

Distribution Charging Methodologies Development Group (DCMDG) - Meeting 72

15 February 2024 at 10:00 via Microsoft Teams

Attendees	Company
Alice Cockshutt [AC]	Engie
Anha Taylor [AT]	SSE
Andrew Malley [AM] (part meeting)	Ofgem
Dave Wornell [DW]	National Grid Electricity Distribution
David Fewings [DF]	Inenco
David Hearn [DH]	Advanced Electricity Networks
Diandra Orodan [DO]	BU-UK
Dimuthu Wijetunga [DW]	Shell
David Fewings [DF]	Inenco
Donna Jamieson [DJ]	Independent Distribution Connection Specialists
Edda Dirks [ED]	SSE Generation
Emma Clark [EC]	SSEN
Georgia Preece [GP]	Northern Powergrid
Harrison Hunter [HH]	Cornwall Insight
James Knight [JK]	British Gas
Joe Boyle [JB]	SPEN
Kara Burke [KB]	Northern Powergrid
Karl Maryon [KM]	Drax
Kyran Hanks [KH]	Waters Wye
Lee Stone [ST]	EON
Mark Carolan [MC]	Ofgem
Mark Fletcher [MF]	Shell
Mark Jones [MJ]	SSE
Pamela Howe [PH]	Northern Powergrid
Paul Farmer [PF]	Shell
Rachel Grundy [RG]	Inenco
Ryan Farrell [RF]	Northern Powergrid
Simon Vicary [SV]	EDF
Steven McKnight [SM]	Laser Energy
Tony Collins [TC]	Ecotricity

Victoria Burkett [VB]	SSE Energy Supply
Zviko Chigwedere [ZC]	St Clements
Secretariat	
Dylan Townsend [DT] (Chair)	ElectraLink
Alysson Peña [AP] (TechSec)	ElectraLink
Apologies	
Chris Ong [CO]	UK Power Networks
Rustam Ellis-Majainah [REM]	OVO

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.
- 1.2 There were two apologies noted for this meeting, Chris Ong from Uk Power Networks and from Rustam Ellis-Majainah from OVO.
- 1.3 Attendees reviewed the draft minutes from the meeting held on 18 January 2024 and it was noted that members raised the following points regarding the draft minutes of that meeting:
 1. A suggestion that an action be captured for the text in paragraph 7.3, whereby the Secretariat should have taken an action to chase the DNOs/IDNOs that did not respond the request to confirm their 24-month window associated with the allocation of sites to residual charging bands;
 2. A suggestion that an action be captured for the text in paragraph 7.4, whereby the DNOs should have taken an action to discuss the 24-month window associated with the allocation of sites to residual charging bands between themselves and to come to an agreement on the approach to take;
 3. A suggestion that an action be captured for the text in paragraph 7.4, whereby the Secretariat should have taken an action to:
 - a. Provide the ESO with the approach agreed by the DNOs, so that they are aware of what has been agreed for the distribution residual banding allocation window; and
 - b. To seek similar confirmation from the ESO with respect to the Transmission Demand Residual banding allocation of sites to residual charging bands;
 4. A suggestion that an action be captured for the text in paragraph 7.4, whereby the Secretariat should have taken an action to present the outputs from the above items to the panel at their February meeting.
- 1.4 Members discussed these points and following that discussion the Chair agreed that actions should have been captured for points 2 and 3 above and as for points 1 and 4, the Chair noted:

- With respect to point 1, that any such action would have been superseded by the action captured by point 2 in any case and therefore did not agree that an action was necessary; and
- With respect to point 4, that from his memory, such action would not have been agreed as there was no need for the Panel to specifically be provided this information.

1.5 Regarding the second bullet point above, members agreed with the Chairs understanding of the matter, but suggested that this could be included within the update which is provided to the Panel each month, to which the Chair stated that it indeed would form part of that standard update.

