

DCP 461 Working Group - Meeting 10

09 January 2025 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Alexander Pentecost [AP]	Eclipse
Anne-Claire Leydier [ACL]	UK Power Distribution
Ben Godfrey [BG]	NGED
Brian Hoy [BH]	SP Electricity North West
Drew Johnstone [DJ]	NPg
Ed Grimsey [EG]	BU-UK
Edda Dirks [ED]	SSE Generation
Erik Baguzis [EB]	Indigo
Hector Eduardo Perez [HEP]	Scottish Power
Jack Purchase [JP]	NGED
John Harmer [JH]	Waters Wye
Kyran Hanks [KH]	Waters Wye
Liam Sweeney [LS]	Ofgem
Mark Askew [MA]	SSE
Matthew Paige-Stimson [MPS]	National Grid
Natalija Zaiceva [NZ]	UKPN
Niall Coyle [NC]	NESO
Nina Sanghera [NS]	Drax
Ross Thompson [RT]	UKPN
Code Administrator	
Craig Booth [CB]	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Richard Colwill [RC] (Chair)	ElectraLink

Apologies	
Aishwarya Harsure [AH]	NESO
Claire Witty [CW]	SPEN
Ed Birkett [EB]	Low Carbon
Will Bowen [WB]	UKPN

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 The Chair noted received apologies. These can be found in the attendees list above.

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.

Previous Minutes and Open Actions

- 1.4 The Chair shared the minutes of the previous meeting and there were no further comments/feedback. These minutes were approved.
- 1.5 The Chair provided the updates on the current open actions; these can be found within the Appendix.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of this meeting was to continue the review of the collated Consultation 2 responses, the development of the draft Consultation 2 and draft legal text within the Working Group and agree next steps.

3. Working Group Discussion

- 3.1 Before discussing the agenda items, BH queried the process of raising 3 potential new CPs in relation to this change – CB explained that there is nothing within the DCUSA that would prevent the Working Group from consulting on the 3 potential solutions (A/B/C) under this current change (carrying out the work under this current change), and then the 3 new CPs would then go straight to Change Report to the DCUSA Panel.
- 3.2 Following the above discussion, the Chair agreed to take an action to seek advice from the DCUSA Panel at the next meeting in January 2026 to ensure the above suggestion could happen. It was noted that members are happy to delay the draft Consultation 2 from being issued if it makes the process cleaner.

ACTION 10/01: The Secretariat to seek advice at the January DCUSA Panel meeting as to whether it would be feasible to seek wider industry feedback around the 3 potential solutions (new CPs) within the DCP 461 Consultation, leading to the 3 new CPs going straight to Change Report.

- 3.3 The Chair suggested a subgroup for the new CPs as soon as possible and invited members to volunteer to be the proposers of these changes. Members also agreed that the sooner these are raised, the better.
- 3.4 BG invited members to reflect on CMP 460 and whether this changes the view on the options the Working Group have discussed – BH provided an update and stated that the proposer initially identified 3 solutions (socialise everything, consistency with charging for all sites, CAF apportionment). After further discussion, they decided to go with a full socialisation approach.
- 3.5 BH further explained that the DCP 461 option 1 solution is similar to the CMP 460 chosen solution with the outcome meaning the Customer does not pick up any charges. DCP 461 option 2 and option 3 would be superfluous if CMP 460 is approved.
- 3.6 NZ stated that it would make sense for CMP 460 to seek wider industry views first prior to this CP; however, seeing as DCP 461 is moving at a quicker pace and going out to industry first, NZ queried whether a decision can be made on DCP 461 without looking at CMP 460 simultaneously.
- 3.7 MPS believes that it is unlikely that Ofgem would approve a TNUoS socialisation solution. BG reminded the group that the reason for raising this change in the timeframe it has been is due to the limited timeframe to get clarity of what DNOs need to include within their business plans.
- 3.8 BH stated that the way the drafting has been done, when charges are received by the DNO it explains what the DNO does with them. If CMP 460 was approved meaning no charges, then it does not affect the legal text, it will be redundant. If CMP 460 is not approved, at least there is a mechanism in place of how DNOs can better deal with the charges.

