

DCP 443 Working Group - Meeting 02

06 September 2024 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Alex Lam [AL]	National Grid
Charles Mott [CM]	SSE
Chris Ong [CO]	UKPN
Donna Jamieson [DJ]	IDCSL
Edda Dirks [ED]	SSE Gen
Kara Burke [KB]	NPg
Karl Maryon [KM]	Drax
Mark Bellman [MB]	ENWL
Michael Hewitson [MH]	Trident Utilities
Peter Waymont [PW]	UKPN
Rachel Wallace [RW]	BU-UK
Robert Mottershead [RM]	Sedulity Energy
Simon Vicary [SV]	EDF
Victoria Burkett [VB]	SSE
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Apologies	
Morven Hunter [MH]	Last Mile

1. Administration

- 1.1 The Working Group reviewed the “Competition Law Guidance” and “Terms of Reference”. 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 An action log has been created and all updates are provided in **Appendix A**.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of this meeting is to review and discuss the Draft Consultation within the Working Group and agree next steps.

3. Review of Worked Examples

- 3.1 The Chair presented the worked examples developed by both PW and KB with the Working Group to review.
- 3.2 KB ran through each example with the group for further discussion.
- 3.3 The key points can be found below:
 - In regard to example 2, ED stated that the element of extending the chargeable period (from the exceeded month to the 12-month period) has not yet been clearly outlined within the legal text. PW mentioned that it states in the legal text that it is based on the highest maximum demand in the current month for the preceding 11 months – ED showed concerns that this is not as clear as it should be. The Working Group agreed to further discuss when reviewing the draft legal text.
 - In regard to example 5, ED suggested that the example is further defined to illustrate how the current example differs to what is currently in place now.
- 3.4 The Working Group were happy with the worked examples presented, with suggested amendments to examples 2 and 5.

4. Review of Draft Consultation & Draft Legal Text

- 4.1 The Chair invited the Working Group to review and discuss the draft Consultation which was presented on screen.
- 4.2 The key points can be found below:
 - ED raised a concern around para 3.9 and provided the group with alternative wording – to avoid duplication, para 3.9 and the new para 3.10 were merged. It was also agreed to add a hyperlink within the paragraph.
 - The Working Group agreed that it would be beneficial to move the Tariff/Capacity/Monthly Charges table underneath para 3.11.
 - Under para 3.12, it was agreed to remove the word ‘penalise’ and change this to say ‘charged’. It was also agreed to change ‘cost reflective’ for ‘incentivising’ as this reads better.

- Where it states, under para 3.12, that ‘a Customer requested a reduction in their capacity on the basis they will pay the excess when they do exceed’, the Working Group agreed to note that this was not agreed by the Distributor and the Working Group agreed that this type of request would not be accepted 50.
- With additional paragraphs being added into the Consultation, the Chair noted that all paragraph references will be checked to ensure they are correct prior to issuing.

ACTION 02/01: The Secretariat to cross check all paragraph references to ensure they are correct prior to issuing the Consultation.

- Prior to referencing the Attachments within the Consultation, ED suggested it may be beneficial to explain what the solution actually is as it feels as though this is currently missing. PW explained that the solution is explained under para 4.4. VB suggested that the solutions should be labelled ‘Solution A/Alternative Solution B etc.'). Following the above feedback, it was agreed to add subheadings to explain the ‘current methodology’, and ‘proposed methodology based on the highest MD in the proceeding 12 months’.
- In regard to para 4.4, to avoid any confusion, the Working Group agreed to add that ‘the effect of this is that for a one-off excess in capacity there would be charges paid for 12 months rather than one month, as in the current methodology’.
- Following on from the above, it was agreed to add a new para 4.5 to state that ‘more complex examples where excess in capacity in different months are shown within paragraphs XX (to be updated once finalised).
- ED agreed to take an action to develop further wording to para 4.5. DJ suggested it may be more beneficial to add additional wording to the PDF of examples as opposed to the Consultation for ease of reading for the respondent. KB agreed to work alongside ED offline to develop the additional wording for the PDF offline.

ACTION 02/02: KB and ED to develop further wording for the current para 4.5 and to add this to the PDF of examples offline for the Working Group to review.

