

## DCP 425 Working Group 05 Draft Minutes

19 January 2024 at 10:00

Location: Teleconference

Attendees		Company
Lee Wells (LW)		NPg
Drew Johnstone (DJ)		NPg
Kyle Smith (KS)		NGED
Michael Allison (MA)		SSE Distribution
Edda Dirks (ED)		SEEG
Tracey Taylor (TT)		(ENWL)
Code Administrators		
Andy Green (AG)		ElectraLink
Apologies		
Jane Halsey (JH)		UKPN

## 1. Administration

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- 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.

## 2. Purpose of the Meeting

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- 2.1 The Chair explained that the purpose of this meeting is to review the legal text for the three solutions on offer, agree which of the three solutions the Working Group would like to take forwards and agree on next steps.
- 2.2 The Chair highlighted that there were three solutions on offer and that the Working Group doesn't have to be unanimous in its approach.

## 3. Review of the Solutions

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- 3.1 LW walked the Working Group through the three solutions that were on offer starting with the original solution that was in the change proposal.
- 3.2 LW advised that within paragraph 1.16 there was a sentence that was deleted from the draft legal text as this line had already been previously updated as part of DCP 422.
- 3.3 LW advised that this was the case for both the proposer's solution and the solution offered by ENWL.
- 3.4 It was advised that the calculation/formula was updated to use simpler language and words that described the term in use rather than using algebraic terms as this is what was agreed at the last meeting.
- 3.5 It was suggested that as Excess was capitalised in the calculation/formula, that this may need to have a definition.
- 3.6 The Working Group were split on this so it was agreed that when the legal text is passed to the legal advisors, a comment would be raised against it to see if the legal advisors believed a definition would be required if solution 1 was to be taken forwards.
- 3.7 It was highlighted that these changes did not alter the intent of the draft legal text.
- 3.8 The second solution to be reviewed was the ENWL solution.
- 3.9 LW advised that for this option the same changes that were made for option 1.16 for solution have also been made to solution 2.
- 3.10 The other changes were superficial and nothing that changed the intent of the legal text.
- 3.11 It was highlighted that for option 2, there were no terms that may require definitions being created.
- 3.12 For solution 3 it was noted that the new text which was inserted as part of DCP 422 had been removed because the NGED approach doesn't do anything to how much of the reinforcement costs are subject to the CAFS. It's just calculated CAFS.
- 3.13 The NGED Working Group member confirmed they were happy with this change.
- 3.14 The other changes were superficial only and not any changes to intent.
- 3.15 It was highlighted that if solution 3 was taken forwards, the secretariat would confirm with the legal advisors if a new defined term was required as part of the calculation/formula.

This concluded the review of the solutions on offer.

### **Deciding on which solution to take to voting**

- 3.16 It was noted that solutions 1 and 2 were so similar that it would be sensible for the Working Group to land on one of these options to take forwards.
- 3.17 It was also queried if a second consultation was required once the approach was agreed. The Working Group agreed that as solutions 1 and 2 were part of the original consultation, and as the NGED solution was born out of the consultation responses, a second consultation would not be needed at this time.
- 3.18 It was noted that the NGED solution was considered to be more complex than the other two solutions and that this solution didn't align with what was delivered within the Access SCR changes and principles.
- 3.19 A vote was taken within the Working Group as to whether the NGED solution should be taken forwards and the result of this vote was that one Working Group member voted to take the NGED solution forwards, four Working Group members voted to not take the NGED solution forwards (with two Working Group members from the same organisation) and one abstention.
- 3.20 It was agreed after the above vote that the NGED solution wouldn't be taken forwards.
- 3.21 It was noted that as the ENWL solution was more customer friendly and didn't create any additional barriers for DNOs/IDNOs to deliver, this would be the solution that the Working Group agreed to take forwards instead of putting two similar solutions to the authority.
- 3.22 The Working Group then reviewed the examples that went alongside the legal text for solution 2 and LW agreed to clean up the legal text for solution 2 and the examples prior to the change report going out for the Working Group to review.
- 3.23 It was noted that the aspiration was for the change to go to the February panel which would be 21 February.
- 3.24 It was also noted that the action for the legal advisors to review if new defined terms were required was no longer needed, as this only applied to options 1 and 3.
- 3.25 LW also advised that he would review the change report first as he had agreed to insert some text around the arbitrary nature of the examples into the change report in a previous meeting.
- 3.26 It was agreed that the change report would be shared with LW on 29 January 2024 to review and then shared with the Working Group on 31 January 2024 for wider review.

#### 4. Next Meeting

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- 4.1 The Working Group agreed to conduct the review of the change report offline so no new meeting was required

#### 5. Any Other Business

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- 5.1 There was no other business raised.

#### 6. Attachments

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- Attachment 1 DCP 425 post-consultation legal text