

DCP 461 Working Group Meeting 03

10 October 2025 at 13:00 - Web-Conference

Attendee	Company
Working Group Members	
Aishwarya Harsure [AH]	NESO
Ben Godfrey [BG] (Proposer)	National Grid
Brian Hoy [BH]	ENWL
Catherine Cleary [CC]	Roadnight Taylor
Claire Witty [CW]	SPEN
Thomas Fellows [TF]	SSE
Drew Johnstone [DJ]	NPg
Diandra Orodan [EG]	BU-UK
Edda Dirks [ED]	SSE Gen
Wendy Mantle [WM]	SPEN
Natalija Zaiceva [NZ]	Centrica
Jack Purchase [JP]	National Grid
John Harmer [JH]	Waters Wye
Liam Sweeney [LS]	Ofgem
Karl Maryon [KM]	Drax
Matthew Paige-Stimson [MPS]	National Grid
Erik Baguzis [EB]	Indigo
Code Administrator	
Richard Cowill [RC]	Chair
Andy Green [AG]	Secretariat

1. Administration

Recording

- 1.1 The Chair noted that the meeting is being recorded. The purpose of this recording is purely to aid the Technical Secretariat in producing an accurate report of the meeting.

Apologies

- 1.2 No apologies were received ahead of the meeting.

Competition Law Guidance and Terms of Reference

- 1.3 The Working Group agreed to be bound by the Competition Law Guidance for the duration of the meeting.

Minutes of the previous meeting and Open Actions

- 1.4 The Chair shared the minutes of meeting 01 and there were no comments, so these were approved.
- 1.5 The Chair shared the minutes for meeting 02 and the only comment was that Brian Hoyes business name needed updating to SP Electricity North West.
- 1.6 The Chair gave updates on the actions; these are included in the appendix.

2. Purpose of the Meeting

- 2.1 The Chair advised that the purpose of the meeting was to discuss and agree the solutions to take forward and to discuss and agree the RFI/Impact Assessment Requirements.
- 2.2 The Chair advised that BH had provided a document for the group to discuss which outlines solution options. This is included as **Attachment 1 - DCP 461 Options**

3. Discuss & Agree Solution(s) to Take Forward

- 3.1 The Chair shared Attachment 1 and invited BH to walk the Working Group through its contents.
- 3.2 It was advised that it would be useful to still consult on all options initially and to use the consultation responses to discount solutions. This was due to the Working Group wanting to evidence that all solutions had been considered thoroughly and to give parties an opportunity to share their views on all the possible outcomes.
- 3.3 It was noted that the change proposal identified two distinct but related issues:
 - a postcode lottery for transmission-related connection costs in the different DNO areas
 - unsustainable financial burden on individual customers (in those DNO areas which pass through all transmission-related connections costs)
- 3.4 It was suggested that the transmission charges element may be best dealt with in a different forum to the DCP 461 Working Group due to the current scope of the CPs intent and that understanding what issues are in scope and out of scope for DCP 461 to resolve was a key area to gain agreement on.
- 3.5 It was agreed to change the wording of the first issue to not reference 'postcode lottery' as this wasn't strictly true. Amending the transmission related connection costs would be an outcome following a

charging methodology change, and such a change would require approval by the Authority, which is published, and subject to open governance.

