

Distribution Charging Methodologies Development Group (“DCMDG”) - Meeting 85

20 March 2025 at 10:00 via Microsoft Teams

Attendees	Company
Ahna Taylor [AT]	SSE
Alex Jephson [AJ]	Cornwall Insight
Alexander Pentacost [AP]	Eclipse Power
Amanda McFarlane [AM ¹]	Aurora Utilities
Andrew Enzor [AE]	Field Energy
Andrew Malley [AM ²]	Ofgem
Charles Mott [CM]	SSE
Chris Barker [CB ¹]	ENWL
Chris Berry [CB ²]	Inenco
Chris Ong [CO]	UK Power Networks
Dave Wornell [DW]	National Grid Electricity Distribution
David Fewings [DF]	Inenco
Diandra Orodan [DO]	BU-UK
Donald Preston [DP]	SSEN
Ed Grimsey [EG]	BU UK
Edda Dirks [ED]	SSE Generation
Itune Akin-Olawale [IA]	ENWL
Kara Burke [KB]	Northern Powergrid
Kavya Kavya [KK]	BrookGreenSupply
Kyran Hanks [KH]	WatersWye
Lee Stone [LS]	E.ON
Laim Beckwith [LB]	St Clements
Lorna Murray [LM]	SPEN
Meg Wong [MW]	Stark Energy
Monique Pereira [MP]	SSE
Morven Hunter [MH]	Last Mile
Narinder Lall [NL]	E.ON
Nik Wills [NW]	Stark Energy
Ryan Farrell [RF]	Northern Powergrid
Simon Vicary [SV]	EDF
Tony Collings [TC]	Ecotricity
Victoria Burkett [VB]	SSE Energy Supply
Zviko Chigwedere [ZC]	St Clements
Secretariat	
Richard Colwill [RC] (Chair)	ElectraLink
Craig Booth [CB] (TechSec)	ElectraLink
Dylan Townsend [DT]	ElectraLink
Apologies	
Joe Boyle	SPEN
Jen St Claire-Hughes	ESP Utilities
Clive Linsdale	BUUK

1. Administration

- 1.1 The Chair asked members if they were comfortable for this Working Group to be recorded. No members objected to this request. The purpose of this recording is purely to aid the Technical Secretariat in producing an accurate report of the meeting. The recording will be deleted after the minutes are approved.
- 1.2 The Working Group reviewed the “Competition Law Guidance” and it was noted that all members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.3 Attendees reviewed the draft minutes from the previous meeting. No comments were made on the accuracy of the minutes.
- 1.4 The Chair provided updates on the open actions contained in the actions log which was issued with the meeting papers.
- 1.5 Action 82/01 – This action was closed previously, however DT gave an update on the action and that, following the issuing of documents by the Secretariat under this action, no comments had been received on these from DCMDG members. LS stated that he hadn’t seen them and would like to review them. The Secretariat took an action to reissue them for comment.

Action 85/01	Secretariat to reissue documents from action 82/01 for review.
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- 1.6 Action 84/02 – The Chair noted that the send-back letter for DCP 440 had been received and that the send-back letter for DCP 439 was expected to be received on 2 April 2025. The Chair stated that lessons needed to be learnt following the receipt of three send-back letters in quick succession.
- 1.7 Action 84/04 – The Chair gave an update on his considerations for resolving this action and the related Utilities Act 2000 concerns, and asked DCMDG members if the old LLFC ID is needed. VB noted that the DCUSA legal text around the AAR does not require the provision of the old LLFC ID. VB noted that the main benefit of having a template was in there being consistency of the way data is sent to Suppliers by network operators. DT stated that there were two options available (to remove the column entirely or mark it as optional) and that he had leaned towards removing it. VB stated that as consistency was the key driver from requesting a template be used, it would introduce inconsistency to have an optional column that only some network operators complete. It was agreed to remove the column and recirculate for comment. The Chair agreed to reconvene the subgroup to allow comments to be collated and discussed and for a template to be agreed.

Action 85/02	Secretariat to remove the old LLFC ID column and recirculate for comment.
Action 85/03	Secretariat to issue a new invitation to DCMDG members to join the subgroup and issue a doodle poll for the meeting.

2. DCMDG Forward Work Plan and Issues Log

- 2.1 The group reviewed the DCMDG Forward Work Plan and Issues Log, during which the following points were covered:

DCMDG Issues

- 2.2 Members discussed issue 9 'Application of fixed DUoS charges on a per-MPAN basis' and noted this was an old issue. The Secretariat agreed to reach out to Tim Ellingham, who raised the issue, to see if this requires progressing or can be archived.

