

Meeting Session	Panel (Open Session)
Paper Reference	DCUSA_2024_0117_06_DCMDG 70 Headline Report
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 70

1. Synopsis

- 1.1 This report sets out the headlines from the 70th DCMDG meeting held on 21 December 2023 via Microsoft Teams. The full minutes and associated papers are available on the DCUSA website.
- 1.2 This meeting was chaired by Dylan Townsend.
- 1.3 A total of 27 industry participants dialled into the meeting.

1. DCMDG Forward Work Plan and Issues Log

- 1.1 The group reviewed the DCMDG Forward Work Plan and Issues Log, but notes that no significant discussions were had that are worth highlighting to the Panel.

2. Ofgem Update

- 2.1 The Ofgem representative provided apologies for the meeting and so there was no Ofgem update to members during the meeting.

3. Private Networks Subgroup Update

- 3.1 The Chair explained that there had been a meeting held on 19 December where the subgroup had some discussions on a few different topics:
- 3.2 CUSC modification [CMP425: 'Billing Demand Transmission Residual By Site'](#) for which Ofgem recently made a decision was discussed in terms of how that might be applicable or not to the distribution side of things. The Chair noted that there had been a good conversation around how it might useful to lean on the principles of what and how it dealt with issues related to competition in supply for transmission but that the actual mechanics of the change would be less applicable.

- 3.3 A presentation was given by Reg Platt from Emergent Energy relating to their BSC and DCUSA Sandbox trials. It was noted that Emergent Energy establishes and operates microgrids within residential housing developments, typically deploying solar PV generation, and potentially heat pumps, EV chargers and shared battery storage. Emergent enables housing companies (usually social housing providers and councils) the opportunity to benefit from lower decarbonisation costs and reduced energy bills for residents by either funding their own microgrid, or having capital funding provided. Emergent and their clients recognise that residents of microgrids must be able to exercise their right to switch their electricity supply but that the current arrangement are effectively preventing those types of customers from being able to choose a third party supplier on private networks.
- 3.4 The Chair explained that in short, Emergent Energy's solution is to effectively reversing the mathematical logic that applies to difference metering and have called their approach 'on-site aggregation' which uses data from submeters to understand the volumes associated with customers supplied by the private network rather than boundary meter data and third party supplied customers meter data to work out the total volumes across all customer sites. This means there isn't a need for a large number of bilateral agreements between all the relevant parties.
- 3.5 In terms of how this feeds into the work of the subgroup, it was noted that it will effectively introduce an additional arrangement to the three existing arrangements (being Shared/Difference/Full Settlement). It was also noted that Emergent Energy intend on raising a change to the DCUSA for the charging related aspect and that there is a current BSC Modification that is being developed too. Therefore, the sub-group would need to be mindful of this but it doesn't really change the fact that the three original arrangements need to be dealt with.
- 3.6 The Chair highlighted that the next sub-group meeting was due to be held on 16 January 2024.

4. Any Other Business (AOB)

- 4.1 The Chair raised one other item of business.

Timelines for revision of Charging Bands and Allocation of sites to those bands

- 4.2 It was noted that this was first discussed during the November 2023 DCMDG meeting and this was a continuation of that discussion following a request that further thought be given to any next steps that might be required. Members discussed their views in terms of what the next steps should be in terms of the two options so far identified for time periods used to allocate sites to charging bands as set out below:

from	Jun-22	to	May-24	This aligns with the date for requirement 3 where the last month for which data could be used would be the month prior (i.e., 24 months of data ending May 2024)
from	Feb-22	to	Jan-24	It is possible that a DNO might decide to use 24 months of data that aligns to the dates in requirement 1(a or b) which is to use data 'held as at January in that Regulatory Year' or data 'prior to February of that Regulatory Year' and so would therefore be for the 24 month period ending January 2024.

- 4.3 DCMDG members discussed their views on whether one or another or both approaches could or should be used with respect to the time period being used for the 24 months of data needed for the allocation of sites to charging bands in terms of the next round of banding ahead of the start of the next electricity transmission owner price control period.
- 4.4 It was noted that members were of the view that it would be ideal if agreement could be reached on what 24 month period is used. This is because it would give certainty to industry and customers alike and would prevent situations where say customers with multiple sites are or are not eligible for say a different band or to be considered (or not) for a reallocation due to a difference in the time period chosen as compared to a different outcome in a different area. However, recognising that such alignment might be difficult to obtain, especially given that there may only be a month or two before that data is pulled, the next best thing would be to have all DNOs/IDNOs confirm which 24 month period they are intending on using for their allocations.
- 4.5 It was agreed that the Chair would issue all DNOs/IDNOs an email, setting out the two options which had been discussed for the first time in November and ask that they reply to the email confirming the 24 month period they intend on using for the allocation of sites to charging bands for the next transmission price control period. The idea is that this information will be provided back to the DCMDG during their next meeting.

5. Date of Next Meeting

- 5.1 The next DCMDG meeting will be held on 18 January 2024 via Microsoft Teams / Teleconference.

6. Actions

- 6.1 The DCUSA Panel is invited to:
- **NOTE** the contents of this Paper.

Dylan Townsend
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