

## DCP 388 Working Group - Meeting 16

11 September 2023 at 10:00

Location/ Web-Conference/Teleconference

Attendee	Company
Dave Wornell (DW)	WPD
Lee Stone (LS)	E.ON
Edda Dirks (ED)	SSEGen
Chris Barker (CB)	ENWL
Joe Boyle (JB)	SSEN
Giao Le (GL)	SSEN
Kara Burke (KB)	NPg
Chris Ong (CO)	UKPN
Mark Jones(MJ)	SSE
Marlon McDonald (MM)	Ofgem
Code administrator	
Andy Green [AG] (Technical Secretariat)	ElectraLink
John Lawton (JL) Chair	ElectraLink
Apologies	
Laura Quinn (LQ)	SSEN

## 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 actions from this Working Group have been captured in an action log. The action log can be found at **appendix 1**.
- 1.3 Actions 14/01 and 14/02 were closed as the secretariat had sense checked the consultation document to correct any typos and make sure the wording and capsulation of defined terms were correct.
- 1.4 Action 14/03 was closed as LS had provided clarity within the intent principle of the change.
- 1.5 Action 14/04 was closed, and it was confirmed that the Customer Certification form was not issued with the first consultation and amendments to the second consultation were made to reflect this.

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

---

- 2.1 The Chair explain that the purpose of the Working Group was to review the consolidated consultation responses and start to draw conclusion and identify areas for further consideration.

## 3. Review Consolidated Consultation Responses

---

- 3.1 The Working Group began to review the answers to the second consultation. The consolidated response document can be found in **Attachment 1 DCP 388 Collated Consultation 2 Responses**.
- 3.2 There were seven responses to the consultation in total.

### **Q1 Do you agree with the approach suggested by the Working Group to utilise actual operational metered data alongside a customer certification form?**

- 3.3 It was noted that six of seven respondents stated that they agreed with the approach suggested by the Working Group and one responder did not support the approach.
- 3.4 It was queried if it would be possible to quantify the volume and impacts to Distribution Network Operators (DNO) if this change were to be accepted. It was acknowledged that this would be quite difficult to achieve as it couldn't be known how many customers already had the correct type of metering installed to be eligible to be defined as a Mixed Demand site, or how many customers would want to agree to have additional metering installed to become a Mixed Demand Site.
- 3.5 An issue was captured to consider how to quantify the volume and impacts to DNOs.
- 3.6 It was also noted by the responder who didn't support the approach that raw operational metered data is not comparable to settlements data provided in industry dataflows and that it was not subjected to the same validation processes as settlement metered data.
- 3.7 They also stated that due to the differences in operational and settlement metered data, it seemed inappropriate to consider it a like-for-like replacement to use in a calculation with settlements data.
- 3.8 It was agreed to raise an issue on how operational and settlement data are aligned (raw data v adjustment data).

- 3.9 Another issue was captured to review the data, agree how the correct data is received and how it is reviewed and challenged. It was noted that this change may also require an additional Balancing and Settlement Code (BSC) modification to support how the data is validated and audited.
- 3.10 The respondent who didn't support the approach also raised concerns on the additional costs to the customer to have the correct type of metering installed to become eligible to be defined as a Mix Demand Site.
- 3.11 The Working Group noted that this concern and stated that any potential impacts on costs would be captured within the Change Report.
- 3.12 It was also noted that CUSC Modification Process (CMP) 363 and 364 hadn't raised the concerns on costs to customers and industry. LS took an action to review CMP 363/364 to review why the use of operational metering was it supported by the Working Group and Authority.
- 3.13 It was raised that the capacity calculation suggested by the Working Group didn't align to the capacity calculation in Schedule 16.
- 3.14 An issue was raised to review template and ensure it aligns with schedule 16 and capacity.
- 3.15 It was also stated that there is currently no verification channel to ensure the data provided for the Final and Non-Final Demand elements of the site belongs to each of those elements.
- 3.16 The Working Group agreed that the potential BSC modification could support the verification of data by mandating that the data needs to go via a validation process.
- 3.17 The final point raised by the party who didn't support the Working Groups approach was that for Non-MIC sites, there isn't any way for distributors to verify the data as they don't receive the settlement data for all the MPANs associated with the site.
- 3.18 An issue was raised to determine if the BSC modification could support the verification process.
- 3.19 It was noted that whilst there was a worked example for Non-MIC sites, the template provided currently only really catered for MIC Sites.
- 3.20 It was highlighted that the calculation template not catering for Non-MIC sites was raised by another Working Group member. An issue was raised to capture that the calculation template would need further development to cater for Non-MIC sites.

