

DCP 404 Working Group - Meeting 15

08 September 2022 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Donald Preston [DP]	SSE
Edda Dirks [ED]	SSE Generation
Grace March [GM]	Sembcorp
Karin Cadwallader [KC]	BUUK
Lee Wells [LW]	NPg
Mike Kaveney [MK]	WPD
Nigel Bessant [NB]	SSE
Peter Turner [PT]	NPg
Rebekah Pryn [RP]	UKPN
Robert Matta [RM]	SPEN
Simon Vicary [SV]	EDF
Tina Schmieder-Gate [TSG]	Ofgem
Tom Cadge [TC]	BU-UK
Tony McEntee [TM]	ENWL
Will Topping [WT]	WPD
Code Administrator	
Craig Booth [CB]	ElectraLink
Dylan Townsend [DT]	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Tim Hipperson [TH] (Chair)	ElectraLink
Apologies	

Wendy Mantle [WM]

SPEN

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 An action log has been created and all updates are provided in **Appendix A**.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of this meeting is to review the Consultation responses and feedback provided by Working Group members.
- 2.2 The Chair stated that to gain a high-level understanding of what areas need to be focused on, each of the responses will be questioned as to whether the issue/concern can be addressed, whether it can be completed within the given timescales, and if so, what are the next steps. A work plan can then be created and solutions discussed at the following Working Group meetings.

3. Review of Consultation Responses

- 3.1 The Chair walked through each tranche of questions and feedback with the Working Group to review and discuss. In order to gain a high-level view of what the next steps are and to understand which areas need to be focused on, the Working Group agreed to cross-check whether this is something that can be resolved within the time frame, and if so, what are the next steps for each discussion point.
- 3.2 **Question 1**
- 3.3 All responders confirmed that they understood the intent of the CP. The Working Group had no further comments.
- 3.4 **Question 2**
- 3.5 All responders are supportive of the principles of DCP 404. One responder noted that the current definition of ‘Customer’ may need to be reviewed and amended by the Working Group (either creating two new terms, ‘Demand Customer’ and ‘Generation Customer’, or replace the current definition of ‘Customer’ with ‘User’). The Working Group agreed to review and amend the current definition of Customer and agree whether there needs to be an amendment moving forward.
- 3.6 **Question 3**
- 3.7 Responses generally supportive. SSSEN, SPEN, WPD and UKPN additional steps may be needed to address more complex situations.
- 3.8 TM stated there were no specifics given by responders regarding the proposed methodology – NB suggested introducing adjustment factors (i.e., sensitivity/coincidence factor) which should be evidence led (and therefore adding an obligation on the DNO to share this with the Customer if needed).

- 3.9 It was noted that the Change Report should include that the proposed methodology may not work fully for meshed networks, and therefore DNOs may bring forward further modifications for this within the future. The Working Group need to agree whether this can be done within the current timescales or whether this is to be a future CP.
- 3.10 After further discussion TM agreed to draft a number of alternative approaches that may be required for meshed networks and agree whether this should be taken forward or remain as is at the next meeting.
- 3.11 The Working Group agreed that there will be a need for more wording to justify the 95% threshold.
- 3.12 One responder provided suggestions to amend the methodology to allow for adjustments to be made without seeking derogations. TM and agreed to discuss this with the responder offline as to what changes can be made and feedback to the Working Group for their review.
- 3.13 **Question 4**
- 3.14 One responder provided a number of observations regarding assessing the Import Curtailment Limit and Export Curtailment Limit and whether they are appropriate – TM agreed to discuss this with the responder offline to agree on what changes may need to be made and feedback to the Working Group for their review.
- 3.15 TM and RP agreed to discuss what changes may need to be made (i.e., parallel networks) and feedback to the Working Group.
- 3.16 Most responders were generally supportive.
- 3.17 NPG have picked up some points of detail which need to be worked through and resolved.
- 3.18 UKPN have raised specific details of the storage and generation profiles. Not sure the comments on generation are correct but both need to be worked through and resolved.
- 3.19 **Question 5**
- 3.20 The Working Group agreed that most responses are supportive, but comments noted that no evidence provided in support of approach. The Working Group suggest that this is picked up within the change report and acknowledge that this needs to be reviewed with more experience.
- 3.21 A number of responders suggested the need for a periodical review should be included. He Working Group agreed that this should happen at least once a year.
- 3.22 **Question 6**
- 3.23 The Working Group agreed that responders are generally supportive but recognition that the numbers are to some extent arbitrary and should be reviewed over time.
- 3.24 One responder queried whether the Curtailment Threshold could be locational – the Working Group agreed that this needs to be addressed, however it was noted that the Ofgem Direction stated that the solution should be as simple as possible (whilst meeting the objectives) and agreed that locational would not meet this requirement.
- 3.25 **Question 7**
- 3.26 The Working Group agree that the responders are generally supportive, although noting some comments from Sembcorp on additional customer information.