1.6 One member also raised a point regarding a discussion that was had during the last meeting with regard to an ongoing action for AM to confirm whether the DNOs need a derogation to republish their charging statements following the approval of DCP 414, and that there is a need for AM to get back to the DNOs in time for them to republish their charging statements with 40 days' notice. The Chair noted that this had been captured but that it could probably include a little more detail and so updated the minutes on screen.

ACTION 72/01: The Secretariat to update the DCMDG 71 Minutes to include:

- **An action be captured for the text in paragraph 7.4, whereby the DNOs should have taken an action to discuss the 24-month window associated with the allocation of sites to residual charging bands between themselves and to come to an agreement on the approach to take;**
- **A suggestion that an action be captured for the text in paragraph 7.4, whereby the Secretariat should have taken an action to:**
 - **Provide the ESO with the approach agreed by the DNOs, so that they are aware of what has been agreed for the distribution residual banding allocation window; and**
 - **To seek similar confirmation from the ESO with respect to the Transmission Demand Residual banding allocation of sites to residual charging bands;**

1.7 The Chair provided updates on the open actions contained in the actions log which was issued with the meeting papers.

- Regarding Action 09/06, The Chair reminded the members that in April the annual review of the Charging Methodologies will be held and suggested that members should forward issues and agenda items ahead of the meeting.
- Regarding Action 66/03, for AM to confirm whether a derogation is needed for the chosen option in regard to the DCP 414 decision. KB confirmed that from the DNO side of things, they had collectively submitted a request for the derogation on the 7th of February and are now just awaiting a response on that. KB went on to note that the DNOs do need a response pretty swiftly, because they have to republish their charging statements with 40 days notice, meaning by 21 February 2024. MC confirmed that Ofgem have received the derogation request and note the ask from KB above that a decision is needed by the 21st.

ACTION 72/02: The Secretariat to circulate to members the Issues Form referring to the annual review of the Charging Methodologies.

1.8 Members noted no further comments.

2. Introduction

2.1 The Chair welcomed the DCMDG attendees to the 72nd DCMDG meeting.

3. DCMDG Forward Work Plan and Issues Log

3.1 The group reviewed the DCMDG Forward Work Plan and Issues Log, during which the following points were covered:

DCMDG-Issues:

- Regarding the sole issue in the issue log the Chair reassured members that he intends on reaching out the person who raised it to confirm whether they are comfortable that it is closed down or if something else needs to be done.

DCMDG-Related Change Proposals:

- With respect to DCP 325, The Chair noted that there have been no new movements at this stage but that this should change once DCP 421 has been finalised.
- With respect to DCP 388, it was noted this Change Proposal is on hold while a BSC modification is raised, so that a solution can be progressed for both the DCUSA and BSC at the same time.
- With respect to DCP 392 & DCP 411, the Chair noted that these changes are with Ofgem awaiting approval. DCP 392 decision has been pushed back to 26 February 2024 and DCP 411 decision has also been pushed back to 28 February 2024.
- With respect to DCP 412, there is a plan for Working Group to meet in February / March but that the Proposer and Chair both have actions to progress prior to the next meeting. LS, as the Proposer, noted that he believes it might be prudent to issue a doodle poll for the next meeting as this may assist in delivering on the actions that need to be progressed.
- With respect to DCP 420, the Working Group met on 11 January 2024 and again on 07 February where the Working Group continued to consider potential solutions that have been put forward. The next meeting is to be scheduled shortly with the aim being to continue to consider potential alternate solutions.
- With respect to DCP 421, modelling work has been completed and has been reviewed by the Working Group, who confirm it appears to work as required. A meeting was scheduled for 14 February to review the modelling and the testing that had been carried out. A member that attended this meeting shared with the DCMDG that the Change Report is now being developed.
- With respect to DCP 423, the Working Group met on 23 January 2024, where they will review the modelling feedback and continued to develop a consultation. The next Working Group meeting is TBC. The Working Group agreed that it may be possible to

review the updated consultation doc offline; however, if an additional meeting is needed to finalise the document, a doodle poll will be issued to the Working Group. A member that attended this meeting shared with the DCMDG that consultation document is now being developed and the modelling is being sent back to CEPA/TNEI for some adjustments.