**Q2 Do you agree with the approach for how to reclassify existing customers to a Mixed Demand Site, if not, please provide rationale?**

- 3.21 Two responders stated that it is not possible for the DNO to verify the information provided by the customer.
- 3.22 It was noted that these concerns had been raised within a response to question one and that issues had already been captured to tackle these concerns.
- 3.23 A respondent also highlighted concerns on the derivation of Final Demand Capacity at MIC-banded sites.
- 3.24 The specific issue was that the proposed approach (of using Maximum Demand values to derive a Final Demand capacity value) would move Maximum Demand sites away from a MIC based banding approach. This could potentially create an unfairness to Final Demand sites in situations where

Maximum Demand and the MIC differ to an extent that it could change the banding outcome for Maximum Demand sites.

- 3.25 The respondent acknowledged that a proxy method is required due to challenges in separating Final Demand MIC from Non-Final Demand MIC at a Mixed Demand Sites, but this wouldn't be in line with the TCR approach.
- 3.26 It was noted that an approach to spilt from the Max Demand could be to split the MIC by working out the proportion that was Non-Final Demand and Final Demand from the Max Demand and use that proportion to spilt the MIC.
- 3.27 It was agreed that a separate group would be set up to review this issue and feedback back to the Working Group on potential approaches. The separate group would consist of ED, KB, JB, LQ and LS.

**Q3 Do you agree with the approach for how new Mixed Demand Site customers are treated, if not, please provide rationale?**

- 3.28 There were no issues raised within this question other than from one respondent who stated "a potential issue would be the ability of a new customer to operate under a specific regime for twelve months knowing this data is to be used for allocation to bands, and then adjust to another operating regime afterwards."
- 3.29 The Working Group concluded that this is the current approach for Final Demand customers so if there's concern in this area a separate change request would be required for all customers.

**Q4 Do you have any comments on the customer certificate document?**

- 3.30 One responder stated that it would be inappropriate for distributors to receive declarations of metering arrangements as it has no role in validating such arrangements. The Working Group agreed that the validation of metering would need to be included as part of the BSC modification to make it mandatory for customers to provide certain data items (make and model, accuracy, MSN).
- 3.31 The same respondent also commented that it was unclear what was meant when the form stated that data "for each of the metering arrangements" has been included and asked what is a metering arrangement in this context?
- 3.32 An issue was raised to review the customer certificate, particularly the sentence "for each metering arrangement" and provide clarity on what information was required.
- 3.33 One respondent commented that they assumed the wording "will cease to comply with the criteria/ceased to comply with the criteria" is intended to oblige the site operator to notify the network company of changes to the site which could affect its residual banding.
- 3.34 They also commented that based on that understanding, a clearer and stronger form of wording is need within the declaration, as per the equivalent provision in the TNUoS declaration (with some adaptations for the DCUSA context), and suggested using "I declare that any material changes to the operation, configuration or measurement of electricity to or from any Site identified in this certificate will be notified to you as soon as reasonably practicable."
- 3.35 The Working Group agreed the wording needed clarity providing, and an issue was raised to review the template for eligible services facility to ensure there's no consequential impact on that when deciding to amend the sentence mentioned in this response.

- 3.36 It was also noted that the customer certificate should also make it clear the certificate needs to be resubmitted once there is a material change.

**Q5 Do you agree that the customer certification form should be located within the LC14 statement and Distributors websites? If not, please advise where you believe it should be located and provide rationale.**

- 3.37 All respondents agreed that the customer certificate form should be located within the LC14 Statement and on Distributors websites.

