

DCP 452 Working Group Meeting 04

Monday, 16 June 2025 (10:00 to 12:00)

Via MS Teams

Attendee	Company
Working Group Member	
Andrew Enzor [AE] (The Proposer)	Field Energy
Emma Clark [EC]	SSEN
Edda Dirks [ED]	SSE Generation
Giao Le [GL]	SSEN
Lorna Murray [LM]	SPEN
Chris Ong [CO]	UK Power Networks
Georgia Preece [GP]	Northern Powergrid
David Wornell [DW]	National Grid Electricity Distribution
Code Administrator	
George Kestner [GK] (Technical Secretariat)	ElectraLink Ltd
Dylan Townsend [DT] (Chair)	ElectraLink Ltd

Apologies	Company
Kara Burke [KB]	Northern Powergrid
Alex Lam [AL]	National Grid Electricity Distribution
Louise Robinson [LR]	ESP Utilities Group

1. Administration

Recording

- 1.1 The Working Group AGREED to record this meeting to aid the Technical Secretariat in producing an accurate report of the meeting. The recording will be deleted once the minutes for the meeting are approved.

Apologies

- 1.2 Apologies had been received from: KARA BURKE, ALEX LAM and LOUISE ROBINSON

Competition Law Guidance

- 1.3 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

Action Logs

- 1.4 The Working Group reviewed the log of previously recorded actions set out in Appendix A below, and all updates on the ongoing actions are provided in **Appendix A**.
- 1.5 Regarding **Action 03/01** for members of the Working Group using FCP version of the EDCM to run full iterations between the new DCP 452 model, CDCM, and PCDM and report results, the following points were raised:
- One Working Group member confirmed they had completed the full iterative process between the models and that the overall impact of the new model on both EDCM & CDCM revenue is very minimal, being - 0.3% for the EDCM and +0.01% for the CDCM. The cumulative effect on total revenue collected from the EDCM was a very minimal decrease
 - There was a 0.03% increase to the CDCM notional assets and a 0.002% increase to EDCM notional assets from the iteration process and DRM discount adjustments for DCP 452. This resulted in a 0.05% to 0.005% change in the PCDM user discounts as output by the CDCM, but in general, the change had little impact on the CDCM outputs however the difference in user discounts was greater than their standard stopping point in the iteration process and so was included in the DCP 452 iterations. It was noted that the observed trends were very similar to those in the CEPA/TNEI modelling documentation.
 - Another Working Group member who had completed the full iterative process between the models agreed that the impact was minimal because the overall pot of revenue remained roughly the same, with the transfer of revenue largely staying within the EDCM rather than shifting significantly to the CDCM. It was suggested that any observed differences might be due to rounding issues.
 - Whilst it was noted that another Working Group member who completed the testing explained that they had observed that whilst import capacity revenue was appropriately redistributed within the EDCM, the amount of money related to export credits did not return through the residual element of the charges. This effectively resulted in additional revenue within the EDCM, which then proportionally reduced CDCM customer bills (albeit by very small percentages). It was questioned if this was intended or if something had been misunderstood, as the expectation was for the difference between the import capacity charges and the super-red credits to net off before affecting the residual element.
 - It was noted that this may be due to having more '0000' generation customers in an impacted area, unlike some others who had also completed the testing.

1.6 Regarding Action 03/03, related to the document circulated amongst the Working Group containing counter arguments to that of the Proposer, the Working Group had a further discussion, which included:

