

DCP 406 Working Group - Meeting 28

22 December 2022 at 14:00 - Web-Conference

Attendee	Company
Working Group Members	
George Moran [GM]	Centrica
Peter Turner [PT]	NPg
Brian Hoy [BH]	ENWL
Lee Wells [LW]	NPg
Thomas Cadge [TC]	BUUK
Code Administrator	
Richard Colwill [RC] (Chair)	ElectraLink

1. Administration

- 1.1 The Working Group reviewed the “Competition Law Guidance”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.

2. Review Ofgem Send Back Letter / Revised Change Reports

- 2.1 The Chair explained that the purpose of this meeting was to Review Ofgem’s Send Back Letter and finalise the revised Change Reports.
- 2.2 On 3 November 2022, [DCP 406 “Access SCR: Changes to CCCM”](#) and [DCP 406A “Access SCR: Changes to CCCM”](#) were presented to Ofgem. Whilst DCP 406 and DCP 406A are separate Change Proposals (CPs), it was decided to present them both in one Change Report/ Change Declaration in an attempt to simplify how all four solutions were presented for DCUSA Party vote and Authority decision.
- 2.3 On 15 December the Authority made a decision to send back both CPs for the following reasons:
 1. *In general, we are not satisfied that the analysis presented in the CR adequately considers each modification in isolation and clearly presents a full and distinct assessment for each.*

2. In particular, no independent analysis is presented for DCP406A against the DCUSA Charging Objectives.

3. Further, in the outcome of Consolidated Party Votes no distinction is drawn between which of the two modifications is better facilitating the different DCUSA Charging Objectives.

2.4 Within the [Authority send back letter](#) they stated that they were not requesting any revisions to the proposed solution, simply clarity on the above bullet points. They also encouraged the Working Group to consider the following approaches when resubmitting these CPs.

1. An amalgamation of the changes proposed by DCP406A into the solutions of DCP406 within a single modification CP; or

2. A full and formal separation of the code modifications of DCP406 and DCP406A and the associated CRs. This would entail a full assessment as required by DCUSA governance of DCP406A against the DCUSA Charging Objectives, independent of the assessment of DCP406, as well as consolidated party voting referring to the Proposals separately.

2.5 After reviewing the Authority send back letter, the Working Group decided to follow the principle of point two above. Therefore DCP 406 and DCP 406A will be presented in two separate Change Reports.

2.6 Reiterating the point above, the Authority were not requesting any revisions to the proposed solution, and therefore all four solutions as previously issued for vote remain unchanged. However, the creation of two Change Reports will ensure that an independent assessment is presented for both DCP 406 and DCP 406A against the DCUSA Charging Objectives and also ensure that the Authority have a clearer picture on voting DCUSA Parties' views on the DCUSA Charging Objectives for each CP.

2.7 The proposed variation in relation to adding a new Exception 5 and making changes to Exception 1 within the CCCM will be presented separately in the DCP 406A Change Report.

2.8 The Working Group reviewed draft Change Reports for both DCP 406 and DCP 406A. The final versions of these reports, along with associated attachments can be found in Attachments 1 and 2.

2.9 The focus of the Working Group was to review and determine why DCP 406A goes further to better facilitate the DCUSA Charging Objectives as opposed to just DCP 406 alone. The Working Group analysis can be found below:

Charging Objective 1

2.10 Without these changes there are situations where network investment decisions for DNOs would change. Consider for example the decision whether or not to add interconnection to a new site (as illustrated in Example 2 within the DCP 406A legal text). With these changes, this is an incremental cost for the DNO (and hence DUoS customers) to justify against the network benefits from the extra work as illustrated in Example 4 of the DCP 406A legal text. However, without these changes, there are costs that would otherwise have been paid for as Extension Assets that would now be funded by the DNO, as illustrated in Example 4 of DCP 406 legal text. This could therefore act as a deterrent to this investment decision due to these extra costs which would conflict with DNO obligations to have an efficient, coordinated and economical network. This could result in the DNO delaying installing the

interconnection as part of the connections work to avoid this situation but would lead to inefficiencies and extra costs of delivery.

- 2.11 Therefore, the Working Group conclude that this CP would have a positive impact on Charging Objective 1.

Charging Objective 2

- 2.12 The above scenario also potentially creates a distortion as some customers would get the extension assets for free and some would have to pay. This would result in one customer having a competitive advantage over another.

- 2.13 In addition, this would result in the extension assets which would have been open to competition by third parties becoming reinforcement assets which are non-contestable, thereby creating a competition distortion.

- 2.14 Therefore, the Working Group conclude that this CP would have a positive impact on Charging Objective 2.

Charging Objective 3

- 2.15 No impacts identified by the Working Group

Charging Objective 4

- 2.16 The Access SCR Decision implemented explicit changes to the treatment of charges for reinforcement for both Demand and Generation customers and the Working Group have identified this as an unintended consequence of these changes which is not supported explicitly within the Access SCR Decision. This CP would protect DUoS customers from increased costs with no detriment for the connection customer.

- 2.17 Therefore, the Working Group conclude that this CP would have a positive impact on Charging Objective 4.

Charging Objective 5

- 2.18 Not applicable.

Charging Objective 6

- 2.19 No impacts identified by the Working Group.

Summary

- 2.20 The Working Group considers the above assessment applies equally to both DCP 406 Original Proposal and DCP 406 Alternative Proposal.

Post Meeting Note

- 2.21 On 23 December 2022 both DCP 406 and DCP 406A were issued to DCUSA Parties for voting, with a deadline for responses set at 11 January 2023. A reminder was issued to DCUSA Parties on 3 January 2023.

3. Any Other Business

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

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
No open actions			
