

# DCP 404 Working Group - Meeting 10

28 July 2022 at 10:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Donald Preston [DP]	SSE
Edda Dirks [ED]	SSE Generation
Grace March [GM]	Sembcorp
Ishan Lowe [IL]	Ofgem
Karin Cadwallader [KC]	BUUK
Lee Wells [LW]	NPg
Nigel Bessant [NB]	SSE
Peter Turner [SS]	NPg
Rebekah Pryn [RP]	UKPN
Ross Thompson [RT]	UKPN
Simon Vicary [SV]	EDF
Tony McEntee [TM]	ENWL
Wendy Mantle [WM]	SPEN
Will Topping [WT]	WPD
<b>Code Administrator</b>	
Andy Green [AG]	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Tim Hipperson [TH] (Chair)	ElectraLink
<b>Apologies</b>	
Mike Kaveney [MK]	WPD
Robert Matta [RM]	SPEN

## 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. Purpose of the Meeting

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- 2.1 The Chair explained that the purpose of this meeting is to review the draft legal text and review the Consultation.

## 3. Review of Draft BCA

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- 3.1 The Working Group reviewed the draft BCA document that had been drafted by LW.
- 3.2 ED stated that it should be clear as to when a DNO should use one or two prices, however, is unclear where the provision is that allows this to be at the DNOs discretion. LW stated that this provision is stated within the Schedule, however it was removed from the BCA. LW explained that this was now sat within the definitions section and there is also a Consultation around whether this is the right approach.
- 3.3 ED queried on what basis DNOs would be allowed to have this discretion, but due to a question being included within the Consultation, however TM stated that there is not enough available data at present to be able to make the basis for this decision clear. Once there is more available data in the future, a new CP could be raised to define this process.
- 3.4 GM suggested that DNOs should provide justification as to why they choose to use two separate prices for import/export and ED suggested adding additional wording to make it clear that a different price would only be used if there is sufficient data.
- 3.5 After further discussion, it was agreed that the current drafting of the legal text and BCA will remain as is and may potentially be amended once the Consultation responses have been received – ED agreed that concerns with this will be included within the Consultation response.

## 4. Review Draft Legal Text

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- 4.1 The Chair invited the Working Group to review and discuss the current draft legal text. The link to the cloud document has been circulated and updates were made live during the meeting.
- 4.2 TM noted that he has included links within the calculation of curtailment tool that are relative to the paragraphs within the draft legal text at each step – the Working Group agreed that this will be of benefit to the user.
- 4.3 ED raised a concern around whether other regulations can be referenced within this draft legal text – the Working Group agreed that this is a question for the legal team when the draft legal text is being reviewed.
- 4.4 The Working Group agreed and updated the appendices within the draft legal text.
- 4.5 The Secretariat agreed to take an action to circulate an updated clean version of the draft legal text to the Working Group for review.

**ACTION 10/01: The Secretariat to circulate an updated clean version of the draft legal text to the Working Group for review.**

## 5. Review Draft Consultation

- 5.1 The Chair invited the Working Group to review and discuss the current draft Consultation. The link to the cloud document has been circulated and the updates were made live during the meeting.
- 5.2 The Working Group agreed to include the discussions with Ofgem around whether to use 'best' or 'reasonable endeavours' within the Consultation noting that Ofgem agreed with the Working Group that 'reasonable endeavours' would be most suitable to use.
- 5.3 The Working Group included a question to ask respondents whether they agree with the approach of adding the additional step of looking at tendered (but not contracted) prices is appropriate, and if not to provide their reasons why.
- 5.4 It was noted that the previous discussions around what number the 'markedly higher' figure should be and why this number was chosen should be included within the Consultation for respondents' information – this was added to the Consultation.
- 5.5 ED suggested adding the below wording to the Consultation and the Working Group agreed to this amendment:
  - *'The Working Group considered that a fixed price would have the advantage of giving the Customer certainty at the time of accepting their offer, whereas a variable price would more closely reflect the market conditions at the time of Curtailment.'*
- 5.6 TM and ED suggested adding the below wording to the Consultation in relation to the Curtailment End Date and the Working Group agreed to this amendment:
  - *'The end date for a Curtailable connection is the date where reinforcement would be completed, or where alternatively the Distributor provides the required capacity by procuring flexibility.'*
  - *'The end date for a non-Curtailable connection would not be energised until this has been undertaken.'*
- 5.7 RT suggested adding the below wording to the Consultation and the Working Group agreed to this amendment:
  - *'The Working Group noted that for the existing connection agreements, provisions exist under the Electricity (Connection Standards of Performance) Regulations 2015 which have provision for changing the end date of a Connection including payments to Customers where the date needs to be moved unless under certain circumstances. The Working Group is proposing to make use of these Regulations to apply the same protections to the Curtailment End Date.'*
- 5.8 The Working Group also agreed to include two additional Consultation questions relating to the above text to seek wider industry views on whether these provisions should apply and whether these should be repeated within the full BCA.
- 5.9 The Working Group were happy with the current drafting of the Consultation and agreed to further review and update/amend as needed prior to the next meeting.

## 6. Agenda Items for Next Meeting

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

1. The Working Group to review the draft legal text.
2. The Working Group to review the draft Consultation.

## 7. Any Other Business

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

## 8. Date of Next Meeting

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- 8.1 The next Working Group meeting will be held on 04 August 2022 at 10am.

## APPENDIX A

### New and Open Actions

Action Ref.	Action	Owner	Update
02/05	The Secretariat to include the Curtailment Limit Calculation spreadsheet as an attachment to the Consultation to wider industry once finalised.	Secretariat	<b>Ongoing.</b> Will be added to the Consultation document.
09/05	The Secretariat to add the definition of Curtaillable Connection to Schedule 22.	Secretariat	<b>Ongoing.</b> In progress.
10/01	The Secretariat to circulate an updated clean version of the draft legal text to the Working Group for review.	Secretariat	<b>Ongoing.</b>

### Closed Actions

Action Ref.	Action	Owner	Update
05/03	RP to discuss the Working Groups comments relating to the concerns raised around the Flexibility Market Prices internally for next steps.	RP	<b>Closed.</b>
06/11	RP to provide suggestions/recommendations of what to use for maximum demand (relating to the Curtailment Limit methodology) and feedback to the Working Group.	RP	<b>Closed.</b>
07/07	DP to rework the Curtailment Statement to ensure that it is suitable to be published on the DCUSA website.	DP	<b>Closed.</b>

09/04	TM/LW to draft wording around the Flexibility Market Price Statement within the draft legal text.	TM/LW	Closed.	
09/06	IL to confirm whether the terms set out within the BCA are they mandatory for DNOs to use or can DNOs use their own terms.	IL	Closed.	