

## DCP 443 Working Group - Meeting 15

20 October 2025 at 10:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Charles Mott [CM]	SSE
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
Michael Hewitson [MH]	Trident Utilities
Nik Wills [NW]	Stark
Peter Waymont [PW]	UKPN
Seun Adedapo [SA]	National Grid
<b>Code Administrator</b>	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
<b>Apologies</b>	
Alex Lam [AL]	National Grid

## 1. Administration

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- 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

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- 2.1 The Chair explained that the purpose of this meeting is to review/discuss the updated test modelling within the Working Group and agree next steps.
- 2.2 The Chair did note that although the actual test model itself has not been completed yet, CB wanted the opportunity to walk through it and provide members with more information.

## 3. Review & Discuss Updated Test Modelling

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- 3.1 The Chair invited CB to provide further information around the updated test model to the Working Group to further discuss.
- 3.2 The key points can be found below:
- 3.3 CB reminded the group that the aim of this model is to produce a set of charges as if the exceeded capacity did not exist. The excess capacity charge would be over and above that.
- 3.4 CB provided an overview of the calculations and asked the Working Group how reasonable the calculation is, and any feedback as to whether there are any alternative approaches that can be taken.
- 3.5 ED stated that it is difficult to understand whether this approach is the right one to take without knowing if there is an incentive not to exceed. CB explained that the difference between this model and the previous model is the unit adjustment rate. In theory, the outcomes should be similar, the approach has just been amended to improve cost reflectivity.
- 3.6 ED provided a new solution: to increase the Exceeded Capacity charge by an amount that gives a useful signal not to exceed; to collect the Exceeded Capacity revenue in a separate pot; to use the revenue thus collected to reduce the next year’s residual. That way, there should be no concern about cost reflectively.
- 3.7 CO was supportive of ED’s proposed solution, however, when charges are set for a particular charging year, it is to recovery their agreed allow revenue. With the proposed solution, charges would be set that would cover more than their allowed revenue. This may be something that needs to be considered if this solution was to be progressed further. ED suggested that the process could take place over more than one year so that additional revenue is not collected.

- 3.8 PW agreed that the proposed solution has merit, it would just need to be tested against the regulations. Following this, the Secretariat and Working Group members agreed to take an action to review the regulations to see if this solution would be possible.

**ACTION 15/01: The Secretariat and Working Group members to review the regulations to see if option 1 solution would be possible and review at the next meeting.**

- 3.9 CB noted that it may be worth considering having a separate pot – ED confirmed that using a separate pot would ensure that there is no over recovery of revenue. CB suggested this arrangement may require a licence change.
- 3.10 ED stated that it would be beneficial to consider more than one solution, and with that being said, suggested that the Working Group relook at the collated RFI/Consultation responses (from October/November 2024). The Secretariat agreed to take an action to circulate both documents to the Working Group to review offline. The Secretariat also agreed to take an action to circulate the draft Consultation 2 with the Working Group for review.

**ACTION 15/02: The Secretariat to circulate both the collated RFI/Consultation documents for the Working Group to review offline.**

- 3.11 The Secretariat also agreed to take an action to circulate the draft Consultation 2 with the Working Group for review.

**ACTION 15/03: The Secretariat to circulate the draft Consultation 2 with the Working Group for review.**

- 3.12 ED queried why we moved away from the original approach following both the Consultation and RFI – it was noted that it would be beneficial to relook at the reasons as to why this was rejected previously.
- 3.13 Following the above discussions, it was agreed to continue discussing the potential solutions further during the next meeting.

## 4. Next Steps and Work Plan

- 4.1 The Working Group discussed the next steps, and the following items were captured:
- The Secretariat and Working Group members to review regulations to see if option 1 will be possible.
  - The Secretariat to circulate both the collated RFI/Consultation response documents to the Working Group for review.
  - The Secretariat to circulate the draft Consultation 2 to the Working Group for review.
  - The Working Group to continue discussions around all potential options during the next meeting.

## 5. Any Other Business

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

## 6. Next Meeting Date – 03 November 2025

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- 6.1 The Chair confirmed the next Working Group meeting will be held on 03 November 2025 at 10am.

## APPENDIX A

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### New and Open Actions

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Action Ref.	Action	Owner	Update
<b>11/01</b>	The Secretariat to draft a new Consultation and send to the Working Group for review.	Secretariat	<b>Action ongoing.</b> <i>This will be completed at a later stage.</i>
<b>14/01</b>	Chris Barker to produce a toy model for the Working Group to review and test.	Chris Barker	<b>Ongoing.</b>
<b>15/01</b>	The Secretariat and Working Group members to review the regulations to see if option 1 solution would be possible and review at the next meeting.	Secretariat / Working Group	<b>New Action.</b>
<b>15/02</b>	The Secretariat to circulate both the collated RFI/Consultation documents for the Working Group to review offline.	Secretariat	<b>New Action.</b>
<b>15/03</b>	The Secretariat to circulate the draft Consultation 2 with the Working Group for review.	Secretariat	<b>New Action.</b>

Closed Actions

Action Ref.			Update