- 3.27 The Working Group agreed that CP should allow the DNO to be able to go to the Authority in extreme circumstances to allow for re-assessment if needed, without this being codified. If this is agreed to move forward, the draft legal text may need to be amended.
- 3.28 **Question 8**
- 3.29 Most responders are supportive but there is a suggestion from SSEG that if granted, DNOs must publicise what they have done. UKPN suggests an alternative with Ofgem approval.
- 3.30 TM stated that if an alternative methodology has been used, the DNO will have to explain what has been done to the Customer and the Authority. A tweak to the draft legal text may be needed (para 2.1). The Customer will also need to be made aware how the Curtailment Limit was calculated within these circumstances.
- 3.31 ED suggested that there should be provision to allow Customers to initiate the process (as well as the DNO). LW stated that the current provision within para 2.1 of the draft legal text states that unless otherwise directed by the Authority the Import Curtailment Limit and Export Curtailment Limit will be determined by assessing the parts of the existing Distribution System that require reinforcement under the Minimum Scheme.
- 3.32 **Question 9**
- 3.33 The Working Group agree that responders are generally supportive. Probable over the calculation of payments. It was noted that there will be a need to divide by 4 if calculated quarterly.
- 3.34 LW suggested doing the measurement on a quarterly basis and making a payment once (as four payments may skew the amount). It was agreed that the calculation methodology may need to be refined to divide by four.
- 3.35 LW also stated that it is not currently explained how the number is derived in a non-Curtailable instance. This will need to be addressed within the Change Report.
- 3.36 One responder noted that an explanatory note added to the legal text around the Curtailment Instruction Value may aid wider understanding. The Working Group agreed to take an action to ensure this is clearly defined within the draft legal text and addressed within the Change Report.
- 3.37 **Question 10**
- 3.38 The Working Group agree that timescales may need to be added for customer reporting.
- 3.39 It was agreed to pick up DSO reporting within the Change Report
- 3.40 **Question 11**
- 3.41 All respondents agreed that reasonable endeavours are appropriate.
- 3.42 Octopus propose additional quarterly reporting requirements for a DNO/IDNO Party to inform a Customer of measures it is taking to avoid exceeding the Curtailment Limit e.g. procuring Distribution Flexibility Services.
- 3.43 Recommendation: This is beyond the scope of the decision/direction and risks reporting becoming overly onerous: the direction is to inform a Customer how much it has been Curtailed relative to how much it has agreed to be. It should not be lost that there will be an obligation (reasonable endeavours) to not exceed the Curtailment Limit: this will be a DCUSA obligation, with a licence condition to comply with the DCUSA.

