

# DCP 410 Working Group Meeting 03

17 October 2022 at 10:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Chris Barker	ENW
Chris Ong [CO]	UKPN
Claire Campbell [CC]	SPEN
Edda Dirks [ED]	SSE
James Jones [JJ]	SSE Networks
Kara Burke [KB]	NPG
Mark Jones [MJ]	SSE
Richard Ellis [RE]	WPD
<b>Code Administrator</b>	
John Lawton [JL] (Chair)	ElectraLink
Hannah Proffitt [HP] (Technical Secretariat)	ElectraLink
<b>Apologies</b>	
Shannon Murray [SM]	Ofgem

## 1. Administration

- 1.1 The Chair welcomed attendees to the third DCP 410 Working Group meeting.
- 1.2 The Working 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 Members reviewed the minutes from the previous meeting. No feedback was received, and they were approved as a fair and accurate record of events. The final version can be found as **Attachment 1**.
- 1.4 Members reviewed the actions, updates can be found within **Appendix A**.

## 2. Purpose of the Meeting

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- 2.1 The Chair set out that the purpose of the meeting was to review the consultation responses and the draft Change Report.

## 3. Review of Consultation Responses

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- 3.1 The Chair presented the consultation responses to the group. A version including a summary of the Working Groups responses can be found as **Attachment 2**.

### ***Question 1 - Do you understand the intent of the CP?***

- 3.2 All respondents understood the intent of the change.

### ***Question 2 - Are you supportive of the principle of the CP?***

- 3.3 All respondents indicated that they were supportive of the principle of the CP. One response however, noted that they do not think this CP goes far enough, as it does not consider the impact on other customers who have changed capacity within the 24-month period but have not triggered the 50% clause or have not sought a reallocation
- 3.4 The Working Group noted that this was raised during discussions on DCP 359, and the Working Group moved to the TCR decision of a 24 month average. This is specific to the process related to the transmission price control. The Working Group deem this to be out of scope of the current change and noted that the party can raise a further change if they believe it is sensible to do so.

### ***Question 3 - Are there any other DCUSA changes that you are aware of that this Change could impact? If so, please provide the change numbers and your rationale.***

- 3.5 Two respondents indicated that they were not aware of any other DCUSA changes that this change could impact. One response highlighted DCP 407 'Access SCR: Speculative Development', noting that it also proposes to amend section 6 of Schedule 32 to ensure a fair allocation of a Final Demand Site with a phased MIC. The Working Group took an action to review the DCP 407 legal text and assess potential impacts/interactions with DCP 410.

03/01 – Working Group to review the DCP 407 legal text and assess potential impacts/interactions with DCP 410.
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- 3.6 Four respondents highlighted DCP 389 'TCR – Clarification on Exceptional Circumstances and Allocation Review for 'New' Sites', noting that the change also impacts paragraph 6.5 of Schedule 32.
- 3.7 The Working Group note that they are aware of DCP 389 and await the authority decision for next steps. If approved, the Working Group could attempt to cater for it in the CP if time allows, or industry will need to consider a further change.

- 3.8 One response proposed that the Working Group should consider the possible scenario in which Ofgem rejects DCP 389 but approves DCP 410, leading to the materiality threshold for triggering exceptional circumstances remaining unchanged. This could lead to an unfair situation being perpetuated.
- 3.9 ED noted that numerical examples could be beneficial and better highlight the issue to Ofgem. ED agreed to review this and produce numerical examples if necessary. The Working Group noted that examples within DCP 389 could be built upon.

03/02 - ED to produce numerical examples for the scenario that DCP 389 is rejected and DCP 410 is accepted.

***Question 4 - Do you consider that the proposal better facilitates the DCUSA Charging Objectives? Please give supporting reasons.***

- 3.10 Responses to the question of whether respondents consider that the proposal better facilitates the DCUSA Charging Objectives will be summarised within the Change Report.
- 3.11 One respondent noted that as this CP is not for one of the Charging Methodologies, they believe that it is the General Objectives that should apply rather than the Charging Objectives.
- 3.12 The Working Group agreed that this Schedule was introduced as part of Ofgem's TCR so is being measured against the charging methodologies. DCUSA does not specify which schedules must be measured against which objectives.