- ED suggested adding a subheading below the examples to state ‘alternative approach’ to make this clear to the reader.
- The Working Group reviewed the additional Consultation questions added by KB and were happy with how they have been presented.
- ED raised a concern around the current para 4.18 and stated that the wording sounds as though the impacts to Customers if the change was approved was a result of an unintended consequence when it is a part of what the proposal seeks to do. There were no objections within the Working Group to delete this paragraph.
- The Working Group agreed to amend the current question 7 to ask ‘does this change suitably incentivise Customers not to exceed their MIC?’ as the previous wording was not adequate.

- In regard to the current question 8, MB suggested it may be beneficial to seek any suggested unintended consequences for either the proposed solution, or any alternative solution that has not yet been identified. The Working Group agreed and decided upon asking three separate questions so that each unintended consequence that is suggested, can be identified to a particular solution.
- The Working Group reviewed the DCUSA Charging Objectives and there were no objections within the group.
- The Chair presented the draft legal text to the Working Group for further review.
- ED mentioned that the draft legal text does not currently mention that this charge (which is no longer based on the month of exceedance) that this is now levied from that one month to the next 12 months. PW explained that only one month is considered at one time when looking at exceedance.
- The Working Group discussed the above and agreed it would be difficult to add a forward-looking explanation into words, and therefore agreed to leave the draft legal text as it currently stands. ED still had concerns that the current wording in Schedule 16, 153., of 'one month' could be misinterpreted. The Working Group agreed to add an additional Consultation question to seek whether the draft legal text suitable explains the proposed solution to gain further feedback.

- 4.3 After further discussion, the Chair agreed to produce a clean version of the draft Consultation and circulate to the Working Group for a review offline. It was agreed that if further development is needed post review, an additional meeting can be scheduled; however, if the Working Group are happy with the final Consultation that is circulated post-meeting, the aim is to issue the Consultation to wider industry on Friday 13 September 2024.

ACTION 02/03: The Secretariat to circulate a clean version of the draft Consultation to the Working Group for a final review offline.

ACTION 02/04: The Secretariat to issue the Consultation to wider industry on 13 September 2024 once finalised by the Working Group.

- 4.4 With the expectation that the Consultation is to be issued on Friday 13 September 2024, the next Working Group meeting has been scheduled for 14 October 2024 at 10am.

5. Agenda Items for Next Meeting

- 5.1 The Working Group discussed the next steps, and the following items were captured:

1. KB and ED to develop further wording for the PDF of examples.
2. The Secretariat to circulate a clean version of the draft Consultation to the Working Group for review.
3. The Secretariat to issue the Consultation to wider industry on 13 September 2024 once agreed by the Working Group.

6. Any Other Business

6.1 The Chair asked the group whether there were any other items of business to discuss.

6.2 There were no other items raised.

7. Date of Next Meeting - TBC

7.1 The next Working Group meeting will be held on 14 October 2024 at 10am.

8. Attachments

- Attachment 1_DCP 443 Draft Consultation
- Attachment 2_DCP 443 Draft Legal Text
- Attachment 3_DCP 443 Work Plan

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
02/01	The Secretariat to cross check all paragraph references to ensure they are correct prior to issuing the Consultation.	Secretariat	New Action.
02/02	KB and ED to develop further wording for the current para 4.5 and to add this to the PDF of examples offline for the Working Group to review.	KB/ED	New Action.
02/03	The Secretariat to circulate a clean version of the draft Consultation to the Working Group for a final review offline.	Secretariat	New Action.
02/04	The Secretariat to issue the Consultation to wider industry on 13 September 2024 once finalised by the Working Group.	Secretariat	New Action.

Closed Actions

Action Ref.			Update
01/01	The Proposer (PW) to follow up with a colleague to gain additional information around how the issue with the changes to the Connection and Access arrangements in the CDCM and EDCM occurred.	PW	Closed.
01/02	The Proposer (PW) to provide the Working Group with worked examples around what the chargeable capacity could amount to for a Customer.	PW	Closed.

01/03

The Secretariat to circulate a draft Consultation to the Working Group for review post-meeting.

Secretariat

Closed.