- One Working Group member explained that following further internal discussion after the third Working Group meeting, some more thought had gone into understanding the calculation of the FCP 'Network Group incremental charge (£/kVA/annum) for demand (load)' and the impact on the other customers if 0000 are removed from the FCP calculation. It was noted that after discussing this change further, they believe that implementing this change could result in a higher FCP network group incremental charge, based on the formula for FCP-load in Schedule 17. It was explained that currently, the total cost of reinforcing asset "j" (denoted as A_j) is divided by Cl , which represents the total demand of the network group – including the 0000 customers and if the 0000 customers are excluded from this calculation, the total cost A_j remains unchanged, but it is divided by a smaller Cl . This leads to an increase in the resulting FCP incremental charge.
- The Working Group member questioned whether the current method of assessing the impact, which used last year's inputs within the updated model, would have fully captured the implications of this (i.e., that without the 0000 customers, the calculated FCP incremental charges would have been higher, meaning the remaining customers in those groups would face a higher Charge 1 capacity charge). Finally, it was questioned whether retaining the demand associated with 0000 customers for the purposes of the FCP-load calculation, but to not apply the FCP incremental charge to them, would imply that part of the FCP cost is effectively shifted onto Final Demand customers.
- Regarding the Proposer's view that new '0000' customers would not impact power flows on Level 1 circuits, it was noted that the feedback from engineers was that they believe it would impact power flows on lines connecting interconnected GSPs within Level 1. It is believed that this reinforces a view provided by another Working Group member with respect to scenarios where there are interconnected GSPs.
- Regarding the Proposer's suggestion to explicitly exclude '0000' customers from the Level 1 network group, a comment was made that this is only valid for non-interconnected Level 1 GSP groups. They noted that a network might not have interconnection currently but could require it in the future due to security requirements, which could be identified during the two-year ahead notice period for tariff setting.
- As to whether network stability & security of supply is considered in the FCP power flow modelling, the DNO engineers commented that the FCP methodology only considers thermal violations (thermal overloads) and excludes other factors like fault levels, voltages, and power quality. Security of supply is taken into account in contingency analysis for thermal overloads only. There was a point made as to if there was a potential to review the applicability for fault level to be considered for large connections due to their contribution to wider reinforcement at the busbar. To which the Proposer noted that consideration of including fault level analysis was out of scope for the change and re-emphasised the need to differentiate between meshed (interconnected) and non-meshed (non-interconnected) GSPs. The Proposer explained that there appears to be broad agreement that '0000' customers connected to non-interconnected GSPs do not drive thermal reinforcement on downstream circuits and should therefore not be exposed to the FCP charge.
- The Working Group agreed that these points, including disagreements, should be included in the consultation document to solicit broader opinions.

1.7 Following the above discussion, the Proposer set out a proposal to potentially put forward an alternative solution as mentioned above. The Proposer indicated a need for guidance on governance arrangements to potentially tweak the original solution or propose an alternative. The suggested alternative would likely involve disapplying the FCP charge only to '0000' customers connected to non-interconnected GSPs.

- 1.8 It was noted that the current modelling might not be fit for purpose for this more nuanced alternative. It was suggested that one way to implement it could be to define '0000' customers at non-interconnected GSPs as their, own separate network group. The thinking was that this might resolve issues with the denominator being incorrect and potentially allow existing FCP spreadsheets to be used with different inputs.
- 1.9 Working Group members generally agreed that the suggested approach was reasonable and pragmatic but cautioned against underestimating the impact of removing these customers from the FCP calculation, as it could lead to a significant cost increase for the remaining '0000' customers, especially in DNOs with many such connections.
- 1.10 It was noted that, given the very technical nature of this part of the methodology (i.e., power flow modelling) that there is likely to be a need to engage the expertise of system planning engineers internally amongst the Working Group members, rather than the Working Group themselves being in a position to provide much in the way of a steer in terms of impacts.
- 1.11 The Proposer took an action to draft the alternative solution in legal text terms and then handing it over to the Working Group to run past their modellers/engineers for initial views on
- If it is a sensible concept; and
 - Do others in the workgroup agree it would be more cost-reflective than the baseline and the original proposed solution.
- 1.12 The Working Group discussed the correct approach to consulting on options, specifically, whether to consult on this alternative as an idea in principle or provide attempted legal text amendments. It was clarified that the Proposer is not obliged to stick with their original solution and can change it as desired, as long as it aligns with the original intent of DCP 452. The Chair concurred that changes are acceptable if they align with the overall intent. It was confirmed that multiple alternative solutions can be consulted upon simultaneously. In terms of whether to include legal text, the Chair confirmed that it is preferable and good practice, and forms part of the CACoP principles.

2. Purpose of the Meeting

- 2.1 The Chair confirmed that the purpose of this meeting was to provide a high-level review of the draft consultation document and agree initial amendments or identify additional requirements. The Working Group AGREED to provide additional detailed comments by email after this meeting.

