

# DCP 423 Working Group - Meeting 06

02 October 2024 at 15:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Charles Mott [CM]	SSE
Kara Burke [KB]	NPg
Liam Sweeney [LS]	Ofgem
Monique Pereira [MP]	Indigo
Tom Cadge [TC]	BU-UK
<b>Code Administrator</b>	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
<b>Apologies</b>	
Andrew Malley [AM]	Ofgem

## 1. Administration

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- 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 The Working Group reviewed the previous meeting minutes and agreed them to be an accurate reflection of the discussions held.
- 1.3 An action log has been created and all updates are provided in **Appendix A**.

## 2. Purpose of the Meeting

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- 2.1 The Chair explained that the purpose of this meeting is to review the potential solutions to modelling along with reviewing alternate approaches captured in the Consultation, within the Working Group and agree next steps.

## 3. Review Potential Solutions to Modelling and Alternative Approaches

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- 3.1 The Chair invited the Working Group to discuss and review the collated Consultation responses. The document was shared live on screen during the meeting. The Chair noted that there were nine responses to the Consultation in total.
- 3.2 The key updates can be found below:
- 3.3 The Chair informed the group that an email exchange had previously occurred with CEPA, and this outcome of this discussion was presented on screen.
- 3.4 A spokesperson from CEPA has suggested that an alternate solution could be suggested, however this would still involve complex changes. For example, under which pass-through adders affect the typical bill for ATW, LDNO HV and LDNO LV tariffs in exactly the same way would require potentially complex changes to the revenue-matching step and may not be possible without introducing major restrictions on other aspects of charge-setting.
- 3.5 TC stated the level of risk should be considered when developing a solution for this change as complex changes and potential additional changes may not be appropriate for a lower risk level. The Working Group agreed that the solution needs to be proportionate to the risk level.
- 3.6 KB reminded the group that a responder to the Consultation provided an alternate solution and this may be worth relooking at. The Chair shared this on screen for the group to further discuss.
- 3.7 The alternate solution proposed was to change the floor applied to fixed charges in the event of a negative residual. Further explanation of the alternate solution can be found within the DCP 423 Collated Consultation Responses document.
- 3.8 The Working Group discussed this and agreed it would be beneficial to test the alternate solutions within the model itself to see the outcomes.

- 3.9 KB tested this live during the meeting and shared the outcomes with the group. KB agreed to share the outcomes with members of the group post-meeting.

**ACTION 06/01: KB to circulate the outcomes of the alternate solution testing with Working Group members offline.**

- 3.10 After further discussion, the Working Group agreed it would be beneficial to take this offline and carry out more testing with the alternate solution prior to any further development.

**ACTION 06/02: Working Group members to carry out additional testing of the alternate solution offline and feedback to the group during the next meeting.**

- 3.11 It was noted that if this solution was to be further developed, re-modelling would be necessary.

- 3.12 The Chair also suggested it may be beneficial to request an ENWL representative to the next meeting to further discuss their suggested alternate solution.

**ACTION 06/03: The Chair to invite an ENWL representative to the next meeting to further discuss their alternate solution.**

#### 4. Agenda Items for Next Meeting

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

1. Working Group members to carry out additional testing on the suggested alternate solution offline and feedback to the group at the next meeting.
2. The Secretariat to invite an ENWL representative to the next meeting to further discuss their alternate solution.

#### 5. Any Other Business

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- 5.1 The Chair asked the group whether there were any other items of business to discuss.
- 5.2 There were no other items raised.

#### 6. Date of Next Meeting – 28 October 2024

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- 6.1 The next Working Group meeting will be held on 28 October 2024 at 10am.

#### 7. Attachments

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- Attachment 1\_DCP 423 Work Plan

## APPENDIX A

### New and Open Actions

Action Ref.	Action	Owner	Update
04/01	The Secretariat to validate whether the calculation should be 0.13% and £500k or 0.01% and £30k.	Secretariat	Ongoing.
04/02	All members to review both UKPN and ENWL's suggested alternative approaches offline and feedback to the group at the next meeting.	Working Group	Ongoing.
04/03	The Secretariat to speak with the ENWL respondent offline.	Secretariat	Ongoing.
06/01	KB to circulate the outcomes of the alternate solution testing with Working Group members offline.	KB	Completed.
06/02	Working Group members to carry out additional testing of the alternate solution offline and feedback to the group during the next meeting.	Working Group	New Action.
06/03	The Chair to invite an ENWL representative to the next meeting to further discuss their alternate solution.	Secretariat	New Action.

### Closed Actions

Action Ref.			Update
04/04	All members to review Ofgem's open letter offline and feedback to the group.	Working Group	Closed.

04/05	The Secretariat to check the availability of the Proposer and issue a doodle poll to the Working Group for the next meeting.	Secretariat	Closed.
05/01	The Secretariat to circulate the documents shared within the meeting to the Working Group post-meeting for review.	Secretariat	Closed.