

DCP 443 Working Group - Meeting 05

23 October 2024 at 14:00 - Web-Conference

Attendee	Company
Working Group Members	
Alex Lam [AL]	National Grid
Charles Mott [CM]	SSE
Chris Barker [CB]	ENWL
Chris Ong [CO]	UKPN
Ed Grimsey [EG]	BU-UK
Edda Dirks [ED]	SSE Gen
Kara Burke [KB]	NPg
Karl Maryon [KM]	Drax
Monique Pereira [MP]	Indigo Networks
Peter Waymont [PW]	UKPN
Simon Vicary [SV]	EDF
Victoria Burkett [VB]	SSE
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Code Administrator	
Robert Mottershead [RM]	Sedulity Energy

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 issues log and potentially develop an RFI the RFI within the Working Group and agree next steps.

3. Working Group Discussion of Next Steps

- 3.1 The Chair invited the Working Group to review and discuss the draft Issues Log for this change, which was presented on screen. This can be found as **Attachment 1**.
- 3.2 The key points can be found below:
- 3.3 The Working Group agreed that if the alternate option is the preferred option and chosen to progress with, additional modelling work will be required alongside a second Consultation to wider industry for further feedback.
- 3.4 It was suggested that cost-reflective questions could also be asked within the DCP 161 based RFI alongside the data prior to drafting any additional legal text.
- 3.5 One member stated that if the exceeded capacity charge ends up being in a position where it is still cheaper to exceed than it is to increase the MIC, then the solution has not achieved the aim.
- 3.6 The proposer suggested it may be beneficial to get feedback from CEPA TNEI, for example.
- 3.7 The Chair also suggested that the Secretariat could look internally within the network (as well as CEPA TNEI) to see if there is any expert advice around costs associated with excess capacity and how it is charged. One member suggested that the DCMDG is most likely the right place to take this for further feedback, however, it was noted that this topic has been discussed on multiple occasions previously with no solution coming from it.
- 3.8 It was later agreed not to invite a representative from CEPA TNEI as the solution at this stage was still unclear and as there were charges associated with CEPA TNEI supporting, it would be better to wait until the solution was known before taking action that would incur potential additional costs.
- 3.9 The Chair also agreed to take an action to invite the Chair of the DCMDG (Dylan Townsend) to the next Working Group meeting.

ACTION 05/01: The Secretariat to invite the Chair of the DCMDG (Dylan Townsend) to the next Working Group meeting.

- 3.10 CB presented an excess capacity test model on screen to the group for a high-level overview. He explained that one approach would be to charge them 100% of all assets where they are using excess capacity. It was noted that this would work in a similar way to customer contributions, and this would be one way of not having to amend costs.
- 3.11 CB noted that the unit cost will reduce as a small proportion of the assets that were previously paid in unit costs will now be paid in excess capacity; however, this will not have much change as excess capacity will only be 1-2% of the total capacity. The proposer queried whether this would be skewed across different bands – CB was unsure at this present time as this has not yet been looked into further.
- 3.12 One member suggested it may be worth considering what types of costs incurred are associated with exceeding capacity within the RFI. Another member suggested that although this would be a good question for the RFI, DNOs may struggle to provide answers to this. With that being said, it was suggested that it may be beneficial to seek if DNOs are able to provide information as to what effect exceedance has had on other network users (as opposed to providing actual figures).
- 3.13 CB agreed to take an action to circulate the test model outcomes to the Working Group post-meeting.

ACTION 05/03: CB to send the test model outcomes to the Working Group post-meeting.

- 3.14 In regard to the RFI, one member suggested asking whether excess capacity is associated with a higher level of cost and what types of costs are involved.
- 3.15 The Working Group reviewed the DCP 161 RFI and it was noted that the outcome of this change was that a differential should be created by subtracting customer contributions from the capacity charge element.
- 3.16 After further discussion, the Working Group agreed to draft an RFI to circulate to all DNO and IDNOs with a response time of 2 weeks.

4. Development of RFI

- 4.1 The Working Group agreed the below questions:
- *Does a customer exceeding its capacity lead to additional costs?*
 - *What types of additional costs are associated with sites that exceed their capacity?*
 - *What are the potential to other customers when a site exceeds its capacity?*
 - *[Include questions from DCP 161 RFI]*
- 4.2 The Chair agreed to draft the RFI offline and circulate to the Working Group for further review at the next meeting.

ACTION 05/04: The Secretariat to draft an RFI and circulate to the Working Group for further review at the next meeting.

5. Agenda Items for Next Meeting

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

1. The Secretariat to invite the Chair of the DCMDG to a future Working Group meeting.
2. The Secretariat to draft an RFI and circulate to the Working Group to review at the next meeting.

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 – 08 November 2024

7.1 The next Working Group meeting will be held on 08 November 2024 at 10am.

8. Attachments

- Attachment 1_DCP 443 Draft Issues Log
- Attachment 2_DCP 443 Work Plan

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
03/01	The Secretariat to collate the highlighted themes and topics for further consideration in a separate document for the Working Group to review and work through once the collated responses have all been reviewed.	Secretariat	Ongoing.
04/01	The Secretariat to follow up a potential typo with the responder (SPEN) in regard to Q7 of the Consultation to seek further clarification around 'import CDCM customers incurring capacity charges'.	Secretariat	Ongoing. <i>Awaiting response from respondent.</i>
04/02	The Secretariat to follow up with the responder (NGED) in regard to Q15 of the Consultation to seek further clarification around why they believe there is a difference in lead time for solutions A and B.	Secretariat	Ongoing.
04/03	The Secretariat to look for the original DCP 161 RFI response form and data in order to potentially re-issue for comparable data.	Secretariat	Ongoing.
05/01	The Secretariat to invite the Chair of the DCMDG (Dylan Townsend) to the next Working Group meeting.	Secretariat	New Action.
05/02	CB to send the test model outcomes to the Working Group post-meeting.	CB	New Action.
05/03	The Secretariat to draft an RFI and circulate to the Working Group for further review at the next meeting.	Secretariat	New Action.

Closed Actions

DCUSA

Action Ref.		Update	