

# DCP 392 Working Group Meeting 11

13 June 2022 at 10:00 - Web-Conference

| Attendee                                     | Company        |
|--|----------------|
| <b>Working Group Members</b>                 |                |
| Edda Dirks [ED]                              | SSE Generation |
| Joanna Knight [JK]                           | SSEN           |
| Peter Turner [PT]                            | NPg            |
| Simon Vicary [SV]                            | EDF            |
| Thomas Cadge [TC]                            | BU-UK          |
| Vanessa Buxton [VB]                          | WPD            |
| <b>Code Administrator</b>                    |                |
| John Lawton [JL] (Chair)                     | ElectraLink    |
| Hannah Proffitt [HP] (Technical Secretariat) | ElectraLink    |

## 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 Chair presented the minutes of the previous meeting to the Working Group and advised that no comments had been received ahead of the meeting. The Working Group accepted the minutes as final, these can be found as **Attachment 1**.
- 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 advised that the purpose of the meeting was to review the Issues & Considerations Log.

## 3. Review of Issues & Considerations Log

- 3.1 The Working Group reviewed the Issues & Considerations Log. An updated version, including summaries of the below discussions, can be found as **Attachment 2**. Reference numbers have been assigned to the considerations within the Log for ease of reference.

#### Other Considerations for the Working Group

- 3.2 Consideration 10 – The Chair noted that there were several concerns raised through the consultation regarding whether the change will convey the necessary powers to enable the solution to work. The Chair asked the Working Group to consider the possible need for bilateral agreements and/or a Connection and Use of System Code (CUSC) change.
- 3.3 A Working Group member highlighted that there have been instances in the past in which Ofgem have stated that they would be minded to accept a change if other activities are completed, for example further changes in other codes. The Working Group discussed and concluded that this is not something that is within the scope of DCP 392 and that it is something to be considered by the DCUSA legal advisers and Ofgem.
- 3.4 Consideration 11 – The Chair outlined that the consultation responses were mixed regarding whether the new Schedule should be classed as ‘other matters which are outside of the scope of the CCCM’ and be included within the DNO’s Connection Charging Methodology or should be a separate standalone document that can be referred to on the DNO website. The Chair asked the Working Group to discuss and come to a decision.
- 3.5 One Working Group member stated that they understand the argument for both options, however feel that a standalone document would be best. Two other Working Group members agreed, noting that it doesn’t fit within the Common Connection Charging Methodology (CCCM).
- 3.6 Another Working Group member asked what level of this is formalised in DCUSA, noting the risk that Distribution Network Operators (DNOs) could end up with diverging practices and stated that there needs to be a high level of clarity on the process, otherwise DNOs could end up doing things differently.
- 3.7 The Working Group unanimously agreed that the Schedule should be a standalone document.
- 3.8 Consideration 12 – The Chair highlighted that all consultation responses, excluding responses from Independent Distribution Network Operators (IDNOs) and one who had no specific comments on the matter, were supportive of IDNOs being impacted by the Schedule.
- 3.9 One Working Group member stated that the CCCM is currently not an obligation on IDNOs and that the regulatory arrangements which govern IDNO connection charging and use of system charging are significantly different from the DNO. Another Working Group member suggested that for consistency, IDNOs should be treated the same as DNOs.
- 3.10 The Working Group discussed and agreed with a majority of five to one, that IDNOs should be included within the Schedule. The Chair agreed to update the legal text to reflect this.
- 3.11 Consideration 13 – The Working Group considered whether an obligation should be placed on IDNOs regarding the visibility of the Schedule.

- 3.12 One Working Group member stated that currently there is an obligation within the licence to make this information public and available and that it would make sense for there to be a separate document for IDNOs.
- 3.13 The Working Group unanimously agreed that an obligation should be placed on IDNOs regarding the visibility of the Schedule.

