

DCP 409 Working Group Meeting 05

01 September 2022 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Derek Fairbairn [DF]	NPg
Kevin Woollard [KW]	Centrica
Peter Waymont [PW]	UKPN
Richard Ellis [RE]	WPD
Simon Vicary [SV]	EDF
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink
Hannah Proffitt [HP] (Technical Secretariat)	ElectraLink

1. Administration

- 1.1 The Chair welcomed attendees to the fifth DCP 409 Working Group (WG) meeting and noted that no apologies had been received.
- 1.2 The group reviewed the “Competition Law Guidance”. All members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.3 The Chair presented the minutes from the previous meeting, advising they had not received any comments ahead of the meeting. The group agreed that the minutes were an accurate reflection of events. The final version of the minutes is included as **Attachment 1**.
- 1.4 The group discussed the open actions, details of which can be found in **Appendix 1**.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review the feedback received from Gowling, to review the Draft Change Report and to consider the next steps.

3. Review of Legal Feedback

- 3.1 The Chair presented the feedback from Gowling to the WG. This can be found as **Attachment 2**.

Can the SoLR payments be treated as collateral to pay off unpaid DUOS and what are the consequences of doing so?

- 3.2 One member noted that they felt the response made sense, however didn't fully answer the WG's question.
- 3.3 Another member noted that it does not cover scenarios where a Supplier who is due to make Supplier of Last Resort (SoLR) payments, goes into the SoLR process themselves. The member noted that the Party will not be able to give permission as there is no longer a legal identity.
- 3.4 The group reviewed the responses to question 7 of the consultation 'Should the value of the SoLR payment reduce the Value at Risk or be treated as collateral?' and noted that responses were mixed. Members discussed and agreed to progress with the value of the SoLR payment reducing the Value at Risk.

If a SoLR supplier went into administration does the insolvency act allow the offsetting of SoLR payments against any owed DUOS?

- 3.5 The group noted that the response reinforces the allowance of offsetting.

4. Review of Draft Change Report

- 4.1 The WG highlighted two matters for further consideration that had come from the consultation responses.

Should the full balance or the monthly balance be offset?

- 4.2 The WG reviewed the consultation responses, noting that the majority did not support the full balance being taken.
- 4.3 The WG agreed to progress with the monthly balance rather than the full balance.
- 4.4 The Proposer suggested that could raise an alternative solution which included the full balance.

Should this change only apply to new SoLRs, or to existing SoLRs?

- 4.5 The WG reviewed the consultation responses, noting that the majority felt that the change should apply to new SoLRs only.
- 4.6 The WG agreed with the majority view for this to be applied to new SoLRs only rather than all.
- 4.7 The WG reviewed the Draft Change Report and make amendments. The updated version can be found as **Attachment 3**.

5. Next Steps & Work Plan

- 5.1 The Working Group discussed the next steps, and the following items were captured:
- The Secretariat agreed to circulate an updated version of the Change Report and Voting form to members for review.
 - The Secretariat agreed to issue the agreed legal text to Gowling for legal review.

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 is TBC.

8. Attachments

- Attachment 1 - DCP 409 Working Group Meeting 04 - Final Minutes v1.0
- Attachment 2 - Feedback from Gowling
- Attachment 3 - DCP 409 Draft Change Report v1.0

APPENDIX A

New and Open Actions

No new actions.

Closed Actions

Action Ref.	Action	Owner	Update
04/01	The Chair to speak to colleagues Richard Colwill and Dylan Townsend about DCP 349’s possible interaction with DCP 409.	ElectraLink	Action closed. <i>Action complete. DCP 349 introduces another criteria for collateral so will not be impacted by DCP 409.</i>
04/02	Chair to Ask DCUSA Legal Advisor whether SOLR could be used to pay off DUOS?	ElectraLink	Action closed. <i>Legal feedback received and presented at the meeting.</i>