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| Meeting Session | Panel (Open Session) |
| Paper Reference | DCUSA_2025_0319_07_DCMDG 84 Headline Report |
| Action | For Information |

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 84

1. Synopsis

- 1.1 This report sets out the headlines from the 84th DCMDG meeting held on 20 February 2025 via Microsoft Teams. The full minutes and associated papers are available on the DCUSA website.
- 1.2 This meeting was chaired by Richard Colwill.
- 1.3 A total of 30 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 16 January 2025, with two corrections to the attendees list being made.
- **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 some potential dates needed to be agreed with Thrive to arrange the subgroup. The Secretariat reached out to Thrive after the conclusion of the meeting.
 - **Clean Power 2030**
 - The Chair noted that the initiative ‘Clean Power 2030’ needed to be added to the Forward Work Plan. The Secretariat updated the Forward Work Plan after the conclusion of the meeting.

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, noting that the ‘Clean Power 2030’ initiative would be added to the Horizon Scanner.

4. Ofgem Update

- 4.1 The Ofgem representative provided members with an update on a number of points including:
- **Surplus Residuals:** Work around surplus residuals had been prominent on Ofgem’s publications pages in recent weeks, which was around a series of derogations against the notice period and against the charging methodology to resolve the issue relating to when forward looking charges recover too much revenue within the CDCM resulting in a negative residual which exceeds the model’s built-in capability of redressing this.
 - **DUoS SCR :** Ofgem will be providing an update on the DUoS SCR and its relationship with REMA (the “[review of electricity market arrangements](#)”), which may be issued by the end of March.
 - **Cost Recovery Review:** Ofgem had made progress on its cost recovery workstream and that official communications around this should be expected in the next couple of weeks.
 - **Connections for Generation:** Ofgem has done some work with the ENA (“Energy Networks Association”) and some government bodies on the question of connections for generation, storage and strategic sites, and the relationship between connection charging and anticipatory investment. The Ofgem representative explained that there is a question around how anticipatory investment is considered and that interested members can reach out to Brian Hoy at the ENA.

5. Application of FCP (“Forward Cost Pricing”) Charges

- 5.1 Field representative, Andrew Enzor, gave an overview of an issue that had been identified for a specific asset whereby the location of the asset and the charging model used (FCP) by the network operator resulted in assets connected to GSP being exposed to locational pricing for network infrastructure which it was not connected to or using.
- 5.2 Members discussed that the issue had not come to light previously despite existing since the creation of the EDCM (“Extra High Voltage Distribution Charging Methodology”), due to the likely low numbers of impacted assets. The Field representative noted that this had come to their attention due to the impact on a specific asset.
- 5.3 A Change Proposal has since been submitted and is being presented to the March Panel.

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

- 6.1 No MHHS updates were discussed.

7. DCP 420 ‘Provide targeted relief from residual charges for electric vehicle (“EV”) charging sites’

- 7.1 The Secretariat explained that responses to the recent DCP 420 consultation from customers (electric vehicle charge point operators) indicated strongly that the speed of implementation of a solution was of high importance.
- 7.2 The Secretariat explained that, to deliver a solution sooner, it would progress DCP 420 with two options that responding Parties had identified as their potential preferred approaches (this does not imply support for the CP), which would be quicker to implement if approved by the Authority, being:
- to create an exemption similar to back-up connections and place EV charging sites within this; and
 - to reduce the residual charging band of EV charging sites by one band (and no lower than band 1).
- 7.3 The Secretariat explained that the other potentially favoured option (and the favoured option of the Proposer), to create a group where residual charges are recovered through a fixed pence per kilowatt adder, would be progressed separately and be brought to the DCMDG for discussion and for a potential sponsor to be identified.

8. Subgroup Updates

- 8.1 **AAR Lessons Learnt Subgroup:** Members discussed feedback received on compliance concerns relating to section 105 of the Utilities Act 2000. The Chair took an action to consider the best way to resolve these concerns and present this back to the DCMDG.

9. Next Meeting

- 9.1 The next DCMDG meeting will be held on 20 March 2025 via Microsoft Teams.

10. Actions

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

Richard Colwill
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