

DCP 425 Working Group 01 Draft Minutes

24 October 2023 at 10:00

Location: Teleconference

Attendees	Company
Lee Wells (LW)	NPg
Edda Dirks (ED)	SSE Generation
Drew Johnstone (DJ)	NPg
Claire Campbell (CC)	SPEN
Kyle Smith (KS)	NGED
Daniel Mellis (DM)	SSE Distribution
Michael Allison (MA)	SSE Distribution
Jane Halsey (JH)	UKPN
Code Administrators	
Craig Booth (CB) (Secretariat)	ElectraLink
Richard Colwill (RC) (Chair)	ElectraLink

1. Administration

Competition Law Guidance

- 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 and agreed to the Terms of Reference.

Recording of Meeting

- 1.2 The Chair advised the meeting would be recorded and asked the Working Group if there were any objections to this. It was explained that the recording would be deleted 15 working days after the Working Group meeting. There were no objections.

Action and Decision Logs

- 1.3 The Chair explained that all actions and decisions taken will be recorded in logs and circulated to the Working Group after each meeting. The Chair confirmed, following a query around the decision log, that the purpose of the log is to record the outcome and context for decisions made by the Working Group and that any such decisions are not binding and can be revisited if the Working Group decides it is necessary to do so.
- 1.4 The action log can be found in Attachment 1 of these minutes. The decision log is yet to be populated.

Version Control

- 1.5 To ensure that different drafts and versions of Working Group documents are effectively managed, a version control document can be found in Attachment 2.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of this meeting is to review the Change Proposal and agree the next steps.

3. Change Proposal Overview and Review

- 3.1 The Proposer, LW, gave an overview of the Change Proposal.
- 3.2 The Working Group discussed in what situation the issue arises. It was explained that it occurs when there is more than one CAF, which could be two assets, or which could be a single asset with a security CAF and a fault level CAF.
- 3.3 The Proposer clarified that the intention of the CP was not to change the way that CAFs are applied, but to ensure that the value in aggregate is no higher than the high-cost threshold. He explained that the DCUSA gave no steer on how to apportion multiple costs without exceeding the high-cost threshold.
- 3.4 The Proposer explained that in the CP, of the options initially identified as a potential solution, he had favoured option 5 but had since changed this position and now favoured option 3. He explained that in some cases, you would be forced to fall back to option 3, which happened to be the simplest approach, and so favoured using this option as the default.
- 3.5 The Working Group agreed that it would be useful to see some examples laid out in a simpler way, so that the options can be better understood and, if possible, a Working Group consensus be reached on the preferred option for the solution.
- 3.6 The Proposer agreed to take actions to:
 - 3.6.1 set out examples of £200K and £300K in a simpler format to show how it is being proposed to do this under option 3 and how this gives the same answer as the originally proposed option 5;

- 3.6.2 for the examples in the spreadsheet which result in a negative charge, show this in simpler terms and illustrate why it would be necessary to take the other approach anyway;
- 3.6.3 write an explanation as to why the Proposer's preferred option changed from option 5 to option 3; and
- 3.6.4 show the difference between the 6 options (using a single scenario) and why it may defer to option 3 in any case. (This may be covered by the action under paragraph 3.6.2 above.)
- 3.7 The Chair agreed to take an action to pull together a draft consultation for LW to put his text into (ref paragraph 3.6.3 above).
- 3.8 The Working Group discussed which Parties this impacted and whether both DNOs and IDNOs should be voting on it, as IDNOs have their own rules to follow (and can choose to mirror the approach of the DNOs) but are not strictly impacted by this CP. The Chair agreed to take this to the next Panel meeting to get a view from the Panel on this.

4. Next Meeting

- 4.1 The Working Group agreed to reconvene on 6 November at 10:00am.
- 4.2 The agenda items for the next meeting are:
 - 4.2.1 to review the actions of Working Group meeting 01;
 - 4.2.2 review the draft consultation document; and
 - 4.2.3 if possible, though not essential, to reach a Working Group position on the preferred option for the proposed solution.
- 4.3 An additional future meeting date was also scheduled for 4 November 2023 at 10:00am.

5. Any Other Business

- 5.1 There was no other business raised.