

# DCP 403 Working Group - Meeting 05

16 September 2022 at 10:00

Location/ Web-Conference/Teleconference

Attendee	Company
Kyran Hanks(KH)	Waters Wye Associates
Chris Ong(CO)	UKPN
Andy Pace(AP)	Energy Potential
Edda Dirks(ED)	SSE Generation
Ryan Farrell(RF)	Northern PowerGrid
James Jones SSE (JJ)	SSE
David Fewings(DF)	Inenco
Simon Vicray(SV)	EDF
Code administrator	
Andy Green [AG] (Technical Secretariat)	ElectraLink
John Lawton (JL) Chair	ElectraLink
Apologies	
Shannon Murray(SM)	Ofgem
David Wornell (DW)	Wester Power
Claire Campbell (CC)	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 The minutes were reviewed, and ED noted that she was down as an attendee for the previous Working Group and requested this be updated as she was not present. The secretariate noted this as an action and that this would be updated.

The actions from the previous Working Group were reviewed and the action log was updated accordingly. The action log can be found at **appendix 1**. An additional action log has also been created within **attachment 4**.

## 2. Purpose of the Meeting / Timeline for Delivery

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- 2.1 The Chair explained that the purpose of this meeting is to review and discuss the DCP 403 Consultation responses and if time review the legal text and agree next steps.

## 3. Review of Consultation responses

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- 3.1 The Working Group reviewed the Consultation Consolidated response document which can be found in **Attachment 1**.

### **Q1 Do you understand the intent of DCP403?**

- 3.2 All parties agree they understand the intent of DCP 403.

### **Q2 Do you support the Principles of DCP 403?**

- 3.3 6 respondents supported the principles of the proposal where 1 did not.
- 3.4 The respondent did not agree that the section quoted from Ofgem's TCR decision provided a rationale for the proposal and asked that this is recorded in the change report.
- 3.5 The Working Group considered whether this proposal applies the process that Ofgem have described of summing of total consumption volumes across all connection.
- 3.6 The Working Group agreed to review the comments by SSEG, specific to paragraph 9 subsection 10 of the TCR decision document and respond accordingly.

### **Q3 Do you consider that backup connections should be exempt from residual charges? Please provide your rationale.**

- 3.7 For 3 respondents, the Working Group noted that their responses were in line with the current change proposal.
- 3.8 One response noted that the legal text refers to evidence and they believed this would be more onerous than self-certification.
- 3.9 One respondent stated that there may need to be coordination between DNO/IDNO Parties and there could be a link to DCP 389 which may need to be implemented in parallel.
- 3.10 The working Group will review DCP 389 to see what potential impacts the legal text has. The Working Group agreed to review the legal text to check if its broad enough to cover DNO/IDNO situations.
- 3.11 SSEG responded to this question by stating they didn't consider Ofgem's policy intent to be clear on how sites which are banded based on their MIC, and which have redundant connections should be treated.

- 3.12 The last response stated that future work may be required to determine whether the provision of backup connections incurs costs that would be recovered through residual charges, and whether there are scenarios where backup connections should be liable for residual charges. It was noted that this may require an additional change as it is currently out of scope for this change proposal.
- 3.13 Andy P agreed to take an action to find the text around the Ofgem TCR decision regarding redundant capacity. The Working Group will provide these arguments within the change report document as counterview.

**Q4 Should a single site be specific to one customer or multiple customers if within a private network? Please provide your rationale.**

- 3.14 Working Group Conclusion to the responses were under the current arrangement's sites connected to a private network with backup connections would have multiple connection agreements and would therefore be considered as multiple single sites.

**Q5 Do you consider that the proposed solution meets the TCR decision on redundant connection capacity? Please provide your rationale.**

- 3.15 5 responses met the current working groups position.
- 3.16 One respondent replied stating they did not believe the proposed legal text properly implements the intentions of the working group and provided new draft legal text in response to Q 11 of the consultation. The Working Group agreed to review the proposed legal text in Q11. This response also suggested that the licence at the private networks was not part of the TCR decision. APs action within Q3 will review the TCR decision and feedback back accordingly.
- 3.17 Working Group Conclusion to Q5 are to review the draft legal text in q11 and to receive TCR decision in relation to private networks and to review AP's response to the TCR decision.

