

DCMDG Subgroup 01 – WG Meeting 01

12 September 2023 at 13:00

Teleconference via Microsoft Teams

Attendees	Company
Andrew Malley [AM]	Ofgem
Brian Clark [BC]	SSE
Chris Barker [CB]	ENWL
Chris Ong [CO]	UKPN
David Fewings [DF]	Inenco
Dave Wornell [DW]	National Grid
Diandra Orodan [DO]	BU-UK
Dimuthu Wijetunga [DW]	Shell
Edda Dirks [ED]	SSE Gen
Eleanor Suter [ES]	BU-UK
Giao Le [GL]	SSE
Joe Boyle [JB]	SPEN
Kara Burke [KB]	NPg
Mark Fletcher [MF]	Shell
Paul Farmer [PF]	Shell
Sally Musaka [SM]	SSE
Shannon Murray [SM]	Ofgem
Victoria Burkett [VB]	SSE
Secretariat	
Alysson Peña [AP]	ElectraLink
Dylan Townsend [DT] (Chair)	ElectraLink
Mel Kendal (Technical Secretariat)	ElectraLink
Apologies	
Lee Stone [LS]	EON

1. Administration

- 1.1 The group reviewed the DCUSA “Competition Law Guidance” and agreed to be bound by this for the duration of the meeting.

2. Introduction

- 2.1 The Chair welcomed the DCMDG attendees to the meeting.

3. Working Group Discussion of Current Issue

- 3.1 The Chair presented the DCP 328 'Use of System Charging for Private Networks with Competition in Supply' to the Working Group to review and further discuss. This can be found as **Attachment 1** with additional comments made live during the meeting.
- 3.2 The Chair informed the Working Group that the intent of this change is to ensure that use of system charging remains cost-reflective when competition in supply on a private network is in place.
- 3.3 KB provided the Working Group with an overview of the current issue. KB explained that when there is a private network, there is one connection to a distribution network (boundary MPAN). If there is competition in supply, one or more Customers may have their own individual MPAN and they will attract fixed charges. This means that the private network operator will receive a fixed charge at the boundary for the entire site and another fixed charge will be levied on each Customer within the network that have their own MPAN.
- 3.4 This means that between the boundary MPAN and any individual MPANs the Customers are paying more in fixed charges than they should be.
- 3.5 There are three different scenarios that can occur depending on the type of metering set-up – difference metering, full settlement metering and shared metering.
 - Difference metering – this is where all Customers are half-hourly metered. There is a boundary meter and an embedded meter, with settlements being the difference between the two.
 - Full settlement metering – the Customer does not have a boundary meter and everyone is fully settled.
 - Shared metering – there is a boundary meter. The units are split by an agreed amount for each of the embedded MPANs.
- 3.6 Within the DCP 328 CP, eight specific issues were noted:
 - Assigning Tariffs
 - Losses within the Private Network
 - Fixed Charges
 - Agreed Capacity Charges
 - Excess Capacity Charges
 - Charging for Export Sites
 - Charging for Reactive Power
 - Sites with Multiple Feeders