- 3.44 SSEG propose that the legal text is amended such that a DNO/IDNO Party will also use reasonable endeavours to notify the Customer that it has breached the Curtailment Limit asap after it happens, in addition to the obligation to use reasonable endeavours to notify in advance of it happening.
- 3.45 The recommendation of the Working Group is that this is accommodated s a new paragraph 5.3 (LW agreed to draft).
- 3.46 **Question 12**
- 3.47 All 14 respondents agree with the use of tendered prices for Distribution Flexibility Services, albeit one response appears contradictory.
- 3.48 There was uncertainty around EDF's comment of tendered being "more appropriate than contracted prices", given it is an 'and' not an 'or'. The recommendation of the Working Group is to note the response, but no action needed other than to clarify the methodology.
- 3.49 Octopus appear to agree with the proposal to use tendered prices where contracted are not available, but then state the view that tendered prices should take precedent. The recommendation of the Working Group is to note the response, but no action needed other than to clarify the methodology.
- 3.50 SSEG seek to codify the publication of tendered prices, but the obligation is to publish them (assuming no contracted prices are available i.e., tendered would not be published if all tenders had resulted in a contract being awarded). The recommendation of the Working Group is for SSEG to clarify the intent i.e., does it propose that tendered prices should be published in the Flexibility Market Prices Statement regardless, and if so, for what benefit if not being used? It could create confusion and the statement should not be a data repository.
- 3.51 After further discussion, the Working Group agreed to amend Appendix A to state whether a price is tendered or contracted.
- 3.52 **Question 13**
- 3.53 Majority (nine) of responses agree with the methodology for setting the Exceeded Curtailment Price, and two responses did not agree.
- 3.54 SPEN disagree and prefer the exclusion of outliers etc e.g., response linked to subsequent questions. SPEN support this with examples. Recommendation: It should be noted that some respondents agree with the methodology but also support changes (e.g. NPg). From an NPg perspective, this is to recognise that we are comfortable with the proposed approach and that it delivers what is needed, but that is notwithstanding a preference for alternative approaches that would also deliver the directed requirements.
- 3.55 SSEN do not agree with a zero value for the Flexibility Market Price and propose to use the maximum price for Distribution Flexibility Services across all 14 Distribution Services Area (DSA) where no price is derived. However, SSEN note concern that there may be extreme prices within a single DSA which may create a distortion, and therefore propose to exclude outliers by disregarding prices that are greater than two standard deviations of the total contracted/tendered prices.
- 3.56 Recommendation: SSEN to clarify this as it is confusing to suggest replacing a zero value with the maximum across all DSAs, and then set out concerns about locationality creating a distortion with

extreme prices within a DSA. It should be noted that the working group intentionally moved on from the position of using the maximum price for Distribution Flexibility Services across all DSAs. The direction is clear that we need to use contracted prices, then use the cost of reinforcement. The working group propose to supplement this with tendered prices. The SSEN proposal risks compounding the distortions that some parties are concerned about otherwise re extreme prices that would not otherwise be paid by the DNO/IDNO Party; a concern which SSEN itself sets out.

- 3.57 UKPN believe the directed requirement has been misinterpreted as set out in response to subsequent questions. Recommendation: Need to agree where best to make the representation i.e., in this question or where the response has been set out, but to avoid duplication. The Working Group understand what UKPN go on to set out in a strict sense, but do not consider it to align with the ‘spirit’ of the Exceeded Curtailment Price. Perhaps we need an Ofgem position to move forward with clarity.
- 3.58 **Question 14**
- 3.59 Majority (11) of responses agree with 20% as a markedly high uplift and one response suggested a 50% uplift.
- 3.60 Octopus propose 50% to “truly embed the intention for a flexibility first approach”, and set out concerns about no penalties etc if a DNO does not do it. Octopus also propose a mechanism is developed to directly link Distribution Flexibility Services to flexible connections. Recommendation: The working group considered 50% and agreed that it was “super markedly high” and therefore discounted it. This should be noted. It should be noted that there remains a general obligation not to trigger the need to pay the Exceeded Curtailment Price, which should not be lost (i.e. it is a licence obligation via the DCUSA to use reasonable endeavours). To do what Octopus suggest, changes would be needed outside of the DCUSA and this is not in scope of the direction.
- 3.61 SSEG potentially support the use of 20% by recognising that any figure is essentially arbitrary. SSEG propose (as to do others) a regular review. Recommendation: As with other areas it is sensible to review this. It is unclear what evidence would be needed to determine what is markedly high. Suggest SSEG note support for 20% of propose a different figure to answer the question.
- 3.62 SSEN recommend that 10% would also be markedly higher but do not appear to be proposing it as an alternative. Recommendation: the working group discussed 10% and agreed it was not sufficiently high and therefore discounted it. This should be noted.
- 3.63 **Question 15**
- 3.64 Outliers: eight (57%) respondents support excluding outliers.
- 3.65 Excluding certain services: eight (57%) respondents support excluding post-fault services (WPD somewhat unclear as propose that the services should be limited to those which would be procured to avoid the specific Curtailment, which does not rule out any specific service period).
- 3.66 Assessment period: five (36%) respondents support a shorter period than the current regulatory year plus the two previous regulatory years. It appears all favour the current year only (but this isn’t clear in all instances). One respondent (SSEG) suggested the legal text was not sufficiently clear to answer.
- 3.67 BUUK comment that it cannot tell from the consultation what the impact would be removing certain types of Distribution Flexibility Services to support exclusion. Recommendation: Whilst agreed, the

consultation does not set out the contracted/tendered prices in general (although the Working Group did gather data). Need to address this – is there a reason why the Working Group did not include the data?