- 3.6 It was also noted that the first issue was not a DCUSA methodology change and any change to tackle the transmission charges would sit with the CUSC.
- 3.7 It was also suggested that this issue could also be tackled by providing better guidance, giving steer on how to deal with the different treatments within different DNO areas. It was noted that this guidance could be supported by the authority.
- 3.8 For the second issue it was suggested that looking at what parties can do around the apportionment element and making sure that the burden is fairly shared across those sites who could gain capacity in the future in those areas could be an approach.
- 3.9 Another approach to the second issue was to socialise these costs. This could give parties a quicker solution and process so that customers are not faced with those transmission costs. It was highlighted that this approach might be interim and superseded by CMP 460.
- 3.10 It was agreed that could provide a quicker solution and lead to a quicker process for all parties, including customers.
- 3.11 It was noted that the approach the Working Group should take is to agree on what a good outcome/solution looks like for Distributors and customers and also what the potential bill impacts are to customers and to ensure these impacts are fair and cost reflective.
- 3.12 It was agreed that the consultation should include details of all the solutions the Working Group considered, even those that the Working Group discounted to evidence that all solutions had been considered and the rationale as to why a solution or solutions have been taken forwards and why some why were rejected.
- 3.13 CC ask if the intention is for distributors to annualise the costs applied to sites and should this be a consultation question, i.e. does the solution work best if the costs are annualised?
- 3.14 BH advised that is something that may require further thought however this consultation is only currently looking at the charges to the connecting customers.
- 3.15 It was highlighted however that the costs for these charges would probably need to be made upfront rather than annualising them as the current processes and customer contracts would need to be updated.
- 3.16 TF suggested that annualising the costs would potentially be better for customers and increase the likelihood of the costs being picked up in each separate submissions over time rather than having to cater for all the costs in one submission.
- 3.17 It was queried if there could be some sort of cost recovery mechanism if the charges weren't annualised however NZ noted that there is no mechanism to recover the costs back for user connection customers and if this was an approach the Working Group wanted to consider, then this would require a CUSC mod.

- 3.18 It was noted that the solutions option does not cater for a 'do nothing' for transmission costs and it was queried if this should be included in the list of potential solutions.
- 3.19 BH advised that it is highly unlikely that a 'do nothing' at transmission approach within the DCUSA CP would gain authority approval so whilst it could be referenced in future documents, exploring it in depth as a viable solution wouldn't be a valuable exercise.
- 3.20 BH also advised that the consultation could explore what solutions industries parties would consider and that could be used to shape this CP and also inform the Working Group if other changes/MODs were needed and under which industry codes.
- 3.21 It was agreed that the four solutions listed for the first issue would be taken forwards to be consulted on.
- 3.22 BH walked the Working Group through the options available for the second issue, which was unsustainable financial burden on individual customers (in those DNO areas which pass through all transmission-related connections costs), and then opened up for feedback from the Working Group.
- 3.23 DJ stated that currently it appears the ECCR application wouldn't be considered in the options but making that extremely clear that the ECCR application is not a factor for any of the suggested four solutions was needed.
- 3.24 It was noted that all four of these solutions had different pros and cons so consulting on all of them for now made sense so the Working Group could understand which solutions industry parties felt were the most optimal/appropriate and why.
- 3.25 BG stated that for solution 2.2 and to an extent 2.1, there would need to be a methodology for calculating the apportionment and that really needs to bring in the concept of capacity based charging where the denominator is the Capacity released by the transmission reinforcement proposed by the DNO.
- 3.26 CC noted that solution 2.1 didn't have any sort of threshold but that she believed that wouldn't be plausible because if a customer doesn't trigger a transmission impact assessment in the new world, there is no way they can trigger transmission works as an individual customer.
- 3.27 BH advised that he agreed with this view however, he included solution 2.1 for completeness so it was an option to be consulted on so it could be evidenced in a future change report that all options had been considered fully and consulted on.
- 3.28 NZ asked if designing the methodology from the top down to show how much a new GSP would cost and what it could cost per capacity per MV to customers would help.
- 3.29 BH advised that this is the approach that he has tried to take but there was a slight error in the numbers in the original document. BH advised that ED had picked up on this error and that the document would be edited to make it clear that the approach being taken is what NZ had suggested.
- 3.30 BH suggested that a consultation question will be asked on whether a threshold is needed or not.

- 3.31 It was agreed that the options document needed some refinement and that it felt like the update of this document could take place offline. BH agreed to update the options document and share this updated version with the Working Group.

3.32

Action 03/01 - BH to update the options document based on the discussion at Working Group 03 and share with the Working Group.

- 3.33 BH pointed out that there are currently four solutions on offer at the moment so if none are eliminated, and other solutions are suggested and taken forwards by the Working Group, a separate DCUSA CP will need to be raised with the solutions spilt across the two CPs due to the DCUSA limiting a CP to an original solution and three alternatives.