- With respect to DPC 424, this change proposal has been delayed due a request by Ofgem for further impact analysis on the proposed BSC solution (P441 - Creation of Complex Site Classes). The DCP 424 consultation is now estimated to be released in Q1 2024.
- With respect to DCP 425, the Working Group met on 19 January 2024 and is in the final stages of legal drafting. The Working Group was aiming to issue the Change Report to the February Panel but that it now looks to be in time for the March Panel meeting.
- With respect to DCP 433, this Change Proposal was submitted to the Panel for initial assessment during their meeting in January, where it was approved to progress to the definition phase and for a Working Group to be set up to further refine the proposed solution. The first meeting of the DCP 433 Working Group will be on 19 February 2024.
- Lastly, with respect to DCP 414 & DCP 395, The Chair noted that there are no new updates, and these changes are awaiting implementation.

DCMDG External Activities:

3.2 The Chair informed the group of the relevant active external activities and that an update could be made to the:

- DUoS SCR item to note that there will now be a Charging Futures Forum held on Thursday, 21 March 2024; and
- Code Governance Reform item to note that Ofgem recently issued a consultation with respect to their preferred approach to code consolidation.

3.3 Members noted the DCMDG Issues Log & Forward plan.

4. Ofgem Update

4.1 It was noted that AM had to drop off the call but that MC was able to provide a brief update with respect to the next Charging Futures Forum to be held on 21 March 2024, there will be updates on some of the usual topics such as the strategic transmission charging review as well as the work being carried out on the DUoS SCR work and some more information on work in the connections space.

4.2 MC also noted that he'd taken an action to look into DCP 392 and DCP 411 to see if an update with respect to when a decision is likely to be made.

- 4.3 Finally, MC also confirmed that DCP 414 has now been discussed in regards the derogation request made by the DNOs and that they are working towards the deadline noted earlier. It was noted by a member that due to current deadlines, it is imperative that Ofgem sends a response by Monday, 19 February in order for the information to be fed into relevant websites for each DNO.

ACTION 72/03: MC to look into DCP 392 and DCP 411 to see if an update with respect to when a decision is likely to be made can be provided.

- 4.4 There were no further comments from members. Members noted Ofgem's update.

5. MHHS Update

- 5.1 The DCMDG noted that there were no further updates this month.

6. Private Networks Subgroup Update

- 6.1 The Chair explained that there have been no recent updates as no meeting was held between the January DCMDG meeting and this meeting but that a meeting is being scheduled. It was noted that an Ofgem representative is to be expected at the next meeting and the Secretariat will present a ToR (Term of Reference) document to support the process of the development of the sub-groups efforts.

- 6.2 One member raised a point regarding the proposed terms of reference, to state that they think the reason for suggesting that the sub-group should have them is, in the first instance, just good practice, but also as the group works under the auspices of the Panel, that they should really, be fully aware of what the group is trying to achieve. Doing so should mean that the groups work, can be assessed. The member noted that they think there are still some gaps as to what the group is needing to achieve following Ofgem's decision to reject DCP 328. The member went on to explain that it has been highlighted a few times before that there is a need for Ofgem's input into the terms of reference, because the scope of the sub-group is potentially a bit different to the scope of DCP 328 and that the key to the terms of reference should be to state what problems the sub-group are trying to solve.

- 6.3 Members noted Private Network Subgroup updates.

Post Meeting Note: Next meeting is to be held on Tuesday, 27 February 2024 at 12pm.

7. Confirmation 24-month window for next Charging Bands Allocation

- 7.1 The Chair shared with DCMDG members the feedback from the action that the DNOs took away during the last meeting which was for them to come together and agree on a unified approach regarding the confirmation of the 24-month window for the next round of residual charging bands allocations. It was noted that the following was provided to members who were in attendance:

- To produce the data to be given to the banding agent for 31 March 2024 which is used for creating banding thresholds.