- 3.68 ENWL refer to a lack of evidence that outliers exist and a need to provide “detailed evidence and analysis” to justify any different proposal. Recommendation: Whilst agreed to an extent, the Access SCR CPs are littered with arbitrary figures/assumptions. The use of e.g. a 95th percentile to exclude outliers is reasoned as much as (e.g.) a 95% Curtailment Threshold. The key is justifying it without necessarily providing detailed evidence, otherwise these CPs would struggle to get off the ground in places.
- 3.69 Octopus support a more locational approach, whereas locationality in the proposed solution is relative to a DSA only. Recommendation: More granular locationality may severely limit the use of contracted/tendered prices in future (e.g. for a new location) such that the cost of reinforcement may be used the majority of the time. More granular approaches are considerably more complex and is less aligned with the direction to keep this as simple as possible.
- 3.70 SPEN comment that any trials/innovation projects should also be excluded from services taken into account, which may (e.g.) include facilitation payments which may inflate the price and therefore not reflect the market. Recommendation: Would any trials/projects be included in the published tenders, is this not separate? Why would such prices be included in the information being used here by default? SPEN to explain how this would manifest.
- 3.71 SSEN propose an approach to excluding outliers based on two standard deviations of the total prices contracted/tendered. Recommendation: The working group needs to consider this option. It needs to show what this would mean, and any alternative options (including no exclusions) based on the data gathered. Only then can we assess the impact on the Exceeded Curtailment Price.
- 3.72 LW noted that the Ofgem Direction does not say that the highest price should be marked-up. The Working Group agreed to take an action to propose a question to Ofgem regarding current solution suggests that in 5% of the time, it may be cheaper to exceed the Curtailment Limit as opposed to not exceeding.
- 3.73 LW stated that the prices that have to be published are prices for procuring distribution flexibility services, which is a defined term within SLC 31E. If these trials/projects fall under this definition, there would be a risk that they could be included. RM agreed take an action to speak to WM internally to seek whether an exception needs to be included here.
- 3.74 In regard to UKPNs alternative model, RP agreed to take an action on behalf of RT to attend a Working Group meeting to walk through the model. It was also agreed to draft something for Ofgem to review as the majority of responders voted to not use the highest, to seek whether Ofgem have any concerns. Options will need to be quantified prior to sending to Ofgem for review.
- 3.75 **Question 16**
- 3.76 Four (29%) respondents believe there may be unintended consequences.
- 3.77 NPg suggest the publication of the Flexibility Market Price Statement risks influencing the market but propose to monitor this and not address via the CP solution. NPg note that this cannot be quantified. Recommendation: Working group to note but no action needed.