4. Continuation of Consultation Responses Review

- 4.1 The Chair noted that the responses document contained confidential information and reminded Working Group members that it is not to be shared outside of the Working Group.
- 4.2 The key updates can be found below:
- 4.3 Firstly, CB shared a ‘pros and cons’ document for the Working Group to review; this has been created to help identify key points that were pulled out from the Consultation responses.
- 4.4 In relation to the view that it should be applied to currently contracted projects when they receive their gate 2 offer, JP queried whether those responses suggest that the hope is for this to be in place now for existing Customers or whether its enduring when they get their gate 2 (and then this is applied) – BH explained that this needs to be further discussed and figured out how this would be done with each of the 3 options.
- 4.5 ED stated that a no-detriment approach may not be possible for a DNO who is already able to recover the cost boundary upgrade costs as it currently is and suggested that this needs to be considered and added to the cons list. BH explained that the point of the no-detriment option is that those Customers who are connected, and not being charged now, are not going to get any charges as a result of any of these CPs.

- 4.6 BH continued by explaining that this question was asked openly within the Consultation to state that it will only improve for Customers who are contracted but not yet connected as a result of any of these changes. NZ noted that the intentions of CMP 460 are to apply the new principles to unbilled assets, meaning it is not applicable to contracted Customers and they would be impacted. BH followed this by stating that there may be some benefits to some contracted Customers, but these changes will not make any Customers worse-off.
- 4.7 One respondent stated that there needs to be much more consideration of the impact of the implementation strategy – the Working Group noted that this will need to be made clear on the go-live plan.
- 4.8 BG informed the group that CMP 466 increased the threshold of distributed energy resources requiring transmission entry assessment with NESO and TOs. Ofgem agreed that any project less than 5MW of export would not need to go through the transmission entry process. The result of this change means that Generators would not be subject to those costs coming from transmission. BG noted that the 5MW threshold is relevant when considering the options that are being taken forward as there is a natural precedent for thresholds that may or may not financially contribute to transmission reinforcement.
- 4.9 CB informed the group that 14 respondents supported an implementation of 5 Working Days after Authority approval, but two of these responses were conditional. BH noted that respondents may have answered this question in relation to the go-live date as opposed to this change being implemented within the DCUSA – one member of the group confirmed their response was in relation to the go-live date. Following this, the Chair suggested that this question may need to be reworded to differentiate between the two in a future Consultation.
- 4.10 In regard to the price control implications, MA stated that this is correct in theory, however in practice, these costs do not start getting paid to the DNOs until the sites have been reenergised. If a forward-looking approach is taken, MA stated that it is unlikely that these assets will come through in ED2. If a socialised approach is taken there will be more mechanisms in place to protect from this.

5. Review of Draft Legal Text

5.1 The Chair presented the draft Legal Text document on screen for the Working Group to review.

5.2 The key updates can be found below:

5.3 Option 1.1 Draft Legal Text

5.4 BH noted that option 1.1 is the simplest solution in terms of drafting the legal text. The only change required would be to paragraph 1.73 by inserting 'not' into the end of the sentence, which now reads:

- *Subsequent to such assessment, the ISOP may also require works to be undertaken on the GB Transmission System as a condition of the connection being permitted. In the event of ISOP applying charges for these works, we will **not** reflect these charges in our charges to you.*

5.5 Option 1.2 Draft Legal Text

5.6 BH clarified that this option states that there will be no charge unless the GSP was for a single user. The suggested changes to paragraph 1.73 are below:

- *Subsequent to such assessment, the ISOP may also require works to be undertaken on the GB Transmission System as a condition of the connection being permitted. In the event of ISOP applying charges for these works, we will reflect these charges in our charges to you if you are wholly or mainly using the capacity created, otherwise no charge for this work will be made to you.*

5.7 MPS queried if the limits to how much you can upgrade a GSP has been met (user has to have a new connection via a GSP due to no fault of their own), what happens in this case – BH stated that if something triggers this, it could be argue that they are not wholly using the capacity created.