Action 85/04	Secretariat to reach out to Tim Ellingham re Issue 9 and whether this needs progressing or archiving as an issue.
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- 2.3 The Chair gave an update on issue 12 'Import Capacity Charges for Storage Facilities' and that Otis Harrison, of Thrive, had stated that other avenues had been pursued and this issue no longer needed to be progressed by the DCMDG. This issue will be archived.

Charging Related Change Proposals

DCP 412

- 2.4 The Chair gave an update on DCP 412 and explained that none of the individual solutions had been approved by Parties.
- 2.5 The Chair noted that Alternative Proposal 2 (no retrospective rebates for existing customers) had received the most support from Parties that voted for a solution.
- 2.6 The Chair explained that, at a high level, 52% of Parties (based on weighted voting) had voted for a solution in some form, however it was noted that assumptions cannot be made about Parties' voting intents and the results of the vote need to be taken as read.
- 2.7 LS asked the Ofgem representative, AM, about potential challenge routes. AM stated that there was an appeals process should Ofgem make a decision that voting Parties disagree with, which he would be keen to avoid, and that Ofgem could consider reaching out to Parties and consulting on the approval of one of the solutions, if Ofgem was minded to approve one.

DCP 423

- 2.8 The Chair noted that this CP was likely to be withdrawn, but some work was ongoing to identify where this can best be progressed.

DCP 437

- 2.9 The Chair explained that, following the receipt of a send-back letter, the change report was expected to be resubmitted to the Panel soon.

DCP 439

- 2.10 The Chair explained that the send-back letter had not yet been received and was expected to be received on 2 April 2025.

DCP 440

- 2.11 The Chair explained that the send-back letter had been received and that comms on this should be expected to be issued within a week or so, to reconvene the Working Group.
- 2.12 ED suggested it would be useful for an Ofgem representative to join the first meeting. The Chair agreed to reach out to Ofgem on this.

Action 85/05	Chair to reach out to Ofgem regarding a representative attending the first meeting of the reconvened DCP 440 Working Group.
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DCP 443

- 2.13 The Chair noted that the change report was expected to be issued to Panel soon.

DCP 445

- 2.14 The Chair noted that this CP had been approved and was awaiting implementation.

DCMDG External Activities

- 2.15 The Chair noted that the Clean Power 2030 initiative had been added to the external activities tab, as per an action taken last meeting. LS noted there was a lot happening on this topic and it was positive to have it added to keep an eye on it.
- 2.16 LS stated that the external activity 'BEIS Call for Evidence on Electricity Licence Exemptions' review had been closed and that nothing further appeared to be happening in this space. It was agreed to create a new tab for archived external activities and to archive this item.

Action 85/06	Secretariat to create an 'external activities archive' tab and move this item to it.
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DCMDG Chair Change

- 2.17 The Chair explained that the Panel had approved a change of Chair for the DCMDG, with RC now taking over the position of Chair from DT. DT advised he would still be able to dial into the meetings when necessary, if his knowledge was required.

3. Ofgem Update

- 3.1 AM gave the following updates:

- 3.1.1 Ofgem had been doing a lot of work on statements and license derogations;
- 3.1.2 no decisions had been made on CPs submitted to Ofgem, but that resource was being allocated to the DCP 412 Change Declaration and to the ongoing DCP 420 Working Group;
- 3.1.3 lots of work had been completed on BSC P441 'Creation of Complex Site Classes' which feeds into DCP 424 'Use of System charging for Complex Sites';
- 3.1.4 a lot of work had been done on complex sites, local balancing, with a lot of interest from Government around community and local balancing;

- 3.1.5 there had been work on the DUoS SCR in the last couple of weeks and that an update could be expected soon on this;
 - 3.1.6 that the DUoS SCR needs to include cost recovery, as there are lots of costs on the system at the moment that will change in the future, of which network charges are a large part of this, to include new policy costs related to net zero, and noting a dependency on REMA;
 - 3.1.7 there had been lots of work on connection charging as there are some issues ongoing in this space, such as what happens when distribution work triggers transmission investment, who is liable for this, etc.; and
 - 3.1.8 there had been lots of work on EV chargers and motorway services, with OZEV doing work to provide feedback to Ofgem on barriers to entry (which whilst not core charging work, links to cost recovery and DCP 420 'Provide targeted relief from residual charges for electric vehicle charging sites').
- 3.2 ED asked whether AM's team is leading on the cost recovery work and whether there was anything in the public domain about this. AM confirmed that his team are not leading on this, but are a big input into it, and that some information on this should be published on Ofgem's website in the next few weeks. AM explained that Ofgem was not looking at large scale changes, but at the current set up and whether the existing arrangements, such as TCR, are appropriate for them, taking a more strategic look at how costs get apportioned.
- 3.3 ED asked whether CMP 446 'Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment' was linked to this work. AM explained that there is a link between them, but that there is also an ongoing issue relating to direct pass through from transmission reinforcement, questions about the process and how the DNOs are treating these situations, and whether there are things that are economic and should be happening but are not happening. AM noted that NESO put forward a proposal for Ofgem that is being looked at, but this may need to be looked at with the ENA. AM stated Ofgem would be interested in Party views on this and whether Parties believe Ofgem should look at this and the approach that Parties believe should be taken.