**Q6 Do you have any comments on the Calculation Template for Mixed Non-Final Demand sites?**

- 3.38 It was agreed that the only topic raised within the responses to this question that hadn't been addressed earlier was that the Working Group would need to develop a Non-MIC calculation template and decide if there's a need to have 1, 2 or 3 templates (MIC Sites, Non-MIC HH and Non-MIC NHH).

**Q7 Do you believe that there needs to be any changes to section 7, disputes, within the legal text?**

- 3.39 All respondents believed that there didn't need to be any changes to section 7, disputes. One respondent stated that they believed it would a good idea to spell out in the legal text that disputes can relate to sites with non-final demand certification and for mixed use certification, as the process was written to deal with non-final demand disputes only.
- 3.40 An issue was raised to review the legal text and decide if further clarity was required on this point.

**Q8 Do you have any comments on the draft legal text?**

- 3.41 The Chair noted that there would be an overriding action to review the draft legal text but walked the Working Group through the responses.
- 3.42 It was stated that paragraphs 4.2C and 5B.2 of the draft legal text would be reviewed to provide clarity.
- 3.43 It was also highlighted that there is a need to make it clear that data is required to be provided through various points of the process. It was noted that this clarity would be required in the legal text and customer certification document and it was advised it would also need to be consider when raising the BSC modification.
- 3.44 It was also stated that consideration should be given for the process for new sites in regard to issues arising in the implementation of the DCP389 annual reallocation process, relating to backdating by more than fourteen months. Although it is acknowledged that the data is expected to be received after twelve months, there could be delays in this data being received.
- 3.45 An issue was raised to sense check with DCP 389 and review the risk that if there were delays in receiving data the review couldn't go back beyond fourteen months.
- 3.46 Another respondent raised concerns within the legal text in four different areas which were.
- Metering Final Demand;
  - Calculating Final Demand;
  - Distinction between HH and NHH settled sites; and
  - Disputes process.
- 3.47 It was noted that the concern raised with the disputes process had been raised in question 7 and would be reviewed to make sure the text was fit for purpose and clear.

3.48 The Chair noted that the other three topics would be considered when the wider legal text review took place.

**Q9 Do you consider the solution better facilitates the DCUSA objectives? Please give supporting reasons.**

3.49 The Chair took the Working Group through the responses to this question but highlighted that these responses were in relation to the current approach which based on the responses to the previous questions, would be heavily changed.

**Q10 What date do you believe this change proposal should be implemented?**

3.50 Two respondents suggested the implementation date should be 01 April 2024.

3.51 One stated 01 April 2025

3.52 One stated the change could be implemented from the next release of DCUSA.

3.53 Two respondents stated that the implementation should give distributors ample time to test and implement the new process.

3.54 The Working Group agreed to determine the implementation date once the approach is agreed.

**Q11 Do you have any other comments?**

3.55 One responder stated that consideration should be given to only include MIC sites. It was agreed that this will be considered as part of the BSC modification for Non-MIC sites.

3.56 Another respondent stated that they believed there were some complexities and that it may still not be obvious as to the process to be followed, and therefore some extra commentary around the worked examples, and perhaps a process map might be useful.

3.57 It was noted that the overarching action to review the legal text will consider how to simplify the process.

3.58 Another respondent highlighted that with regard to Max Demand site owners submitting their certificates, they would like the Working Group to consider the inconsistencies experienced in the Targeted Charging Review non-final demand certificate process where some distributors refused to accept these certificates directly from customers, whereas others were happy to do so. The legal text should clearly state that customers can submit these forms directly to distributors without the need for suppliers to be involved in the process.

3.59 It was noted that this concern had been raised earlier within the consultation responses and that an issue had been raised to address this within the legal text review.