5.8 BH also stated that if the minimum scheme is to create a new GSP rather than work on the network to connect them, then this would be the right solution, and if there was a cost to this, this would be levied to the connected Customer. This is a consequence, sometimes the lower cost solution means leads to a high cost to the Customer. This would need to be looked at.

5.9 MA queried whether the wording should be amended to something around charges solely driven by your connection – BH suggested maybe amending the word ‘mainly’ or defining what this actually means. MPS stated that in legal terms, mainly means anything more than 50%.

5.10 Following the above conversation, MA provided rewording for paragraph 1.73 to suggest the below:

- *Subsequent to such assessment, the ISOP may also require works to be undertaken on the GB Transmission System as a condition of the connection being permitted. In the event of ISOP applying charges for these works, we will reflect these charges in our charges to you, unless these charges are driven solely by your connection request and no other connecting Customer is making use of the capacity created.*

5.11 Members agreed that the above suggestion is clearer, however, they would not want the charges to go to someone who is only using 10% (further amendments may need ton be made).

5.12 Members noted the suggestion and will be revisited.

5.13 Option 2.1 Draft Legal Text

5.14 The suggested changes to paragraph 1.34 are below:

- *Where, in order to provide your connection;*
 - *We proposed to utilise existing Distribution System or GB Transmission System assets that were previously installed to provide a connection to another Customer...*

5.15 There was no further feedback on the above suggestion.

5.16 The suggested changes to paragraph 1.73 and additional paragraph 1.74 are below:

- *Subsequent to such assessment, the ISOP may also require works to be undertaken on the GB Transmission System as a condition of the connection being permitted. In the event of ISOP*

applying charges for these works, these changes will be apportioned between you and us and reflected in our charges to you.

- The ISOP charges will be apportioned using one of the two Cost Apportionment Factors (CAFs), dependant upon which factor is driving the requirement for the work:
 - The 'Transmission Security CAF', and
 - The 'Transmission Fault Level CAF'.

5.17 Paragraph 1.75 then goes on to provide definitions that are used in the application of the CAFs which were reviewed by the Working Group.

5.18 Following the definitions, CAF formulas have been included – BH noted that these will need to be revisited and updated to align with the definitions (i.e., Transmission Security CAF). It mirrors the existing arrangements but some of the wording has been slightly tweaked as necessary.

5.19 BH noted that changes made may need to also be reflected in the legal text for option 2.2.

5.20 Option 2.2 Draft Legal Text

5.21 The same amendments as option 2.1 paragraph 1.34 were added to option 2.2 paragraph 1.34, with the addition of the below:

- *You may be required to make a payment towards them. The ECCR prescribes the circumstances where such payment is required. Charges for such works only apply where the new connection is provided within the ECCR Prescribed Period. Where GB Transmission System assets are utilised to provide your connection, you will not be required to make a payment if [the capacity of your connection is less than 5MW] [the voltage of your Point of Connection is at HV or LV].*

5.22 BH stated that two options have been provided above (yellow and blue highlight) for setting the criteria (there would be one or the other, not both). Without this, if a Customer is connected to a new GSP (even if LV) they would be subject to a portion of the charge. This is trying to determine how far down this charge goes.

5.23 MA queried if the same caveat is needed further down in relation to Cost Apportionment – BH agreed that this could be added for consistency and transparency.

5.24 JP stated that they are keen to see the 5MW threshold remain as an option within the legal text as a number of other mods have used this. BH stated that this will be included within the Consultation 2 document to seek further views.