***Question 5 - Are you aware of any wider industry developments that may impact upon or be impacted by this DCP?***

- 3.13 None of the respondents indicated that they felt there were any wider industry developments that may impact upon or be impacted by this DCP.

***Question 6 - Are you supportive of the proposed implementation date?***

- 3.14 Four respondents noted that they are supportive of the proposed implementation date.
- 3.15 One response noted that they believe the legal text has been misinterpreted by the Working Group and that the change needs to be implemented by April 2024 in order to be used for the next round of banding allocations rather than April 2023. The response noted that the legal text specifies that the data needs to be provided to the banding agent by 31 March in year t-3, which would be 31 March 2024 (i.e. March in the 2023/24 regulatory year), therefore this could be implemented by April 2024 at the latest.
- 3.16 The Working Group agreed to review the implementation date. Having reviewed paragraph 3.1 of the legal text, the end date requires 12 months to be added.

03/03 – Secretariat to amend DCP 410 implementation date to April 2024.

**Question 7 - Do you have any comments on the draft legal text?**

- 3.17 Three respondents had no further comments on the legal text. One respondent noted that the new paragraphs of legal text all end with 'following the effective from date of the reallocation' and suggested this is amended. The Working Group agreed to amend this to 'following the date when the band reallocation became effective'.

03/04 – The Chair to amend the legal text from 'following the effective from date of the reallocation' to 'following the date when the band reallocation became effective' within sections 4.1(c), 4.2(a)(iv) and 4.2(b)(iv).

*Post Meeting Note – This was updated and circulated to members following the meeting.*

- 3.18 A second respondent suggested that although the CP goes some way to address the concerns they set out in DCP 360 'Ofgem Targeted Charging Review Implementation: Allocation to Bands and Interventions', they feel it does not go far enough. As mentioned in their response to question 2, the Working Group agreed that this is not in scope of this change.
- 3.19 A third respondent noted that they felt good practice had not been followed in respect to the consultation being issued whilst the Working Group was still seeking advice from the DCUSA Panel. The Working Group noted the comment and agreed that future Working Groups should take this into account.

## 4. Review of the Draft Change Report

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- 4.1 The Chair presented the draft Change Report to the group and agreed to update the document in line with discussions held at the meeting.

## 5. Next Steps and Work Plan

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- 5.1 The Working Group agreed on the following next steps.
- The Chair to update the Legal Text and Change Report and issue to the Working Group.
  - The Chair to issue the legal text to Gowling once feedback from Working Group has been received.
  - A further meeting to be held on Tuesday 01 November 2022 at 9am, to finalise the Change Report and to review open actions.

## 6. Any Other Business

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- 6.1 The Chair asked the Working Group whether there were any other items of business to discuss, to which nothing was raised.

## 7. Date of Next Meeting

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7.1 The date of the next meeting has been scheduled for Tuesday 01 November 2022 at 9am.

## 8. Attachments

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- Attachment 1 - DCP 410 Working Group Meeting 02 Final Minutes v1.0
- Attachment 2 - DCP 410 Collated Consultation Responses - WG Comments

## APPENDIX A

### New and Open Actions

Action Ref.	Action	Owner	Update
<b>03/01</b>	Working Group to review the DCP 407 legal text and assess potential impacts/interactions with DCP 410.	Working Group	New action.
<b>03/02</b>	ED to produce numerical examples for the scenario that DCP 389 is rejected and DCP 410 is accepted.	ED	New action.
<b>03/03</b>	Secretariat to amend DCP 410 implementation date to April 2024.	Secretariat	New action.
<b>03/04</b>	The Chair to amend the legal text from 'following the effective from date of the reallocation' to 'following the date when the band reallocation became effective' within sections 4.1(c), 4.2(a)(iv) and 4.2(b)(iv).	The Chair	Completed

### Completed Actions

Action Ref.	Action	Owner	Update
<b>01/02</b>	Amend the Attendees table with James Jones' correct company.	Secretariat	Completed
<b>02/02</b>	Amend the Attendees table with correct categories.	Secretariat	Completed
<b>03/02</b>	Copy the first two examples provided by KB into an attachment document for inclusion with the consultation.	Secretariat	Completed
<b>04/02</b>	Issue the consultation pack on 15 September 2022.	Secretariat	Completed
<b>05/02</b>	Update the DCP 410 Work Plan to match the timeline agreed.	Secretariat	Completed