- Capacity Data – Use the capacity data held at January for each site. (This is not 24 months average but data at January). This data will be available early February following HH billing.
- NHH P222 data, Use February data. This data will be available mid-February.
- For HH Measurement class G sites billed on a NHH aggregate basis use the data from 1st February 2023 to 31st January 2024. This data should be available by the end of February.
- To allocate the customers to bands and produce the data to be given to the suppliers for 30 June 2024
 - Capacity Data – Use the 24 month average capacity data from 1st May 2022 to 30th April 2024. This data will be available early May
 - NHH P222 data, Use May data. This data will be available mid-May.
 - For HH Measurement class G sites billed on a NHH aggregate basis use the data from 1st May 2022 to 30th April 2024. This data should be available by the end of May.
- Looking at all these dates above and the deadlines the DNOs believe this is achievable as they should have at least a month from receiving the last bit of data to producing the final reports.

7.2 Members noted that it would be desirable for this to be formally communicated to contract managers as well as have an official online release of the document which sets out the banding data window. The Chair agreed to the following:

- That an email will be sent by the Secretariat to all DCUSA Contract Managers providing them with the agreed approach that the DNOs will use for the 24-month window for the allocation of sites to charging bands; and
- That a document will be produced and subsequently uploaded to the DCUSA website which will set out the agreed approach that the DNOs will use for the 24-month window for the allocation of sites to charging bands.

ACTION 72/04: The Secretariat to:

- **Draft and send an email to all DCUSA Contract Managers providing them with the agreed approach that the DNOs will use for the 24-month window for the allocation of sites to charging bands; and**
- **produce and subsequently uploaded to the DCUSA website a document which will set out the agreed approach that the DNOs will use for the 24-month window for the allocation of sites to charging bands.**

7.3 One member made the point that really what's needed is a change proposal to be raised to clarify this aspect of the DCUSA, but that, in the case of this round of allocations, given where we are time wise, that a change proposal wouldn't have been achievable but that a change proposal should be raised in time for the next exercise. It was noted that this would then mean that an enduring approach is codified. As such, the member suggested that within the document to be added to the website on this topic, that it should state that the notice is an interim measure.

7.4 Members made no further comments.

8. Any Other Business (AOB)

8.1 The Chair asked if there were any other business.

Measurement Class G Data

8.2 A member asked about if there is any progress on the measurement Class G data that is provided by ElectraLink to the DNOs/IDNOs and which needs to be approved by the Panel, to which the Chair explained that this is currently with an internal team for review and confirmation and will be with the Panel for their agreement as soon as possible.

LLFC IDs and DUoS Tariff IDs

8.3 A member questioned if there's any further information regarding an expectation that DUoS Tariff Id will be replacing LLFC Id and Line Loss Factor Id is a new item as part of MHHS. Specifically, whether there were any time scales for those changes to take effect and what impacts this might have.

8.4 Members noted that their understanding that it's basically a duplication of what is currently available and pointed to the solution developed under DCP 416, noting that it was effectively the vessel for delivering the transitional element for charging purposes.

8.5 The Chair explained that his understanding of the status of DCP 416 (as well as for DCP 415) was that they had been raised on the basis that they were needed as a result of MHHS, but both had effectively been placed on hold after the solutions were finalised, as they were then transitioned across to the MHHS program via the raising of two separate MHHS change requests and which have all been which have gone through the relevant processes have been approved. Those solutions were then picked up as part of the work being carried out by the MHHS DCUSA stakeholder group and have been incorporated into the legal drafting that they have developed.

8.6 It was noted that the MHHS code drafting that has been taking place via the various industry code working groups is due to be implemented at milestone 8 (M8) of the MHHS programme, which is scheduled to be delivered in March 2025.

8.7 No other business was raised during the meeting.

9. Agenda Items for the Next Meeting

9.1 The Working Group agreed to discuss the below items at the next meeting:

- MHHS Update

- Private Networks Subgroup Update

9.2 There were no additional items requested to discuss at the next DCMDG meeting.

10. Date of Next Meeting

10.1 The next DCMDG meeting will be held on 28 March 2024 via Microsoft Teams / Teleconference. This is due to a clash with the Charging Futures Forum.