- 3.7 One member stated that DCP 328 was raised pre-TCR and as time went on, a ninth issue appeared (i.e., how the residual is apportioned needed to be added to the list of issues). The member also suggested that the key parameter may be in the set-up of the metering as opposed to the size, or the type of Customer as one umbrella does not seem to fit all.
- 3.8 The Ofgem representative suggested it may be beneficial to understand further how these issues affect Domestic sites prior to moving forward with a new mod – for example, the Working Group need to understand how the issues impact Domestic Customers as this may provide a better understanding of whether there is a split that can be achieved between large industrial estates and a block of flats (for example).
- 3.9 Following the above, there was also a question as to whether there are mixed use sites (i.e., Domestic with Non-Domestic) as Customers in such arrangements should not be at a disadvantage (over-charged) because they exist in such an arrangement. Any new CP moving forward should seek to ensure that this is not the case.
- 3.10 There was a suggestion that multiple CPs may need to be raised in relation to each/multiple issues as opposed to raising one new CP that covers all.
- 3.11 Within the DCP 328 CP, it states that, at a minimum, the DCUSA requires clarification as to how DNOs should apply use of system charges to Suppliers which Supply Customers connected to private networks. The Working Group suggested that a review may be required in terms of scope to understand what it is any new CP would seek to resolve.
- 3.12 One member suggested it may be beneficial to the Working Group to invite John Lawton (JL – ElectraLink) as the Chair of DCP 328 as and when needed in order to help better develop the solution(s) moving forward. The Chair agreed to invite JL to a potential future Working Group to gain his input once a plan to progress this forward has been better developed.
- 3.13 The Chair mentioned that a data item had previously been proposed (Building Network Operator/BNO/LEN flag) and queried whether any Working Group members had an update around this – one member remembered this being mentioned, however members confirmed they have not seen any changes raised in relation to this.

4. Working Group Agreed Next Steps

- 4.1 The Chair invited members to discuss and agree the next steps for this subgroup.
- 4.2 Members re-iterated that the size of the current issues are not fully understood, and further analysis will need to be carried out in order to gain a better understanding prior to progressing with an alternate solution(s). ED suggested inviting private networks/Customers to the Working Group to explain to members what charges have occurred.
- 4.3 It was also suggested that it may be beneficial to try and identify additional private networks from other companies to help aid in these discussions as they are not licenced or DCUSA Parties.
- 4.4 Following the above, the Chair agreed to take an action to follow-up with Richard Colwill (RC – ElectraLink) around an action from DCP 328 regarding contacts for LENs (PNs).

ACTION 01/01: The Chair to follow-up with RC around an action from DCP 328 regarding contacts for LENS (PNs).

- 4.5 The Chair queried whether members are aware of an MPAN that is a private network – members confirmed that there is no flag to state whether they are a private network or not, meaning it can be very difficult to identify them.
- 4.6 A member stated that if DCP 328 had been approved, it could only have been implemented in cases where private network Customers would have come forward to state that they have been over-charged. The issue is, there may be many Customers who may not have checked whether this is the case for them, and therefore the CP would not have been implemented as effectively as intended.
- 4.7 Following the above, it was re-iterated that the Working Group need to understand how many private networks are out there and who are affected by these issues, otherwise a new CP(s) may not be implemented as effectively. The Secretariat agreed to gather as much information as possible around private networks in the coming weeks, collate this and present it to the Working Group at the next meeting for further discussion.

ACTION 01/02: The Secretariat to gather information around private networks and collate for the Working Group to review.

- 4.8 One member suggested that the Working Group also look into how these issues may impact transmission charging arrangements. The Working Group agreed that this may need to be revisited further down the line.

ACTION 01/03: The Working Group to revisit whether these issues may impact transmission charging arrangements.

5. Any Other Business (AOB)

- 5.1 The Chair asked for any other items of business.
- 5.2 There were no further items of business raised.

6. Date of Next Meeting

- 6.1 The Secretariat agreed to issue a doodle poll to Working Group members for the next DCMDG Subgroup 01 meeting (WG 02) – the potential dates will be from the week commencing 02 October 2023 onwards and the meeting will be held via Microsoft Teams/Teleconference.

7. Attachments

- Attachment 1 – DCP 328 – Change Proposal (WG Comments)
- Attachment 2 – DCP 328 – Ofgem Decision Letter

New and Open Actions

Action Ref.	Action	Owner	Update
01/01	The Secretariat to follow-up with RC around an action from DCP 328 regarding contacts for LENS (PNs).	Secretariat	New Action.
01/02	The Secretariat to gather information around private networks and collate for the Working Group to review.	Secretariat	New Action.
01/03	The Working Group to revisit whether these issues may impact transmission charging arrangements.	Working Group	New Action.

Closed Actions

Action Ref.			Update