

Meeting Session	Panel (Open Session)
Paper Reference	DCUSA_2025_0115_07_DCMDG 82 Headline Report
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 82

1. Synopsis

- 1.1 This report sets out the headlines from the 82nd DCMDG meeting held on 19 December 2024 via Microsoft Teams. The full minutes and associated papers are available on the DCUSA website.
- 1.2 This meeting was chaired by Dylan Townsend.
- 1.3 A total of 31 industry participants dialled into the meeting.

2. Administration

2.1 Key Discussions and Actions

- **Review of Previous Minutes:** Attendees reviewed and approved the draft minutes from the meeting held on 21 November 2024, with one amendment to include a link to Ofgem's guidance document on managing surplus residual charges.
- **Action Log Updates:** The Chair provided updates on open actions, including the formation of a subgroup to address import capacity charges for storage facilities.
 - **Import Capacity Charges for Storage Facilities**
 - The Chair noted that the intent had been for a Subgroup to be formed with respect to the issue raised by Thrive Renewables regarding import capacity charges for storage facilities. The subgroup would determine whether the issue requires a fundamental change in methodology or is something that would be raised to fix an error in the methodology. The Chair asked if a subgroup was necessary or whether a poll or survey may be used to gather opinions from members.
 - Members discussed the need for a subgroup and to obtain Thrive Renewables' perspective before deciding on the approach.
 - **DCP 414 Implementation**

- The Chair noted that an action should have been taken for an item related to a previous discussion regarding the implementation of DCP 414.
- **Communication Process:** The Chair clarified the process for DNOs/IDNOs and Suppliers to communicate regarding the maximum import capacity for customers transitioning to half-hourly settlement. A proactive communication approach and a 12-month assessment period were emphasized.

3. Forward Work Plan and Issues Log

3.1 The group reviewed the Forward Work Plan and Issues Log, with no new issues raised and updates provided on existing issues and change proposals.

3.2 External Activities

- **Horizon Scanner Update:** The Chair will update the DCUSA Panel's horizon scanner, which shares many items with the DCMDG's External Activities tab and so will update any shared items.

4. Ofgem Update

4.1 The Ofgem representative provided members with an update on a number of points including:

- **DNO Derogations:** Ofgem may grant derogations to shorten the 15-month notice period for DNOs to amend charges. Multiple derogation applications have been received, and decisions will be published soon.
- **Prioritisation of Industry-Led Changes:** Ofgem advised the industry to be cautious about raising new changes that might become redundant due to ongoing reviews and changes in cost recovery methodologies.
- **Cost Recovery Review:** Ofgem is reviewing the recovery of system-wide energy costs, aiming to balance efficiency, fairness, and simplicity in future charging and pricing models.

5. Residual Charges for Carbon Capture and Storage (CCS) Sites

5.1 Members considered a paper provided by the Chair which had been developed based on an email exchange with someone from Juvo Energy and related to the application of the definition of a Non-Final Demand Site if a CCS plant were to be attached to a generator site.

5.2 A representative from Juvo Energy provided members with an overview of the CCS landscape currently and explained that the issue of whether a generators which attaches a CCS plant to itself should continue to be considered a Non-Final Demand Site. Members discussed the implications and potential need for a change proposal to clarify the definition.

6. Market-wide Half Hourly Settlement (MHHS) Update

- 6.1 **DCP 445 Approval:** Ofgem approved DCP 445, with the implementation date linked to the M8 Milestone in the MHHS Implementation Timetable.

7. Subgroup Updates

- 7.1 **Private Networks Subgroup:** The subgroup will be closed down, and a note will be issued to members.
- 7.2 **AAR Lessons Learnt Subgroup:** The Chair is formalizing guidance to be added to the website, with the document to be reviewed by the subgroup.

8. Next Meeting

- 8.1 The next DCMDG meeting will be held on 16 January 2025 via Microsoft Teams.

9. Actions

- 9.1 The DCUSA Panel is invited to:
- **NOTE** the contents of this Paper.

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