

DCP 403 Working Group - Meeting 03

22 July 2022 at 10:00

Location/ Web-Conference/Teleconference

Attendee	Company
David Wornell (DW)	Wester Power
Kyran Hanks (KH)	Waters Wye Associates
Chris On g(CO)	UKPN
Andy Pace (AP)	Energy Potential
Edda Dirks (ED)	SSE Generation
Claire Campbell (CC)	SPEN
James Jones SSE (JJ)	SSE
Shannon Murray (SM)	Ofgem
Helen Tsang (HT)	EDF
Code administrator	
Andy Green [AG] (Technical Secretariat)	ElectraLink
John Lawton (JL) Chair	ElectraLink

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 Chair gave high level overview of terms of reference and confirmed everyone had read the ToR and CLG
- 1.3 The Chair explained the roles of the Chair and Technical Secretariat and requested the use of the hand’s up function if someone wishes to speak or to use chat box in Microsoft teams.

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 403 proposed legal text and request for information responses within the Working Group and, time permitting, review the draft consultation and agree next steps.

3. Review of Responses to Request for Information.

- 3.1 The Working Group reviewed the request for information consultation responses which can be found in **Attachment 1**.
- 3.2 It was noted by several people within the Working Group that there could potentially be a number of sites with a backup agreement but some of these may be unknown due to how these are recorded. The Chair advised the question asked was specifically around sites with separate back up connection agreements so if most are linked then they wouldn't fall under this consultation question.
- 3.3 There were no comments from the Working Group on the responses to the second, third or fourth Request for Information questions.
- 3.4 It was noted that ENW's response to the fifth question could be contrary to DCUSA rules as the current legal text suggests that separate connection agreements should be charged separately but the ENW response seems to imply that they would automatically link these if on the same LFFC and charge the residual charge once. The Chair drew attention to the specific question asking 'would you charge' but as ENW don't have any single back up connections this wouldn't apply.
- 3.5 SPs response to question 5 gives an example of an airport as a single site as these do not share infrastructure with the main connection. The response stated these sites would be treated as one site as the backup connection cannot be offered to another customer/site. It was unclear if this example would have a single connection agreement or not so an action was taken by CC to check the example and confirm if the site has a single connection agreement or not and feed back to the Working Group.
- 3.6 It was also noted that there was a discrepancy with the questions in the second section of the RFI response document as the questions in the response document were not aligned to the document that was issued to industry. The secretariat took an action to check these questions and update to reflect the request for information document that was issued to industry.
- 3.7 The Working Groups conclusions to the RFI were that currently if the backup connections had a separate Bilateral agreement they would be charged for residual and that there aren't many instances that industry is aware of.