4. DNOs Use of the Remittance Email

- 4.1 NL explained that as part of the development work for MHHS, the remittance email was being looked at as to whether it provides any value to the DNOs, as it is not a true reflection of the invoice amount.
- 4.2 LS noted this may need to be directed to a finance team as opposed to the DCMDG members.
- 4.3 This will be progressed offline and outside the DCMDG.

5. AAR Subgroup

- 5.1 The Chair noted that the potential changes to the AAR had been discussed as part of the actions review, earlier in the meeting.
- 5.2 The Chair proposed to send out a doodle poll for the subgroup to all DCMDG members, to review the template and the guidance documents (see Action 85/03).

6. Update on Issue raised by Andrew Enzor (Field Energy)

- 6.1 The Chair advised that DCP 452 had been raised by AE and had been approved for progression to the definition phase.
- 6.2 The Chair explained that as this potentially falls in scope of an SCR, this had been sent to Ofgem, as the Authority, for a Direction on whether the CP could be progressed.
- 6.3 The Chair noted the desired timescales for DCP 452 and that, as a result, a doodle poll had been issued in the meantime, so that in the event Ofgem approves DCP 452 to go ahead, no time has been wasted in commencing the meetings.

7. Issue 85 – DCP 420 Option 4

- 7.1 The Chair presented Issue 85, which had been raised following the discussion of DCP 420 “ in DCMDG Meeting 84.
- 7.2 The Chair explained that the process to be followed required a volunteer from DCMDG to take this on or for a vote of Party DCMDG members to determine whether it should be raised by the Secretariat. The Chair explained that, in his view, Parties needed more time to digest the contents of the issue and for a potential volunteer to be identified, and as such a vote would not be held during the current meeting.
- 7.3 The Chair stated that the issue form would be issued to DCMDG members to ask for a volunteer Party to take this on and that, failing this, a vote would be held at DCMDG Meeting 86.
- 7.4 ED asked if guidance could be provided to DCMDG members on the voting process that will take place. The Chair agreed to produce this guidance.
- 7.5 VB suggested using the built in Polls functionality in Microsoft Teams. The Secretariat agreed to test this internally prior to the meeting.

Action 85/07	Secretariat to issue the issues form to DCMDG members and ask for a Party to volunteer to take this on.
Action 85/08	Secretariat to produce guidance on DCP 417 and the voting process.
Action 85/09	Secretariat to test Polls functionality in Microsoft Teams, ahead of DCMDG Meeting 86.

8. MHHS (“Market-wide Half-Hourly Settlement”) Update

- 8.1 The Chair noted there were no updates to be shared.
- 8.2 LS asked whether this agenda item was necessary to be kept.
- 8.3 It was noted that a special group was set up in the past to feed into DCP 445 ‘Implementation of Market-wide Half Hourly Settlement (MHHS) Arrangements’, but that this CP had run its course and was now awaiting implementation.
- 8.4 The Chair agreed to retain the agenda item for now and determine whether to remove this in a future meeting.

9. Any Other Business

- 9.1 The Chair asked if there were any other business to be discussed.
- 9.2 RF raised that, following the implementation of DCP 414 'Transitional Protection for NHH CT Customers affected by regulatory change', his Party had been receiving unusual queries relating to migrated MPANs and the MOP needing a QVA (the capacity). RF asked whether other DNOs had experienced the same.
- 9.3 LS noted that E.ON had been silent on this as not yet progressing the migration.
- 9.4 RF stated that it wasn't clear how to answer the queries being received and asked that DNO colleagues bring any similar queries received to the DCMDG for discussion.

10. Agenda Items for the Next Meeting

- 10.1 The Chair explained that in addition to the standing items and any other issues raised, the agenda for the next meeting would include:
 - 10.1.1 review the DCP 417 guidance, if needed; and
 - 10.1.2 provide an update on Issue 85, and whether a volunteer Party has taken this on or whether a vote needs to be held for the Secretariat to progress this.

11. DNO ("Distribution Network Operator") Operational Matters

- 11.1 The Chair asked if there were any DNO Matters to be raised. No matters were raised.

12. Date of Next Meeting

- 12.1 The next DCMDG meeting will be held on 17 April 2025 via Microsoft Teams.

13. Attachments

- 13.1 Attachment 1 – Issue 85 Form
- 13.2 Attachment 2 – DCMDG Action Log
- 13.3 Attachment 3 – DCMDG Forward Work Plan