- 3.78 Octopus comment on the RIIO-ED2 DSO incentive and it not being enough to incentivise the development of the flexibility markets etc. The concern is a DNO opting to Curtail a generator by default if the incentive is not strong enough (including if the Exceeded Curtailment Price is not high enough). Recommendation: Working group to note but no action needed as this is out of the scope of the DCUSA (where the DSO incentive is concerned) and comments on the Exceeded Curtailment Price are captured separately. No comments were made in relation to the proposed solution.
- 3.79 SPEN set out concerns that contracted prices for Distribution Flexibility Services in a developing market will be impacted by the Exceeded Curtailment Price. It is concerned that setting the Exceeded Curtailment Price well in advance, and based on historical prices, could influence bids for future services based on historical information. Recommendation: Working group to note but no action needed other than this needs to be linked to the rationale for excluding outliers etc in setting the Exceeded Curtailment Price.
- 3.80 WPD refer to the obligation to notify a Customer of an expected breach of a Curtailment Limit, and suggest that it may provide an opportunity for flexibility prices to be elevated in anticipation.
- 3.81 RM stated that one concern was an exceeded curtailment price is being set for a contract that could happen years in the future. Including this within the connection agreement without regular review is of a concern.
- 3.82 **Question 17**
- 3.83 In general, all but SSEG consider the CEP to be out of scope essentially.
- 3.84 SSEG set out its views which should be discussed by the working group.
- 3.85 Recommendation: SSEG to lead the discussion but I propose the response is noted and documented in the Change Report, but we moved on unless Ofgem intervene – Ofgem should be consulted again as previously but we work on the assumption that ‘no news is good news’ in terms of continued development of the solution in line with directed requirement.
- 3.86 The Chair agreed to take an action to discuss the CEP with Ofgem and re-review and discuss further at the next Working Group meeting.
- 3.87 **Question 18**
- 3.88 In general, with the exception of one respondent (WPD), all support the proposal in relation to the Flexibility Market Price Statement.
- 3.89 Octopus propose that the table clearly indicates whether a price is contracted or tendered. Recommendation: Working group to discuss. Simple amendment needed if agreed. This may cover the point raised by SSEG previously as well?
- 3.90 WPD refer to an obligation under SLC31E to publish an annual report at the end of each April, and that it should be used to determine the data for the Flexibility Market Price Statement. WPD do not agree with a biannual update. Recommendation: WPD to explain the obligations and how this may change the proposed solution. From a customer service perspective, it is suggested that it is worth putting the information all in one place – which it is believed that WPD are not opposing – rather it prefers to do it once per annum only. The Working Group does not think the proposed legal text prevents using the SLC31E report data, rather it is used more frequently.

3.91 **Question 19**

3.92 One respondent (SPEN) prefers to use the CEM approach.

3.93 SPEN prefer the CEM approach as it is used in determining its prices for Distribution Flexibility Services. Recommendation: Working group to note. It is suspected others use CEM as well like SPEN (NPg do) but are comfortable with a different approach.

3.94 RM agreed to take an action to seek further information around WPDs response and feedback to the Working Group.

3.95 **Question 20**

3.96 Three (21%) respondents support a fixed the price at the time the offer is accepted, seven (50%) respondents support a dynamic price, and two (14%) respondents proposed a somewhat hybrid approach.

3.97 ESP and INA do not answer the question. Recommendation: Unless this will impact the working group decision (where a majority support dynamic regardless), the working group should note this only.

3.98 OPN propose to fix the price for a period of time, however, do not suggest for what period and then what happens next. Recommendation: Working group to consider fixing the price at the time of acceptance for a period. The working group could consider a subsequent fixed period of a revised price or reverting to a dynamic price upon completion of the initial fixed period.

3.99 Sembcorp Energy propose a similar approach to OPN, which would become dynamic thereafter. Sembcorp only propose this if supported by the working group and recognise the complexity of the approach. Recommendation: as above, to be discussed by the working group.

3.100 The Working Group agreed an action to model the proposed approaches along with assessing the impact against the current model already drafted, for further discussion/review. LW noted that there is not enough historical data to see how much the prices have changed.

3.101 **Question 21**

3.102 Six (43%) respondents support a separate Exceeded Curtailment Price for import and export, and six (43%) respondents support a single Exceeded Curtailment Price for import and export.

3.103 ENWL agree in principle that separate prices could be used but comment that in practical terms it cannot currently be done.

3.104 Recommendation: Working group to note and seek explicit preference as to a preference for single or separate. However, the legal text as written allows for separate or single, and as such the solution already caters for the ENWL preference i.e., it can be separate when practical.

3.105 NPg prefer separate prices regardless of whether the price is the same for both. This may be a compromise position which would remove reference to a single price, and in practical terms, the price would only vary for import and export when possible/justified. Recommendation: working group to discuss how to move this forward in general.

3.106 SSEG propose that it is made clear what is meant by 'insufficient data' and therefore define the term. Recommendation: working group to discuss. It is a reasonable request if a separate price is discretionary.

3.107 LW suggested making a justification for both import and export exceeded curtailment prices. The Working Group agreed that a session needs to be held solely on import/export prices prior to progressing with this area and coming up with a response.

