

DCP 442 Working Group - Meeting 04

05 December 2024 at 13:00 - Web-Conference

| Attendee | Company |
|---|---------------|
| Working Group Members | |
| Edda Dirks [ED] | SSE Gen |
| Gavin Stewart [GS] | SSE |
| Lee Wells [LW] | NPg |
| Michael Allison [MA] | SSE |
| Sven Hoffmann [SH] | National Grid |
| Tracey Taylor [TT] | ENWL |
| Code Administrator | |
| Andy Green [AG] (Chair) | ElectraLink |
| Mel Kendal [MK] (Technical Secretariat) | ElectraLink |
| Apologies | |
| Craig Booth [CB] | ElectraLink |

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 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

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

3. Review Collated RFI Responses

- 3.1 The Chair invited the Working Group to review the collated RFI responses and agree next steps. The collated RFI responses was presented live on screen, and this can be found as **Attachment 1**.
- 3.2 The key updates can be found below:
- 3.3 Prior to the review of the collated responses, the group discussed the intent of the RFI. TT felt that the RFI questions were not defined enough in terms of what was expected in the answers provided. ED stated that this change provides a good opportunity for transparency in relation to curtailable connections as it will be helpful to monitor these arrangements.
- 3.4 **Q1**
- 3.5 The Chair presented the aggregated data with the Working Group for further discussion.
- 3.6 ED stated it was interesting that the aggregated data shows there are more enduring curtailable connections than curtailable connections.
- 3.7 TT re-iterated that the question may not have been clear enough in order to gain the data the group may be looking for and leaves a lot of scope for interpretation for the table of aggregated data.
- 3.8 SH stated that the aggregated data indicates the potential impact of this CP, whereby each enduring curtailable connections shown may not have been made if the enduring curtailable connection was not available as an option.
- 3.9 **Q2**
- 3.10 The Chair confirmed that all respondents stated that no curtailable connections have been converted to non-curtailable connections to date, however, one respondent did state that one curtailable connection will be ending in 2025.
- 3.11 The Working Group noted the responses.
- 3.12 **Q3**
- 3.13 In relation to reasons as to why an enduring curtailable connection would be offered, GS queried why it should be different for a customer connecting on either a flexible connection or an enduring connection. If they are connecting on an enduring basis, the customers need to have an understanding that they can connect and have a certain level of access to that network, and for that level to be protected. GS suggested that the removal of that guarantee of access is unfair to the customer. LW suggested that the guaranteed access is out of scope of this change.
- 3.14 ED stated that they believe a curtailable connection arrangement is where the user is incentivised not to exceed the agreed limit and not to be used as a regular revenue stream (and to explore flexibility options first).
- 3.15 LW noted that there is no connection to any network that is fully secure.

3.16 **Q4**

3.17 The Chair presented the aggregated data with the Working Group for further discussion.

3.18 TT stated that the question was not clear whether it was the total connection cost that was required or just the reinforcement cost that the customer is benefiting from not paying by an enduring curtailable connection.

3.19 Some Working Group members agreed that the aggregated data shows what was expected from the question.

3.20 **Q5**

3.21 ED queried whether there is a possibility that high reinforcement costs at distribution level could be linked to transmission level constraints – LW stated that the use of Reinforcement, as defined within the DCUSA, should not have been interpreted as any costs including the transmission network.

3.22 Following this, SH stated that any curtailment against a transmission constraint is not curtailment and transmission constraints do not contribute to the curtailment that is measured or that contributes towards a cap. LW confirmed that this has been highlighted within the original Change Proposal and will be included within the Change Report.

3.23 ED queried again as to why there are significantly more enduring curtailable connections than standard curtailable connections (as shown in the aggregated data). ED suggested that the ratio needs further explanation.

3.24 The Working Group noted that it is expected to be more flexible connections (in any form) than what there appears to be.

3.25 SH stated that behind every given distribution constraint, there will be a natural levelling off, because, as curtailment caps being offered start to approach 100%, any customers applying to connect subsequent to that are not going to be protected.

3.26 The Working Group noted the RFI responses.

4. Review of Pro's and Con's Document

4.1 The Chair presented the Pro's and Con's document with comments provided by ED with the Working Group for further discussion. This can be found as **Attachment 2**.

4.2 The key points can be found below:

4.3 ED suggested that the 'against' column either needs to be renamed or the points reworded. It was agreed that potentially the formatting should be amended to ensure this is a Pro's and Con's table and not the views of the Working Group.

4.4 The Working Group agreed to remove the point 'Connecting a Customer quicker with enduring protections provides assurances to the Customer and may accelerate the transition to Net Zero', and extend the first bullet point by adding 'This may impact the transition to Net Zero'.

