5.33 The group also agreed to take an action to review Section 12 of Appendix 2 and provide any suggested amendments that may, or may not, be needed at the next meeting.

ACTION 01/06: The Working Group to review Section 3 of Appendix 2 to review and make a decision on whether this section should be left in the legal text or removed.
ACTION 01/07: The Working Group to review Section 12 of Appendix 2 and provide any suggested amendments that may, or may not, be needed at the next meeting.

5.34 Under Clause 12.15 of section 12 (Appendix 2), there is legal text that states:

- *Where the Connection Point is subject to Curtailment, then the Company* ***[may/ shall]*** *install additional equipment at the Connection Point designed to limit the import and/or export of electricity from or to the Distribution System to an amount equal to the Maximum Import Capacity and/or the Maximum Export Capacity (as applicable) less the Curtailment Value.*

5.35 The Working Group discussed whether the above should be 'may' or 'shall' and the majority of the group showed preference towards 'may'.

5.36 The Working Group discussed this and agreed that these figures should be reviewed and set 'at least quarterly' as this allows DNOs/IDNOs to review more regularly than quarterly if needed in certain cases. This question may potentially seek further views within the consultation.

Appendix 3 Technical Conditions

5.37 The Working Group had no further feedback at this current time on Appendix 3 of the legal text.

5.38 Amendments to Schedule 22

5.39 PT informed the group that ENA already have a definitions of curtailable, curtailment assessment and flexible connections which could potentially be used within this change.

6. Definitions Table

6.1 Below is a table of definitions that the Working Group agreed will need to be defined within this change:

Term	Definition
Small Users	
Reinforcement	
Load Duration Curve	
In-Flight Connection	

7. DCP 404 Workplan

7.1 The Working Group reviewed the workplan for DCP 404 and agreed with the proposed dates. The updated workplan can be found as **Attachment 2**.

7.2 The workplan will be updated after each meeting.

8. Agenda Items for Next Meeting

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

1. The Working Group to review the current methodology of how to produce a load duration curve and adapt as needed
2. The Working Group to review and discuss both methodologies of which are included within the CDCM and CEM in regard to calculating £s-MVAh.
3. The Working Group to review and feedback on Appendix 2 of the legal text.

9. Any Other Business

9.1 The Chair asked the group whether there were any other items of business to discuss.

9.2 There were no other items raised.

10. Date of Next Meeting

10.1 The next Working Group meeting will be held on 26 May 2022 at 10am.

11. Attachments

- Attachment 1_DCP 404 Draft Legal Text
- Attachment 2_DCP 404 Workplan

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
01/01	The Secretariat to contact Ofgem to ask for a representative for this Working Group post-meeting.	Secretariat	**Ongoing.**
01/02	TM to circulate the current methodology of how to produce a load duration curve with the Working Group post-meeting.	TM	**Ongoing.**
01/03	Working Group members to review the methodology of how to produce a load curve duration and provide any feedback and/or improvements on how to further develop this to the next Working Group meeting.	Working Group	**Ongoing.**
01/04	The Working Group to review both methodologies (CDCM and CEM) and provide any further feedback at the next Working Group meeting.	Working Group	**Ongoing.**
01/05	The Working Group to review part 3 (Curtailable Connection Agreement) of the legal text and provide any further feedback to the next meeting.	Working Group	**Ongoing.**
01/06	The Working Group to review Section 3 of Appendix 2 to review and make a decision on whether this section should be left in the legal text or removed.	Working Group	**Ongoing.**
01/07	The Working Group to review Section 12 of Appendix 2 and provide any suggested amendments that may, or may not, be needed at the next meeting.	Working Group	**Ongoing.**

Closed Actions

Action Ref.	Action	Owner	Update