#### Legal Review Considerations

- 3.14 Consideration 1 - The Working Group agreed that it would be appropriate to add an additional section to the Costs to be paid in full section of the legal text. Section 3.7 covering speculative developments has been added to the legal text.
- 3.15 Consideration 2 - The Working Group reviewed the Access & Forward-Looking Charges Significant Code Review (SCR) document and discussed whether section 3.60 of that document should be reflected in the legal text. The Working Group agreed to include an additional clause relating to the threshold of £1720/kVA.
- 3.16 One Working Group member asked whether this value is likely to change considering DCP 406 is in the definition phase. The Working Group agreed that the specific figure is included in the Ofgem direction and therefore this value is unlikely to change.
- 3.17 Paragraph 3.6 covering speculative developments has been added to the legal text
- 3.18 Consideration 3 – The Working Group questioned what the responder meant by ‘ongoing costs’. The Secretariat agreed to contact the commenter and request further detail.

|  |
|--|
| 11/01: Secretariat to contact ENW and ask for clarity on their response to Question 4. |
|--|

- 3.19 Consideration 4 – TC, the owner of the concern confirmed that this is also covered under Consideration 09. The Working Group agreed to discuss this under Consideration 09.
- 3.20 Consideration 5 – PT, the owner of the concern clarified that this was querying whether the term ‘Systems Connection Point’ is defined as it is included with capital letters. The Chair confirmed that it is a defined term within DCUSA section 1A. The Working Group agreed that no action was needed.
- 3.21 Consideration 6 – ED, the owner of the concern reiterated that the definitions included in the Schedule are also used elsewhere in DCUSA, but with different meanings. The Working Group agreed that this could cause confusion.
- 3.22 a working Group member suggested that a note could be added above the definitions table to highlight that the definitions differ to other places in DCUSA. Another Working Group member stated that this would not help for instances in which people had searched DCUSA for the term.
- 3.23 The Working Group agreed that this should be referred to the DCUSA legal advisers.
- 3.24 Consideration 7 – The Working Group agreed that this was the same concern as Consideration 6.

- 3.25 Consideration 8 – The Working Group considered the question of whether the de-minimis values in the ECCR are fit for purpose and noted that the legal text currently references a value of £300.
- 3.26 One working Group member agreed that having a de-minimis value is sensible, however questioned where the best place for this is. Another Working Group member stated that this change seeks to drive consistency and therefore the value should be retained. Another Working Group member suggested that the ECCR is under review and therefore it may be best to future proof DCP 392 by referencing ‘the value in the ECCR’ rather than including the actual figure.
- 3.27 The Working Group agreed and amended 5.5a and 6.5a within the legal text.
- 3.28 Consideration 9 – The Working Group discussed and DNO members took an action to consider whether the headroom needs to be considered and whether the current drafting of the formula on CAF is more beneficial to transmission customers than the one to distribution customers.

11/02: DNO members to consider whether the headroom needs to be considered and whether the current drafting of the formula on CAF is more beneficial to transmission customers than the one to distribution customers ahead of the next meeting on 20 June 2022.

- 3.29 A version of the legal text with the agreed amendments redlined, can be found as **Attachment 3**. The Secretariat noted that once the actions have been completed, the legal text can be issued to the DCUSA legal advisers for review.

## 4. Review of Draft Change Report

---

- 4.1 The Working Group agreed to review the Change Report at the next meeting.

## 5. Next Steps & Work Plan

---

- 5.1 The Working Group discussed the next steps, and the following items were captured:
- Secretariat to update the Collated Consultation Responses document in line with discussions at the meeting. An updated version is included as **Attachment 4**.
  - Working Group to review the Change Report at the next meeting to be held on Monday 20 June 2022. This has been included as **Attachment 5**.

## 6. Any Other Business

---

- 6.1 The Chair asked the group whether there were any other items of business to discuss, to which nothing was raised.

## 7. Date of Next Meeting

---

- 7.1 The date of the next meeting has been scheduled for 20 June 2022 at 10am.