- 3.34 DJ agreed to check in with LW on some of the comments he'd raised on the solutions document, particular around licence condition as the Working Group were unsure what was meant.

Action 03/02 – DJ to confirm with LW what his comments around licence conditions meant within the options document

- 3.35 NZ noted the process would need to consider what happens when distributors don't find out what the final cost of reinforcement are until a few years later and how these costs are proportioned and who are they proportioned against.

- 3.36 BH agreed this was an area that required more consideration and that it's something that could be asked within any future consultations.

- 3.37 It was also noted that objectives of the change would need to be considered. It was agreed it would be preferable to have the Working Groups views on objectives included in the consultation but if it became difficult to drill down into objectives, due to the number of solutions on offer, then a consultation question could be asked on this point.

- 3.38 It was agreed that objectives should be an agenda topic for the next Working Group meeting.

4. Next Steps & Work Plan

- 4.1 The Working Group agreed to meet again on Wednesday 22 October at 10am. The following matters will be discussed:

- Update BH's table of options with scenarios,
- Agree on a set of consultation questions,
- Agree on what needs to be a separate attachment and what can be included in the body of the consultation document.
- Create a high-level view of the quantification of the costs associated with each solution.

- Consider the impacts of each solution against the DCUSA objectives.

5. Any Other Business

5.1 No other business was raised

6. Next Meeting

6.1 The next Working Group is to be held on 22nd October 2025 between 10am-1pm

7. Attachments

7.1 Attachment 1 - DCP 461 Options

New & Open Actions

Action Ref.	Action	Owner	Update
01/05	LS to seek further guidance internally around when Ofgem would like to see the Change Declaration and update the group at the next meeting.	LS	Action ongoing. <i>LS advised the indicative timescale was feasible and the main outstanding question on whether Ofgem would like to see the change declaration early would be answered W/C 13 October</i>
02/02	MA, BH and BG to pull together work done by previous ENA group to see if it can be used by the Working Group.	MA, BH and BG	Action ongoing. A document has been shared with the Working Group but needs further refinement between BH, MA and BG.
03/01	BH to update the options document	Brian Hoyer	New Action
03/02	DJ to confirm with LW what his comments around licence conditions meant within the options document.	Drew Johnson	New Action

Closed Actions

Action Ref.			Update
01/01	The Secretariat to take a look at lessons learned from the Access SCR/TCR changes, and DCP 434/435 changes and feedback to the group.	Secretariat	Action closed. <i>The group agreed this was no longer relevant following the decision to progress DCP 461 quickly, separate from the CUSC change.</i>
01/02	Working Group members to provide JC with relevant TO contacts if available.	Working Group	Action closed. <i>The group agreed this was no longer relevant following the decision to progress DCP 461 quickly, separate from the CUSC change.</i>
01/03	JC to reach out to TOs to seek available data around the number of SGTs and infrastructure sites that are being planned, and feedback to the Working Group once available.	JC	Action closed. <i>The group agreed this was no longer relevant following the decision to progress DCP 461 quickly, separate from the CUSC change.</i>
01/04	The Secretariat to take the discussion around timelines for both DCP 461/CMP 460 to the Cross Code Steering Group for further advice on the correct approach.	Secretariat	Action closed. <i>The group agreed this was no longer relevant following the decision to</i>

			<i>progress DCP 461 quickly, separate from the CUSC change.</i>
02/01	BH to present the solution options in a table format with three numerical examples for each (varying in level of spare capacity). A column to be added stating who picks up the remaining costs and what that would be. JP and MPS agreed to help BH with the figures needed.	BH, JP and MPS	<i>Closed as this has been shared with the Working Group</i>
02/03	Chair to review Schedule 22 and highlight paragraphs that will be targeted by each solution. WG to validate at the next meeting.	Chair	<i>Closed as this has been produced and shared with the Working Group</i>
02/04	Chair to produce a first draft of the consultation.	Chair	<i>Closed as this has been produced and shared with the Working Group</i>