3. Review of Draft Consultation Document

- 3.1 THE CHAIR presented the Draft Consultation Document, which had been circulated ahead of the meeting. The Document was taken as read. THE CHAIR invited comments on a section-by-section basis.
- 3.2 The Chair explained that the initial sections remained true to the original proposal and that the bulk of the drafting was set out within the Working Group assessment section, which included an introduction, setting out the makeup of the Working Group, the number of meetings held and subheadings covering the points discussed during those meetings, including:
- Historical reasons for the two EHV charging methodologies and their differences, including marginal charges, commonalities, differences in outputs, application to demand tariffs from an Ofgem document and a publication by the ENA back from when the EDCM was being agreed upon for inclusion into the DCUSA. It was suggested this level of detail might be better placed in an annex to improve document flow.
 - An overview of the Interaction with DUoS SCR and Ofgem's direction that the Working Group could continue the development of the Change Proposal.

- An overview of the RFI undertaken by the Working Group, alongside the results.
- An overview of modelling request, and the updated models received.
- The inclusion of the counter arguments to the Proposal as had been debated during the Working Groups meetings.
- An assessment of DCP 139 and Ofgem's decision to reject it, and the similarities and differences between it and DCP 452.

- 3.3 The Chair asked points related to the counter arguments to the Proposal should reflect the company names involved, or if it would be best to be more generic. It was agreed that it should be kept more generic and company names should be removed.
- 3.4 The Chair questioned whether his approach to setting out the counter arguments was accurate, as he noted that some points had been removed, given an original assertion was later retracted and therefore didn't seem worthy of inclusion. The Working Group agreed that they were happy with this approach.
- 3.5 The Proposer suggested that instead of including the points made as part of the counter arguments regarding the factual accuracy in paragraph 1.3 of the Change Proposal, that it would make sense just to correct the statement directly in the introductory section. It was noted that this related to a statement that 0000 customers were the only users to be exposed to charges/credits in respect of downstream voltages. The Chair agreed to implement this correction.
- 3.6 The Proposer felt the document was quite long-winded and suggested condensing points, especially where agreement had been reached, to make it easier for consultees to follow.
- 3.7 With respect to the inclusion of the RFI results in the consultation, the Chair noted that it currently included DNO company names and licence areas but queried whether the group would prefer this level of detail be removed and to only include anonymised and/or an aggregated overview. The Working Group agreed that the latter would be preferable due to confidentiality concerns, and potentially removing the detailed breakdown by DNO area in the public consultation or attributing them generally without naming DNOs. It was noted that the full breakdown would be of most interest to Ofgem and could be submitted confidentially as part of the Change Report.

4. Next Steps and Work Plan

- 4.1 The Proposer will draft the proposed alternative solution as suggested legal text changes and circulate it to the Working Group.
- 4.2 Working Group members utilising the FCP EDCM to review the overall principle of the Proposer's alternative solution within one week and provide initial views on whether it is a sensible approach from a network engineers perspective and if it could be supported as more cost-reflective. And if so, then more detailed analysis could be carried out (potentially forming part of the response to the consultation).
- 4.3 The Secretariat to make the agreed updates to the draft consultation document (e.g., removing specific RFI breakdowns, correcting paragraph 1.3, potentially moving detailed methodology to an annex) and then circulating a fresh copy of the consultation draft for offline review by Working Group members.
- 4.4 The next meeting date was agreed to be on Thursday, 26 June 2025, between 1:00PM and 2:00PM for the purpose of discussing feedback on the Proposer's alternative solution and decide on next steps for finalising the consultation document.

ACTION 04/01: Alternative Solution Development: With reference to the points raised during Working Group meeting 04, the Proposer is to produce a reworked solution and share this with the Working Group for initial views/comments

ACTION 04/02: Comments on Alternative Solution: Working Group members utilising the FCP EDCM to review the overall principle of the Proposer's alternative solution within one week and provide initial views on whether it is a sensible approach and if it could be supported as more cost-reflective compared to original proposal as well as the current baseline.

ACTION 04/03: Updates to Draft Consultation: the Secretariat to make the agreed updates to the draft consultation document (e.g., removing specific RFI breakdowns, correcting paragraph 1.3, potentially moving detailed methodology to an annex etc) and then circulate a fresh copy of the consultation draft for offline review by Working Group members.