## 8. Attachments

---

- Attachment 1 - DCP 392 Working Group Meeting 10\_Final Minutes v1.0
- Attachment 2 - DCP 392 Issues & Considerations Log
- Attachment 3 – DCP 392 Legal Text
- Attachment 4 - DCP 392 Collated Consultation Responses - WG Comments
- Attachment 5 – DCP 392 Change Report Draft

## APPENDIX A

### New and Open Actions

| Action Ref. | Action  | Owner       | Update  |
|-------------|---|-------------|---|
| 09/01       | DNOs to review whether there are any examples where a T connectee has triggered D works other than a tertiary connection, and to report back at the next meeting.   | DNOs        | <b>Action ongoing.</b><br><i>PT advised that they had found two examples, however that on impact assessment, no resulting work was required. It was unclear if these were a tertiary connection.</i><br><br><i>VB noted that they had also checked internally and did not have any specific examples.</i> |
| 09/02       | Secretariat to seek clarification from the commenter, on the below.<br><i>Can the working group provide any real life examples of the commercial implications of connecting a tertiary connection, in particular any refunds on the costs of SGT's back to DNO's and how the UoS charges are changed when the site becomes multiuser? Is there a significant change in the DNO's boundary charges? Does this have an impact on D customer's DUoS charges?</i> | Secretariat | <b>Action ongoing.</b><br><i>Have emailed commenter for clarification. No response yet.</i>   |
| 09/03       | CD to provide further information on the example within Live Project 2.<br><i>Further action for Secretariat to liaise with CD regarding the information provided containing Distributor data.</i>  | CD          | <b>Action ongoing.</b><br><i>The Chair advised that CD had provided an update, however as this contained Distributor data they were hesitant to circulate.</i>  |

|              |   |                |  |
|--------------|---|----------------|--|
|              |   |                | <i>The Chair agreed to discuss this further with CD and to provide an update at the next meeting.</i>  |
| <b>10/01</b> | Working Group to check CMP 328 regarding the process for requesting impact assessments and to check the CUSC on the process for requesting third party connections.   | WG Members     | <p><b>Action ongoing.</b></p> <p><i>JK provided the below update.</i></p> <p><i>Ofgem, in their expected decision dates publication, have indicated a decision date of 30 November 2022 for CMP328 but with the Final Modification Report for the associated STC change now being submitted, NGESO will ask the question as to whether this brings this date forward.</i></p> <p><i>The Chair asked whether DCP 392 could have been tied into CMP 328. JK noted that CMP 328 covers the administration or process aspects and that DCP 392 would have been too large to include.</i></p> |
| <b>11/01</b> | Secretariat to contact ENW and ask for clarity on their response to Question 4  | Secretariat    | <p><b>New action.</b></p> <p><i>Emailed commenter on 15/06 for clarification, awaiting response.</i></p>   |
| <b>11/02</b> | DNO members to consider whether the headroom needs to be considered and whether the current drafting of the formula on CAF is more beneficial to transmission customers than the one to distribution customers ahead of the next meeting on 20 June 2022. | DNO WG members | <p><b>New action.</b></p>  |

## Closed Actions

| Action Ref.  | Action   | Owner       | Update                |
|--------------|--|-------------|-----------------------|
| <b>09/04</b> | Secretariat to seek legal opinion to ensure wording of legal text places an obligation on Parties. | Secretariat | <b>Action closed.</b> |

|              |  |            |   |
|--------------|--|------------|---|
|              |  |            | <i>The Chair advised that there is a similar consideration within the Issues and Considerations Log and that this will form part of the legal review.</i>   |
| <b>09/05</b> | Working Group to review sections 3.86 to 3.89 of the Access and Forward Looking Charges decision document and identify anything relevant to DCP 392. | WG Members | <p><b>Action closed.</b></p> <p><i>PT highlighted sections 3.86 and 3.88 of <a href="#">Ofgem's decision document</a>. In particular highlighting the below.</i></p> <p><i>'For example, changes to the electricity distribution licence would be required to allow DNOs to recover these costs through DUoS, but more consideration needs to be given as to whether or not it is appropriate for transmission costs to be included within a DNO's regulated allowance.'</i></p> <p><i>PT highlighted that section 3.88 highlights the need for a license change and raised that depending on which sections need amending, there could be an effect on how DUoS money can be used.</i></p> <p><i>The Chair noted that he believes it will not be relevant as it is referring to the reverse situation than the DCP addresses. PT noted that depending on what licence condition is to be changed, it may be relevant to how DUoS funds can be invested in.</i></p> <p><i>Members agreed to consider this when reviewing the Change Report.</i></p> |