

# DCP 407 Working Group - Meeting 04

14 June 2022 at 14:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Brandon Rodrigues [BR]	Espug
Brian Hoy [BH]	ENWL
Daniel Mellis [DM]	SSE
David Williams [DW]	SSE
Karin Cadwallader [KC]	BUUK
Karl Maryon [KM]	Drax
Kyran Hanks [KH]	Waters Wye Associates
Lee Wells [LW]	NPg
Martin Brace [MB]	UKPN
Peter Turner [PT]	NPg
Robert Matta [RM]	SSE
Tom Cadge [TC]	BUUK
Vanessa Buxton	WPD
<b>Code Administrator</b>	
Andy Green [AG]	ElectraLink
Furqan Aziz [FA] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink

## 1. Administration

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- 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. Ofgem Feedback

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- 2.1 The Chair introduced BH to provide an update regarding Ofgem’s feedback around the potential gaps between the Ofgem Decision and Ofgem Direction.
- 2.2 The key updates can be found below:
  - *Ofgem have requested they want to see improvement and consistency.*
  - *No particular view on what the outcome will be (i.e., increased/decreased number of speculative developments).*

## 3. Review of DNO Guidance Document

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- 3.1 The Chair introduced MB to run through the current DNO Guidance Document with the Working Group for review. This can be found as **Attachment 1**.
- 3.2 BH raised a concern around the guidance document suggesting that if a Customer does not have planning permission then they would be considered as speculative – BH stated that planning permission in isolation should not be deemed a speculative and will need additional criteria alongside this.
- 3.3 It was suggested that the process flow diagram be amended to change the immediate direction of no planning permission from being led straight to being considered as speculative.
- 3.4 The Working Group discussed the process flow diagram in more detail and agreed that amendments will need to be made. One suggestion was that if a Customer is infrastructure only, this should automatically lead to speculative. Anything else that is not directly speculative should lead to the next question and could potentially be ‘stacked’. If a Customer says yes to a certain percentage of questions, they could then be considered as being speculative.
- 3.5 The Working Group agreed to take an action to see what criteria they can apply to access the appropriateness of the electrical load being applied for.

**ACTION 04/01: The Working Group to see what criteria they can apply to access the appropriateness of the electrical load being applied for.**

- 3.6 In regard to reinforcement cost/MVA, VB stated that there may need to be consideration for materiality – a concern was raised around whether this value could lead to confusion over the high-cost cap values versus speculative consideration values. VB queried whether the materiality comes down to voltage difference between the connection and works.
- 3.7 The Working Group agreed to take an action to identify ways to specify a materiality threshold.

**ACTION 04/02: The Working Group to identify ways to specify a materiality threshold.**

3.8 Currently within the guidance document it states that:

- *‘For this test, where at least 75% of the requested capacity would not be considered as a Speculative Development under our detailed interpretation of the CCCMS bullet points then the whole development would be considered as a Speculative Development’.*

3.9 The Working Group agreed to leave this percentage in for now, but agreed that it may be worth consulting on.

#### 4. Review of Draft Proforma

4.1 The Chair introduced RM to run through the draft proforma with the group. This can be found as **Attachment 3**.

4.2 VB stated that sites are currently deemed as non-speculative on the offset and then dependant on certain milestones, this could then turn into a speculative development down the line (as opposed to being considered speculative first until milestones are met).

4.3 BH walked through the ‘draft criteria for speculative development’ document with the Working Group for further discussion. This can be found as **Attachment 2**.

4.4 BH agreed to circulate this document to the Working Group post-meeting.

**ACTION 04/03: BH to circulate the ‘draft criteria for speculative development’ document to the Working Group post-meeting.**

4.5 The Working Group discussed defining infrastructure and agreed that it would be beneficial to define this – it was suggested that it could adapt the ECCR to state where there is no first connection.

**ACTION 04/04: The Working Group to define Infrastructure.**

4.6 The Working Group discussed having a process flow diagram separately for Generation and Demand; however, after further discussion it was agreed that one process flow diagram to consider whether a site is Speculative or not will be suitable as one single process flow diagram.

