

DCP 443 Working Group - Meeting 13

02 September 2025 at 13:00 - Web-Conference

Attendee	Company
Working Group Members	
Alex Lam [AL]	National Grid
Chris Barker [CB]	ENWL
Chris Ong [CO]	UKPN
Donna Jamieson [DJ]	IDCSL
Ed Grimsey [EG]	BU-UK
Edda Dirks [ED]	SSE Gen
Kara Burke [KB]	NPg
Monique Periera [MP]	Indigo
Nik Wills [NW]	Stark
Peter Waymont [PW]	UKPN
Rachel Wallace [RW]	BUUK
Simon Vicary [SV]	EDF
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	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/discuss the TNEI slides (their analysis and feedback on the modelling) within the Working Group and agree next steps.

3. TNEI Slides

- 3.1 The Chair presented the TNEI slides to the Working Group live on screen for the Working Group to further discuss.
- 3.2 The key points can be found below:
- 3.3 A summary response was provided by TNEI to the question '*Is there a more cost-reflective way of reducing the unit rates to reflect the cost move to excess capacity charges? i.e., could there be an approach which truly reflects the costs moved to excess capacity that is more granular than the use of three single scaling factors for each of LV, LVS and HV?*' – the summary response can be found below:
 - The proposed increase in excess capacity charge is not based on an assessment of cost associated with capacity exceedance. So, can it be argued to be cost-reflective?
 - The reduction in unit rates is purely done to balance the revenue recovered from this increase in the excess capacity charge. So, it is arguable that any reduction in the unit rates for this reason is not cost reflective.
 - This suggests that another solution may be necessary. The solution should try to consider the actual cost to the network of exceeded capacity.
4. CB explained that the CP is not looking to change the cost-reflectivity, but rather the charge element is being moved.
5. The Working Group discussed potentially moving forward with a second Consultation, and members agreed that this would be beneficial in terms of next steps and agreed that this could minimise any delay moving forward.
6. The Chair noted that based on the feedback received by TNEI, the second Consultation will be divided into two main sections:
 - Section 1: *Enhanced standing charge factors are introduced which calculate a new higher differential excess capacity charge. The charge is higher than normal capacity charge because the standing charge factors extend to higher voltage assets.*
 - Section 2: *Unit rates are adjusted downwards to reduce price signals by an amount equal to the extra revenue expected to be collected due to the new differential element of the excess capacity charge. This ensures there is no overall impact on the level of costs reflected by forward looking charges in total.*

7. After further discussion, the Working Group took a vote, and the majority of members agreed that it would be beneficial to have another meeting held with TNEI representatives joining the call.

ACTION 13/01: The Secretariat to invite TNEI to the next Working Group meeting.

8. The Chair agreed that a summary of the solution so far, including the outcomes of the first Consultation, could be drafted prior to the next meeting as this may be beneficial for both TNEI and Working Group members.

ACTION 13/02: The Secretariat to draft wording to include a summary of the solution so far (including the outcomes of the first Consultation) prior to the next meeting.

9. The Chair also agreed to circulate the current draft of the legal text for the Working Group to review post-meeting.

ACTION 13/03: The Secretariat to circulate the current draft of the legal text to the Working Group for review.

10. Next Steps and Work Plan

- 10.1 The Working Group discussed the next steps, and the following items were captured:

- The Secretariat to invite TNEI to the next Working Group meeting.
- The Secretariat to draft wording to include a summary of the solution so far (including the outcomes of the first Consultation) prior to the next meeting.
- The Secretariat to draft wording to include a summary of the solution so far (including the outcomes of the first Consultation) prior to the next meeting.

11. Any Other Business

- 11.1 The Chair asked the group whether there were any other items of business to discuss, to which nothing was raised.

12. Next Meeting Date – 24 September 2025

- 12.1 The Chair confirmed the next Working Group meeting will be held on 24 September 2025 at 1pm.

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
11/01	The Secretariat to draft a new Consultation and send to the Working Group for review.	Secretariat	Action ongoing. <i>This will be completed at a later stage.</i>
11/02	The Secretariat to seek legal advice (specifically around the new Paragraph 81) on the new draft legal text.	Secretariat	Action ongoing. <i>This will be completed at a later stage.</i>
13/01	The Secretariat to invite TNEI to the next Working Group meeting.	Secretariat	New Action.
13/02	The Secretariat to draft wording to include a summary of the solution so far (including the outcomes of the first Consultation) prior to the next meeting.	Secretariat	New Action.
13/03	The Secretariat to circulate the current draft of the legal text to the Working Group for review.	Secretariat	New Action.

Closed Actions

Action Ref.		Update	