4. Review of Legal Text

- 4.1 The Chair invited the Working Group to both review and further discuss the CP, specifically the legal text. The updated draft legal text can be found in the attachments as **Attachment 2**
 - 4.2 The Chair introduced the Working Group to the five drafted options for the legal text and invited the Working Group to discuss which option was the most appropriate for this DCP or if there were some other legal text that would be fit for purpose.
 - 4.3 ED noted that redefining the definition for "Single Site" could have wider ranging impacts and could change the whole premises of the TCR. DW agreed with this and suggested that the change may be made simpler by just defining Back Up Connection Site.
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- 4.4 AP agreed that he believed that defining Back Up Connection Site and having this definition exempt from the residual charge was what the last Working Group had decided was the best course of action.
- 4.5 SM asked why the Working Group had landed on the definition being Back Up Connection Site rather than just Back Up Connection. ED explained that the issue only exists where the Back Up Connection is on a different site, so the definition has been created to specifically reflect this. SM confirmed that she now understood why Back Up Connection Site is the definition the Working Group were looking to take forwards.
- 4.6 The Chair asked the Working Group if they were comfortable with the term Back Up Connection Site and, if so, which of the proposals would the Working Group wish to take forwards in the consultation or if taking a number of the proposed legal texts to consultation? The Working Group agreed that using Back Up Connection Site is the correct definition to use but couldn't reach consensus at this stage on which of the drafted legal text to use.
- 4.7 The Working Group decided to review the existing legal text within Schedule 32 of the DCUSA document to help steer where the changes would be needed as this would also help the Working Group to decide which of the drafted legal text would be fit for purpose.
- 4.8 Initially it was suggested that 4.3 was where the changes in Schedule 32 would be the most appropriate place for any new legal text to be inserted however ED suggested that inserting any new text could go within section 5A which deals with a site with eligible services which are also exempt from the residual charge and the new text could be added in as 5.A3. The Working Group agreed that adding in the new legal text as 5.A3 to section 5A of Schedule was where the changes were best placed to go.
- 4.9 Now the Working Group had agreed on the where the legal text needed to be inserted, and that the definition of Back Up Connection Site was the best definition to use, the discussion moved onto which option/options the Working Group wanted to take forward.
- 4.10 AP believed that the Chair's alternative for the legal text was best. AP advised that there had been a conversation with Ofgem around another DCP that Ofgem were concerned about customers potentially 'gaming' the system so having something more driven by providing evidence then the parties can decide, and customers allowed to dispute the decision would prevent gaming opportunities and the Chair's alternative text supports this this with some changes to allow the process to be more self-declaration driven.
- 4.11 ED stated that any legal text would need to be clear that the two connections can't be used in parallel with each other.
- 4.12 The Chair brought the Working Group back to the scenario with three different customers with different connection agreements and asked SM if it could be clarified what Ofgem meant when they talked about redundant capacity. Was it related to the same customer on connection agreements or not? When they talked about single site was it relating to a single customer with multiple properties on a single site?
- 4.13 SM agreed to take away the action to clarify if within the TCR were Ofgem referring to one customer to one single site relationship or is it multiple customers to one single site and agreed that she would endeavour to have the answer for the next Working Group session. SM was able to clarify however

that with the redundant capacity paragraph was meant to be aimed at hospitals and other vital infrastructure.

- 4.14 Due to the issue with how the single site definition could impact this DCP the Working Group started to explore ED's alternative text for defining a Back Up Connection Site as the option to push out to consultation if the text was amended to clearly state that the redundant capacity can only be used when the main connection is unavailable.
- 4.15 To support this definition being taken forward to consultation another new definition was created for 'Licence Exempt System Back-Up Connection Site' and the definition to state " Is a connection to the DNOs network which is used for redundancy purposes and the primary source of power is via the Licence Exempt System. The capacity reserved for redundancy must be a subset of the capacity reserved by the licence exempt system".
- 4.16 Now the Working Group had agreed on the draft legal text and definitions the secretariat took an action to share it with the Working Group for review before the next Working Group session.
- 4.17 It was agreed that the secretariat would update the draft consultation document with the draft legal text, how that text was landed on and to include the request for information responses.

5. Agenda items for next meeting

- 5.1 The draft legal text to be share with the Working Group and the Working Group to review the draft text before the next meeting.
- 5.2 Review the Consultation document in readiness for sending it to industry.

6. Attachments

- Attachment 1_DCP403_Collated_RFI_Responses
- Attachment 2 _DCP403_Draft_Legal_Text

7. Next Meeting – 15 July 2022

- 8.1 The next Working Group meeting will be held on 15 July 2022 at 10am

Appendix 1 – Actions Log

New and Open Actions – (Open/Closed Session) or (Board)

Ref.	Action	Owner	Update
03/01	Claire Campbell to check if the example given by SP’s response to question 5 in the RFI document would have a single connection agreement or separate agreements	Claire Campbell	
03/02	Secretariat to align the final two questions in the RFI response document with the RFI that was issued	Secretariat	Closed, RFI response document has been updated and aligned with the RFI that was issued to industry.
03/03	Secretariat would update the draft consultation document with the draft legal text, how that text was landed on and to include the request for information responses.	Secretariat	
03/04	Shannon Murray to clarify if within the TCR, were Ofgem refereeing one customer to one site relationship or is it multiple customers to one single site	Shannon Murray	