5. Any Other Business

5.1 No items of Other Business were raised.

Next Meeting – 26 June 2025

5.2 The Working Group AGREED to schedule its fifth meeting between 13:00-14:00 on Thursday, 26 June 2025.

Appendix 1 – Actions Log

New and Open Actions

Ref.	Action	Owner	Update
02/02	Rationale for downstream charges: additional detail to be added to the consultation document to explain the rationale behind changing the treatment of customers that were categorised 0000 and to clarify that the proposed apportionment was in line with other cost treatments.	AE	Update 3 June 2025: This remained open. AE would provide comments as the Consultation Document was drafted. KEEP OPEN Update 16 June 2025: Ongoing – noted that draft consultation has now been provided and so this action can be completed following Working Group meeting 04.
03/05	Wording about the history of DCP 139: AE to provide text explaining the background and history of DCP 139 for inclusion in the Consultation Document.	AE	Update 16 June 2025: Ongoing - An initial draft had been added to the consultation document that might cover this, but the Proposer clarified his action was specifically to explain the difference in context between DCP 139 and DCP 452 and agreed to review and update if necessary.
03/06	Comparison between DCP 139 and DCP 452: GL to provide comments regarding Ofgem's decision to reject DCP 139 and whether the rationale behind this decision remained applicable to DCP 452.	GL	Update 16 June 2025: Ongoing - An initial draft had been added to the consultation document but was subject to checks against document supplied by GL during Working Group meeting 04.
04/01	Alternative Solution Development: With reference to the points raised during Working Group meeting 04, the Proposer is to produce a reworked solution and share this with the Working Group for initial views/comments	AE	
04/02	Comments on Alternative Solution: Working Group members utilising the FCP EDCM to review the overall principle of the Proposer's alternative solution within one week and provide initial views on whether it is a sensible approach and if it could be supported as more cost-reflective compared to original proposal as well as the current baseline.	Working Group members	
04/03	Updates to Draft Consultation: the Secretariat to make the agreed updates to the draft consultation document (e.g., removing specific RFI breakdowns, correcting paragraph 1.3, potentially moving detailed methodology to an annex etc) and then circulate a fresh copy of the consultation draft for offline review by Working Group members.	ElectraLink	

Closed Actions

Ref.	Action	Owner	Update
01/01	The Secretariat to add additional commentary or examples to the yet to be drafted consultation document to highlight key differences between the methodologies/models	ElectraLink	<p>Update 1 May 2025 (meeting 02): Not progressed as drafting of the Consultation Document has not yet started.</p> <p>Update 3 June 2025: This was a continuing item and would be progressed with input from the Working Group.</p> <p>Update 16 June 2025: Completed - This was now included within the draft consultation document reviewed during Working Group meeting 04.</p>
03/01	Testing updated models: The Working Group agreed that any of its members who use the FCP version of the EDCM should run modelling iterations between CDCM and EDCM and report the results of these tests at the next meeting of this Working Group.	All applicable Working Group members	Update 16 June 2025: : Completed - Working Group members provided updates on the results of their internal testing of the updated models during Working Group meeting 04.
03/02	Providing additional detail on customer impacts: The Secretariat to include, within the first draft of the consultation document, qualitative and quantitative impact summaries referencing RFI data (based upon anonymised overviews of the data provided in response to the RFI) and CEPA/TNEI findings set out within the modelling documentation.	ElectraLink	Update 16 June 2025: Completed – A summary of the CEPA/TNEI’s impact analysis and anonymised summaries of the response from the RFI had been added to the consultation document for the Working Group to review.
03/03	Comments from SPEN on the concerns raised by SSEN: LM to provide additional comments to the concerns raised by SSEN in the document circulating around the Working Group and then send the document on for further consideration/comments.	LM	Update 16 June 2025: Completed – The Working Group discussed this in detail during meeting 04 and content had been included in the consultation draft.
03/04	Inclusion the debate following concerns raised by SSEN in the consultation: ElectraLink to incorporate a balanced summary of the debate into the consultation draft.	ElectraLink	Update 16 June 2025: Completed – The Working Group discussed this in detail during meeting 04 and content had been included in the consultation draft.