5.25 NZ stated that 5MW threshold would not be applicable in most cases as there is no capacity due to fault level, so reinforcement is still required. It is only applicable if everything aligns. NZ also raised a concern around potential gaming; for example, would it be possible for Customers to apply multiple 5MW to avoid paying? BH confirmed this was an identified risk within CMP 466.

5.26 MA believes that the voltage threshold would be more appropriate as there is a 200kw TIA limit in Scotland. Following these discussions, it was suggested that both options could be consulted on.

5.27 Both RT and BG suggested that there would not be any legal basis to charge transmission reinforcement projects that are under the TEA process (even if it was known that transmission reinforcement was required in a particular location). This was not the intent of what Ofgem set forward in this CP.

5.28 Option 2.4 Draft Legal Text

5.29 BH informed the group that an additional paragraph was inserted to create a separate transmission capacity (Transmission High-Cost Project Threshold).

5.30 The suggested changes to paragraph 1.17 are below:

- *ISOP charges for Transmission work for the Minimum Scheme in excess of the Transmission High-Cost Project Threshold, shall be charged to you in full as a Connection Charge. For the avoidance of doubt, where Paragraph 1.36 applies, the Transmission High-Cost Project Threshold will not apply. The calculation of this charge will include all costs charged by ISOP. The Transmission High-Cost Project Threshold is £XXX/kW. ISOP charges up to and including the High-Cost Project Threshold will follow the methodology outlined under paragraphs YY to ZZ.*

5.31 MPS stated that although the threshold is there to protect consumers, it may cause another last man standing scenario. BH agreed and suggested that a rationale would need to be set out clearly for this option with pros and cons. RT stated that there are currently two thresholds (one for generation and one for demand distribution) and it was suggested that two values might be needed once the calculations have been done.

5.32 ED suggested that Transmission High-Cost Project Threshold may need defining. BH agreed to take an action to look into this further and add either a definition or reference to definition.

ACTION 10/02: BH to either include or reference to a definition of Transmission High-Cost Project Threshold within the draft Legal Text for option 2.4.

5.33 Option 3.1 Draft Legal Text

5.34 The suggested changes to paragraph 1.73 are below:

- *Subsequent to such assessment, the ISOP may also require works to be undertaken on the GB Transmission System as a condition of the connection being permitted. In the event of ISOP applying charges for these works, we will reflect any Relevant Charges in our Connections Charge to you.*

5.35 BH informed the group that a definition of 'Relevant Charges' was added to the glossary, as shown below:

Relevant Charges	The Connection Charges for the relevant Transmission Connection Assets excluding any Non-Capital Components (as defined by the CUSC).
------------------	---

- 5.36 BH informed the group that LS has drafted this to address the issue of inconsistency across DNOs where they levee charges. A concern was raised that this may also result in the last man standing charge and was questioned as to whether this gives more consistency in terms of the approach.
- 5.37 NZ suggested using the term 'Operational and Maintenance Cost' as opposed to Non-Capital Components. Members agreed with the suggestion as it would be more appropriate to not have to cross-check a definition within a separate document (i.e., CUSC).
- 5.38 MA suggested including a consideration where you have multiple Customers within a submitted application and explain how the costs are split between them. BH agreed that it would be beneficial to include examples of how these would be split. BH also stated that the intention will be only to split the charges between the connecting Customers, so there would be no cost picked up by the DNO.
- 5.39 RT stated that the drafting does resolve the issue of ambiguity as it is now clear that it will come in the connection charge (not DUoS), however, RT believes this is an opportunity to include further clarification beyond that (i.e., how will it end up in the connection charge).
- 5.40 To avoid ambiguity, JP suggested that once a solution has been landed on, for there to be a set of worked examples included and this should help clear the current inconsistencies.
- 5.41 BH asked DJ if there was any update on the methodology for how the High-Cost Project Threshold could be calculated for transmission works from LW) – DJ confirmed he will follow this up post-meeting and hopefully have an update in time for the next meeting on 19 January.
- 5.42 In terms of the 3 new CPs, BH agreed to speak with BG and LW to see if it would be feasible to draft these CPs to review at the January DCUSA Panel.