3.108 **Question 22**

3.109 10 (71%) respondents do not agree that a DNO/IDNO Party should have discretion to apply a separate Exceeded Curtailment Price for import and export, at least not without providing supporting rationale (Sembcorp Energy and SSEG responses). Included is NPG who propose that a separate price should always be used regardless of whether the price is different. Four (29%) respondents agreed that it should.

3.110 BUUK set out that, whilst it agrees it should have the discretion, an IDNO cannot make a choice as it stands as the legal text specifies that an IDNO must use the price in the relevant DSA. Recommendation: Working group to discuss and agree how this may be reflected in the legal text, or if this is not actually a choice for the IDNO.

3.111 Sembcorp Energy and SSEG propose that any discretion needs to be transparent and justified. Recommendation: Working group to discuss and agree, if discretion is to be retained (despite majority favouring it is not), what additional steps are needed as a result to aid transparency.

3.112 **Question 23**

3.113 All but one respondent agreed. Octopus believe any movement due to the DNO/IDNO not meeting their reinforcement dates should be compensated – to be discussed in the working group.

3.114 Proposed legal text by NPG was provided – this is to be discussed in the working group subject to resolving Octopus' points. The Working Group stated the comments from Octopus may be out of scope for this change. It was agreed for this to be noted within the Change Report.

3.115 Working group to clarify if the term 'customer' covers demand and generation – potential confusion with definitions in other documents such as The Electricity (Connection Standards of Performance) Regulations 2015.

3.116 The Working Group noted that there was broad agreement but workgroup discussion needed and potentially legal advice. The Working Group agreed to discuss and review the potential changes in further detail during another Working Group meeting.

3.117 ED stated that the underlying reasoning as opposed to just amending the legal text – it was agree for an action to be taken to review paragraph 16 of the draft legal text.

3.118 **Question 24**

3.119 No clear decision. Reasons for are aligned – clearer for the user with UKPN raising the question if there is a legal reason it should be included. Reasons against are risk of drift and unnecessary. – working group will need to decide whether the risk of drift outweigh the ease to the user of including the provisions. The Working Group agreed that legal clarification will be needed.

3.120 **Question 25**

3.121 Two responders believe the text is not sufficient and should be broadened to address those that do not want to pay reinforcement costs even if below the high-cost cap – potential additional legal text will need to be drafted.

- 3.122 Request to clarify if all the terms in the curtailable connection would be enduring if a connection does not have an end date – working group to discuss whether further clarity is needed and whether any terms in the contract are not relevant should a customer seek to not have an end date.
- 3.123 The Working Group agreed that further amendments will be needed to the draft legal text to state that the Customer either has to reject the connection or take an enduring curtailable connection.
- 3.124 **Question 26**
- 3.125 Majority of responders are happy for the text to be included in 406, however SSEG propose separating the elements relevant to 404 and 406 and keeping them in their respective CPs. This is acknowledged as being against best practice but believe that if the whole text was kept together in one CP Ofgem do not approve of that one but do the other, there's a risk of the legal text being insufficient.
- 3.126 NPG believe text should be kept in this CP.
- 3.127 ED raised a concern around what will happen if one CP is approved by Ofgem (DCP 404/406) and one is not as there is new legal text of them that need to be combined. ED suggested providing alternate legal text for both DCP 404/406 in case this situation arises (meaning one legal text can be posted without the other). Working Group members were concerned around this due to tight timelines and the urgency to get this over the line in time.
- 3.128 It was agreed that this will be noted within the Change Report, however it was agreed for this to be ran past Ofgem for their feedback as to what will happen if this situation does occur.
- 3.129 PT suggested adding wording into the DCP 406 draft legal text and Change Report mentioning that this change has already been through the processes within DCP 404. This way, the DCUSA Panel will understand that it has already been discussed within DCP 404 and will not have to be reviewed twice (in both CPs).
- 3.130 **Question 27**
- 3.131 All in agreement accepting minor changes proposed by NPG – it was suggested that the Working Group to run through NPG's proposals in working group session.
- 3.132 **Question 28**
- 3.133 All respondents were in agreement.
- 3.134 **Question 29**
- 3.135 Two/Three respondents request further clarity on cost of control equipment and what impact would be if a customer wishes to install equipment at their own cost to manage curtailment (this later point may need further discussion as it is not obvious to me what this point means) – working group to discuss whether further clarity is needed in legal text.
- 3.136 TM suggested that any changes to the form of the charging statement should be brought forward as a new CP in the future. It was agreed that this will be noted within the Change Report that this is out of scope of this change.
- 3.137 The Working Group also agreed that they will add that what happens to equipment after fixed connection is a bilateral agreement between the customer and DNO. It was also noted that costs are shown in the Connection Charging Statement.
- 3.138 **Question 30**