3.60 The same respondent also stated that they would like to reiterate for the record that the change would seem to favour larger customers as they are more likely to be able to fund and gain larger benefits from the installation of metering. The installation of metering may not be cost effective for smaller customers. However, they did acknowledge that as an outcome of the first consultation, options 1 and 2, neither of which required metering, were not taken forward due to the verification issues.

3.61 The Working Group agreed this was an issue, but it was believed it could be mitigated via the BSC modification.

3.62 That concluded the initial Working Group assessment of the responses to the second consultation.

- 3.63 The Chair suggested creating an issues log to highlight the areas that needed to be addressed and owners to issues assigned. The Working Group agreed with this approach.
- 3.64 The Chair asked the Working Group if, based on the responses to the consultation that a BSC modification was required to be delivered to enable DCP 388. The Working Group agreed that a BSC modification was required, and LS stated that he could review the BSC modification and feedback to the Working Group on how this would impact DCP 388.
- 3.65 The Chair then asked if the BSC modification was needed to be understood before DCP 388 could be progressed.
- 3.66 LS advised that he would need to take the BSC modification away to understand it before deciding whether DCP 388 would need to be paused whilst the BSC modification was being explored.
- 3.67 The Chair advised that the Working Group could still continue to review the calculation templates and meet again to ensure they were fit for purpose.

#### 4. Next Steps

---

- 4.1 The Working Group agreed to meet again on 02 October 2023 at 10:00am to review the issues log, the calculation template and hold a discussion on the BSC Modification.
- 4.2 It was agreed that the secretariat would create an issues log to capture the issues raised within the responses to the second consultation.

#### 5. Next Meeting – 02 October 2023

---

- 5.1 The next Working Group to be held on 02 October 2023 at 10:00am.

## Appendix 1 – Actions Log

### New and Open Actions

Action Ref.	Action	Owner	Update
16/01	The secretariat to create an issues log and share with the Working Group prior to the next meeting.	Secretariat	New action
16/02	LS to review the BSC modification and feedback whether DCP 388 can still be progressed whilst the BSC MOD was being understood/developed or if a delay was needed	Secretariat	New action
16/03	A sub group of ED, KB, LS, JB and LQ to be set up to review how the derivation of Final Demand Capacity at MIC-banded sites could work and also to review the calculation template.	Kara, Burke, Edda Dirks, Lee Stone, Laura Quinn and Joe Boyle	New action

### Closed Actions

Action Ref.			Update
10/01	Secretariat to remove Section A from the certification document and put section B into tabular form.	Secretariat	Closed.
10/02	Working Group to consider how to best treat new connection sites.	Working Group	Closed
11/01	The Secretariat to circulate the updated Customer Self-Certification Document to the Working Group post-meeting.	Secretariat	Closed

<b>11/02</b>	The Secretariat to circulate the updated draft legal text to the Working Group post-meeting.	Secretariat	Closed.
<b>12/01</b>	The secretariat to update the legal text and share with the Working Group before the next meeting.	Secretariat	Closed
<b>12/02</b>	The secretariat to update the draft consultation document and share with the Working Group before the next meeting.	Secretariat	Closed
<b>13/01</b>	The secretariat to update the legal text and share with the Working Group before the next meeting.	Secretariat	Closed
<b>13/02</b>	The secretariat to update the draft consultation document and share with the Working Group before the next meeting.	Secretariat	Closed
<b>13/03</b>	Dave Wornell to provide some text explaining the Calculation Template for Mixed Non-Final Demand sites so this can be used in the consultation document	Dave Wornell	Closed
<b>14/01</b>	The secretariat to sense check the use of capitalised words and also make the document consistent in regards to the customer certification form.	Secretariat	Closed
<b>14/02</b>	The secretariat to review the 1 <sup>st</sup> consultation response document and correct any typos.	Secretariat	Closed
<b>14/03</b>	Lee Stone to provide some wording to provide clarity on the intent and principle of the change, specifically in regards to the differences between the CUSC and DCUSA	Lee Stone	Closed
<b>14/04</b>	The secretariat to check if the customer certification document was issued with the first consultation and if not, remove any text that insinuates this form was issued with the first consultation.	Secretariat	Closed