4.7 To ensure there is no discrimination between housing applications from any other applications would be to only apply these criteria to housing applications. The Working Group agreed it would be more applicable to housing applications than other applications.

4.8 BH suggested that a number of criteria should be binary where it would lead a site automatically being deemed as speculative, however there should be a ‘tick-box’ exercise where a certain number of ‘yes’ answers would ultimately deem a site as being considered as speculative.

4.9 After further discussion, the Working Group agreed to take an action to identify the criteria that would deem a site as being considered as non-speculative.

**ACTION 04/05: The Working Group to identify the criteria that would deem a site as being considered as non-speculative.**

## 5. DCP 407 Workplan

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- 5.1 The updated workplan can be found as **Attachment 4**.
- 5.2 The workplan will be updated after each meeting.

## 6. Agenda Items for Next Meeting

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- 6.1 The Working Group discussed the next steps, and the following items were captured:
  - 1. The Working Group to agree the criteria for being considered as a Speculative Development.
  - 2. The Working Group to test each criterion.
  - 3. The Working Group to discuss the materiality threshold.

## 7. Date of Next Meeting

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- 7.1 The next Working Group meeting will be held on 21 June 2022 at 2pm.

## 8. Attachments

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- Attachment 1\_DCP 407 Internal Guidance Document
- Attachment 2\_DCP 407 Draft Criteria for Speculative Developments
- Attachment 3\_DCP 407 Draft Proforma
- Attachment 4\_DCP 407 Workplan

## APPENDIX A

### New and Open Actions

Action Ref.	Action	Owner	Update
01/01	The Working Group to amend the description of Speculative.	Working Group	<b>Ongoing.</b> To complete within WG.
01/03	The Working Group to gather examples to bring back to the next Working Group and highlight the characteristics of how it became Speculative/Non-Speculative.	Working Group	<b>Ongoing.</b> On WG 04 Agenda.
01/04	The Working Group to agree the characteristics for Speculative.	Working Group	<b>Ongoing.</b> To complete within WG.
02/01	The Working Group to create a document which will show/explain what each DNO would do in a variety of scenarios to highlight the discrepancies.	Working Group	<b>Ongoing.</b> To complete within WG.
03/02	The Working Group to consider alternate drafting for the timing of phases section within the guidelines for the next meeting.	Working Group	<b>Ongoing.</b>
03/05	The Working Group to provide real-life examples to include within the draft proforma for the Working Group to review during the next meeting.	Working Group	<b>Ongoing.</b> On WG 04 Agenda.
04/01	The Working Group to see what criteria they can apply to access the appropriateness of the electrical load being applied for.	Working Group	<b>Ongoing.</b>
04/02	The Working Group to identify ways to specify a materiality threshold.	Working Group	<b>Ongoing.</b>

04/04	The Working Group to define Infrastructure.	Working Group	Ongoing.
04/05	The Working Group to identify the criteria that would deem a site as being considered as non-speculative.	Working Group	Ongoing.

## Closed Actions

Action Ref.	Action	Owner	Update
02/03	RM to draft a set of questions for a proforma that will include a number of scenarios for the Working Group to review prior to the next meeting.	RM	Closed.
02/04	VB to circulate a summary of the post acceptance information that is currently used to the Working Group post-meeting.	VB	Closed.
01/02	TC to provide further information around what evidence may be needed to be considered as Speculative, specific to the planning permissions.	TC	Closed.
02/02	The Working Group to review the internal guidance document circulated by MB and provide any additional feedback/alternate solutions for the next meeting.	Working Group	Closed.
03/01	PT to circulate the link to the Queue Management User Guide (includes an extract of the ENA Milestones) to the Working Group post-meeting for review.	PT	Closed.
03/03	MB to update the process flow diagram with the necessary changes and send to the Secretariat post-meeting.	MB	Closed.

03/04	The Secretariat to update the guidelines with the updated process flow diagram and circulate to the Working Group post-meeting.	Secretariat	Closed.	
04/03	BH to circulate the 'draft criteria for speculative development' document to the Working Group post-meeting.	BH	Closed.	