3.139 All bar 1 responder agreed that the principles better facilitate the DCUSA General Objectives.

3.140 SPEN agreed that it better facilitates General Objective 3, however, do not agree that it better facilitates General Objective 1 due to the proposal to use the highest flexibility market price of the DNO licence area as this is not economical. The Working Group agree that this would extend the definition of Curtailment, and therefore will be outside of scope of this CP. The Working Group agreed to address and note this within the Change Report.

3.141 **Question 31**

3.142 7 responders were unaware of wider industry impacts of this CP. 6 responders noted areas that be impacted by this CP.

3.143 After further discussion, the Working Group agreed to list the potential areas that may be impacted by this CP within Section 10 of Change Report.

3.144 **Question 32**

3.145 NPG state that, in relation to paragraph 1.2, they consider that 'network benefit' should be defined as this is key to determining when a DNO/IDNO Party must offer a Curtailable Connection in line with the Access SCR Decision. The Working Group noted that this term has numerous definitions and it is not possible to define it within this MOD. The Working Group agreed to note in the Change Report that Network benefit is a key factor in determining the curtailment offer, if it is not defined by OFGEM then it may leave it open to interpretation.

3.146 UKPN would like to include in the legal text a statement that allows for DNOs/IDNOs to provide additional curtailment assessments for the customer's own benefit where applicable. The Working Group agree that this is not a Legal text issue as the legal text addresses the case requirement of the MOD. Anything above or beyond the requirements of the mod falls under DNO customer service. Change report comment required to reflect this.

3.147 SSEG make numerous recommendations for legal text change. Working Group agreed to review these alongside their Legal Text review.

3.148 **Question 33**

3.149 OPN state that they like to raise that the time allowed for this consultation, considering its importance and that it was issued during the holiday period, is too short. The Working Group agreed to note this in Change Report.

3.150 SPEN raise additional information on level curtailment and ask that consideration should be given to how customers are best presented with information relating to the practical level of curtailment they are likely to experience. The Working Group agreed that this is beyond scope and should fall under DNO customer service. This should be noted in Change Report.

3.151 SPEN note that allowance should be made for reviewing the End Date should the solution identified in the Connection Offer no longer represent a cost-effective solution for UK customers. The Working Group agreed that this is covered by the exceptional circumstances clause and will point SPEN to this in the Change Report.

3.152 SPEN note that where an offer is made with no end date the Legal Text does not make provision for this. The Working Group agreed to review legal text to understand if changes are required to be made.

3.153 SSEG ask that curtailment merit order be published. The Working Group agreed this is out of scope and this will be noted in the change report. SSEG ask that clarity be given on additional curtailment parameters in order to strengthen the benefits and transparency to network users of the change proposal, we would welcome an express requirement in the curtailable connection agreement to set out the parameters around curtailment. It was agreed that this is out of scope, however it will be noted that this is an aspiration that should be worked towards.

3.154 SSEG ask for public reporting by distributors on their curtailment activities. Working Group state that this is out of scope and will ensure it is noted in the Change Report.

ACTION 15/01: The Working Group to review and complete the actions spreadsheet/works plan.

4. Agenda Items for Next Meeting

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

1. The Working Group to review the actions spreadsheet/works plan and assign owners.

5. Any Other Business

5.1 The Chair asked the group whether there were any other items of business to discuss.

5.2 There were no other items raised.

6. Date of Next Meeting

6.1 The next Working Group meeting will be held on 15 September 2022 at 10am.

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
09/05	The Secretariat to add the definition of Curtailable Connection to Schedule 22.	Secretariat	Ongoing. In progress.
15/01	The Working Group to review and complete the actions spreadsheet/works plan.	Working Group	Ongoing.

Closed Actions

Action Ref.	Action	Owner	Update