

DCP 425 Working Group 04 Draft Minutes

19 December 2023 at 14:00

Location: Teleconference

Attendees	Company
Lee Wells (LW)	NPg
Drew Johnstone (DJ)	NPg
Kyle Smith (KS)	NGED
Michael Allison (MA)	SSE Distribution
Jane Halsey (JH)	UKPN
Edda Dirks (ED)	SEEG
Tracey Taylor (TT)	(ENWL)
Daneil Mellis (DM)	SSE Distribution
Claire Witty (CW)	SPEN
Code Administrators	
Andy Green (AG)	ElectraLink
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 and agreed to the Terms of Reference
- 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.
- 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 reiterated, 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.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of this meeting is to review the consultation responses, review the solutions on offer and to establish next steps.
- 2.2 The Chair highlighted that there were a few options on offer and that the Working Group doesn't have to be unanimous in its approach.

3. Review of the Solutions

- 3.1 It was highlighted that all the solutions offer the same outcome but follow a different process. The solution offered by NGED offers a similar outcome however it may not be aligned to the TCR.
- 3.2 It was also highlighted that the solutions offered within the change proposal and the ENWL solution are very similar in approach and the proposer advised that he would be comfortable with either solution being progressed.
- 3.3 It was also noted that there was a fourth solution up for discussion which had been developed by SEEN and had been shared with the Working Group.
- 3.4 The Working Group were informed that all four solutions had been fully developed and all that was left was for the Working Group to agree on which solution or solutions would be taken forwards.
- 3.5 LW provided the Working Group with an overview of the solutions that had been suggested. These can be found within **Attachment 1 DCP 425 post-consultation legal text**.
- 3.6 LW advised that he had some concerns with the SEEN solution, mainly that the legal text is written in a way that reduces the costs to be apportioned when it doesn't need to reduce the costs to be apportioned.
- 3.7 Other concerns raised to the SEEN proposal were that the process was overly complex, that the approach wasn't in line with policy and also whether it could lead to inconsistent applications across different customers with the same reinforcement works at the POC voltage level.
- 3.8 DM went on to provide some additional context to the SEEN solution and stated that the process looks at what the high-cost project threshold is and explained that all the excess is to be funded by the customer.
- 3.9 That entirety of the excess is then proportionately split across all reinforcements, regardless of the voltage level, and then that is removed from those reinforcement values so that what is left is some costs that will need to be cost apportioned and some that will not.
- 3.10 TT advised that the ENWL solution was following the option 3 solution that was offered in the last consultation, but its intent was to try to simplify the legal text. She went on to say that their response

supported the principles of option 3 and that the solution they had proposed was an enhanced version of it.

- 3.11 The next solution reviewed was the NGED solution. LW advised that this solution led to the same outcome as the other solutions but provides the scaling down factor as a percentage not a cost.
- 3.12 LW agreed to share with the Working Group all the potential solutions on offer.
- 3.13 It was agreed that amongst the solutions the last consultation explored, only options 3 would be taken forwards.
- 3.14 This left four options for consideration, option 3 which was the proposers solution, the ENWL solution, the NGED solution and the SSEN solution.
- 3.15 The Working Group agreed to remove the SSEN solution from consideration for now as there were some outstanding points with the SSEN solution that needed to be understood before this became a viable option. These concerns were noted within paragraph 3.6 and 3.7 of these minutes.
- 3.16 This left three solutions currently on offer, the proposer's solution the ENWL solution and the NGED solution.
- 3.17 The Working Group took a vote on which of the three solutions each Working Group member preferred.
- 3.18 The results of the vote were 4 votes for the ENWL solution, 1 vote for the NGED solution and 1 vote for the proposer's solution.
- 3.19 It was agreed that there would potentially be a need for a further consultation depending on which of the solutions the Working Group agreed to take forwards.
- 3.20 It was agreed to include a table or some text to explain the methodology the examples within the last consultation followed within the any future consultations for this change and also included within the final change report.
- 3.21 LW agreed to write a paragraph on the above point to add clarity to the methods the examples followed.
- 3.22 It was agreed after reviewing the SSEGs consultation responses to include the calculation/formula within the legal text for any solution that the Working Group decided to take forwards.

Post meeting note

- 3.23 After reviewing the questions raised around the inconsistent application across different customers with the same reinforcement works at the POC voltage level within the SSEN approach, SSEN agreed that they would not be raising their approach as an alternative solution.

4. Next Meeting

- 4.1 The date for the next Working Group will be agreed by Doodle Poll
- 4.2 The agenda items for the next meeting are:
Further discuss the options available and agree which of the solutions will be taken forwards.

5. Any Other Business

- 5.1 There was no other business raised.

6. Attachments

- Attachment 1 DCP 425 post-consultation legal text