- 4.5 The Working Group agreed to include amend the third bullet point under the ‘against’ column to state, ‘There are a small number of Curtailable Connections (time limited or enduring) which may limit the benefit’.
- 4.6 In regard to the point under the ‘for’ column ‘A bespoke forecast of curtailment can/will be provided by the DNO/IDNO Party regardless (likely more accurate than the Curtailment Limit)’, LW confirmed that as a DNO, this is already done; however, GS confirmed that although they can do this, they currently do not. To remove the implication that this may be codified, the Working Group agreed to remove ‘will’ from the paragraph and leave the wording as ‘can’. TT confirmed they also do this as part of their internal practice and took an action to seek if this was previously codified.

ACTION 04/01: TT to seek whether a bespoke forecast of curtailment is to be provided by the DNO was previously codified or not.

- 4.7 In regard to the point under the ‘against’ column’ stating ‘The accuracy of the Curtailment Limit is a direct output of the provisions of DCUSA Schedule 2D – and could therefore be brought into line with a forecast of curtailment’, ED suggested that this is not an ‘against’, but a suggested solution. The Working Group discussed this, it was agreed that rather than Pro’s and Con’s, it is more suitable to be ‘reasons to make this change’ and ‘reasons not to make this change’.
- 4.8 After further discussion, the Working Group agreed that the above needs to be communicated within the Consultation document.
- 4.9 ED also suggested that under the ‘against’ column where it states ‘a fit and forget’ approach must be transparent to understand customer and network impacts’ is more of a solution as opposed to an ‘against’ of this change – the Working Group agreed with this suggestion.
- 4.10 Following this, the Working Group agreed to change the wording to state ‘A flexible connection is not as transparent to the customer because the DNO/IDNO is not obligated to provide the same level of curtailment related information to the customer’.
- 4.11 In regard to ‘Whilst the High-Cost Project Threshold provides some protection to networks for disproportionate investment needs relative to capacity requirements (increasing costs to the Customer), an eligible Customer can choose to not pay this and opt for an enduring Curtailable Connection’, ED suggested this is not currently worded as a ‘for argument’.
- 4.12 Following this, the Working Group agreed more narrative is needed around this point to ensure it is more of a ‘for’ argument. After further discussion, LW agreed to take this offline to redraft and bring back to the Working Group for review.

ACTION 04/02: LW to reword the paragraph under the ‘for’ column in relation to the High-Cost Project Threshold providing protection, and feedback to the Working Group for review.

- 4.13 In regard to the number of options for solutions that will be presented within the Consultation, ED queried whether the Working Group believe option 4 (Enduring Curtailment Connection with no Exceeded Curtailment Payment) should be retained or removed. The Working Group discussed this and agreed that this option should be included within the Consultation moving forward.

- 4.14 TT had a query around option 3, where it was asked how a time limited enduring curtailable connection be dealt with – LW explained that the proposal would be enduring, but capped.
- 4.15 TT queried whether all of the options need to be included within the Consultation – the Chair and proposer confirmed that it is up to the Working Group which options are chosen to take forward.
- 4.16 After further discussion, it was agreed that the Working Group will discuss and agree which options will be taken forward within the Consultation 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:

LM to provide the Working Group with further detail as to next steps with proposed alternative.

1. TT to seek whether a bespoke forecast of curtailment is to be provided by the DNO was previously codified or not.
2. LW to reword the paragraph under the 'for' column in relation to the High-Cost Project Threshold providing protection, and feedback to the Working Group for review.
3. The Working Group to discuss and agree which options will be taken forward within the Consultation 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 January 2025

- 7.1 The next Working Group meeting will be held on 08 January 2025 at 10am.

8. Attachments

- Attachment 1_DCP 442 Collated RFI Responses_WG Comments
- Attachment 2_DCP 442 Updated Actions Document
- Attachment 3_DCP 442 Work Plan

APPENDIX A

New and Open Actions

| Action Ref. | Action | Owner | Update |
|--------------|--|-------|--------------------|
| 04/01 | TT to seek whether a bespoke forecast of curtailment is to be provided by the DNO was previously codified or not. | TT | New Action. |
| 04/02 | LW to reword the paragraph under the 'for' column in relation to the High-Cost Project Threshold providing protection, and feedback to the Working Group for review. | LW | New Action. |

Closed Actions

| Action Ref. | | | Update |
|--------------|--|-------------|----------------|
| 03/01 | The Secretariat to issue a doodle poll for the next Working Group meeting. | Secretariat | Closed. |