**Q6 Should the introduction of a subset to a Final Demand Site result in the allocation to a zero-charging band? Please provide your rationale**

- 3.18 4 responses met the current working groups position.
- 3.19 Another response noted that the change could introduce further complex change into a market already going through significant change and with the DUoS SCR still to come. The Working Group noted this response, and that the SCR decision is with the authority for a decision at this time.

**Q7 If the Back Up Connection Site is connected to a different GSP to the main connection, should it be exempt from residual charges? Please provide your rationale.**

- 3.20 Working Group Conclusion was that the outcome of this will depend on the evidence provided for each scenario.

**Q8 Do you consider that the proposal better facilitates the DCUSA General Objectives? If so, please detail which of the General Objectives you believe are better facilitated and provide supporting reasons. If not, please provide supporting reasons.**

- 3.21 Objectives 1-4 were noted as objectives that the proposal better facilitates. Reasons cited were currently charging the customer twice contravenes those objectives, it would further the economical operation of the Distribution Networks and that it would ensure that DNOs apply DUoS charges in a non-discriminatory way to sites connected to private networks with backup connections to the distribution network.

**Q9 Are you aware of any wider industry developments that may impact upon or be impacted by this CP?**

- 3.22 4 respondents were not aware of any wider industry developments that could be impacted by this CP
- 3.23 One respondent believed that DCP 389 'TCR - Clarification on exceptional circumstances and allocation review for new sites' and 328 'Use of System Charging for private networks with competition in supply could be impacted. The Working Group agreed to review both DCP 389 and 328 and respond accordingly.
- 3.24 One respondent stated that they considered the proposal may not be in line with Ofgem's TCR intent. This was also noted in question 5 for which AP has agreed an action to review the TCR decision and respond to the Working Group.
- 3.25 OPN stated there are several changes underway including a licence exemption review and the upcoming DUoS SCR. The pending DUoS SCR has already been noted earlier and it was noted the Working Group may need to review the BEIS licence exception to identify if any impacts.

3.26 **Q10 What date do you believe this change proposal should be implemented? Please provide your rationale.**

- 3.27 Working Group Conclusions are that 3 options being put forward.
- Backdate to April 22
  - Implement April 23
  - Implement ASAP
- 3.28 The Working Group noted the solution is relatively straight forward by amending the LLFC from any specific date. There are concerns that backdating creates a dangerous precedent for further changes should this be proposed. Such a decision will be made at the change report stage.

**Q11, Do you have any comments on the proposed legal text?**

- 3.29 4 respondents didn't have any comments, another stated they believed the text wasn't workable.
- 3.30 It was also that that the definition of a Backup site perhaps isn't clear due to use of the term 'site' and that it could become confusing as they are not separate 'sites' they are separate connections to the same site.
- 3.31 ENW provided proposed new legal text which can found in attachment 3
- 3.32 It was agreed that it would be useful for a legal advisor to attend the next Working Group session to review the Working Groups drafted text as well as ENW's proposed alternative. AG took an action to contact Gowlings and see when they are available to attend a Work Group session. Dates suggested are October 3<sup>rd</sup> and October 5<sup>th</sup>.

## 4. Next Steps

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- 4.1 AG to agree a date with Gowlings for when a legal advisor can attend and send invites.
- 4.2 AG to agree a date with legal advisor and set up next Working Group call
- 4.3 AG to create an action log and share with the Working Group to track open actions.

## 5. Attachments

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- Attachment 1\_DCP403\_Draft\_Legal\_Text
- Attachment 2 \_DCP403\_Colated\_Consultation\_Responses
- Attachment 3\_DCP403\_ENW\_Proposed\_Legal
- Attachment 4\_DCP403\_Action\_Log

## 6. Next Meeting – TBC 2022

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8.1 The next Working Group to be potentially held on 3<sup>rd</sup> or 5<sup>th</sup> of October.

## 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	Open.

### Closed 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	Closed
03/02	Secretariat to align the final two questions in the RFI response document with the RFI that was issued	Secretariat	Closed,
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	Closed,
03/04	Shannon Murray to clarify if within the TCR, were Ofgem referring to one	Shannon Murray	Closed,

	customer to one site relationship or is it multiple customers to one single site		
04/01	Update the paragraph and consultation questions numbering sequences within consultation document and share updated version with the Working Group.	Secretariat	Closed,