ACTION 10/03: BH, BG & LW to draft the 3 new CPs (BH – option 1, BG - option 2, LW – option 3) to review at the January DCUSA Panel.

6. Agreed Next Steps

- 6.1 The Working Group discussed the next steps, and the following items were captured:
- WG members to draft 3 new CPs for feedback to be sought at the January DCUSA Panel.
 - Continue the review of draft Legal Text at the next meeting.
 - Develop Consultation 2 document.

7. Any Other Business

- 7.1 The Chair asked the group whether there were any other items of business to discuss.
- 7.2 There were no other items raised.

8. Date of Next Meeting – 19 January 2026

- 8.1 The next Working Group meeting will be held on 19 January 2026 at 1pm.


9. Attachments

- Attachment 1_DCP 461 Work Plan

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
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.	Mark / Brian / Ben	On Hold (Post-Consultation). <i>Members agreed to keep this action open as it is not required to consult, but may be required for an Impact Assessment, following the Consultation.</i>
09/01	The Secretariat to update DCP 461 WG 08 Draft Minutes to reflect discussions held.	Secretariat	Ongoing. <i>In process.</i>
09/04	LS to speak internally around what level of detail they would need in terms of the high-cost project threshold and feedback to the group.	Liam Sweeney	Ongoing.
09/05	The Secretariat to bring the discussions around the potential 3 DCP 461 CPs to the January DCUSA Panel meeting.	Secretariat	Ongoing. <i>The Chair confirmed this has been included on the January DCUSA Panel meeting agenda.</i>
10/01	The Secretariat to seek advice at the January DCUSA Panel meeting as to whether it would be feasible to seek wider industry feedback around the 3 potential solutions (new CPs) within the DCP 461 Consultation, leading to the 3 new CPs going straight to Change Report.	Secretariat	New Action.

10/02	BH to either include or reference to a definition of Transmission High-Cost Project Threshold within the draft Legal Text for option 2.4.	Brian	 New Action.
10/03	BH, BG & LW to draft the 3 new CPs (BH – option 1, BG - option 2, LW – option 3) to review at the January DCUSA Panel.	Brian / Ben / Lee	New Action.

Closed Actions

Action Ref.			Update
04/03	WB to draft wording to explain the current distribution CAF apportion rules to be included as an annex.	Will Bowen	Closed. <i>This has now been completed.</i>
05/01	Niall Coyle to seek internally a better understanding of the percentage of Infrastructure Sites across different areas, and update if needed.	Niall Coyle	Closed. <i>NC informed the group that an update from AH has been provided.</i>
08/01	HS to confirm if Centrica's support for option 1.3 would change now that the transformer charging/costs have been clarified; and	HS	Closed. <i>Superseded by not continuing with Option 1.3.</i>
08/02	Secretariat to reach out to Ethical Power to clarify the point raised around option 1.3, particularly if connecting at 33KV whether this option would result in any transmission connection charges.	Secretariat	Closed.
09/02	Working Group members who are supportive of taking option 2.4 forward, to think about what a potential methodology would look like for further discussion at the next meeting.	Working Group	Closed. <i>On today's agenda (WG 10).</i>
09/03	The Secretariat to start developing the draft legal text for the Working Group to review at the next meeting.	Secretariat	Closed. <i>On today's agenda (WG 10).</i>

09/06	The Secretariat to add conclusions/summaries along with key themes of each of the questions within Consultation 1 for easier reviewing within the Working Group.	Secretariat	Closed.
09/07	BH to start developing the draft legal text for options 1 and 2 for the Working Group to further develop during the next meeting.	Brian Hoy	Closed.
09/08	LW to start developing the draft legal text for option 3 for the Working Group to further develop during the next meeting.	Lee Wells	Closed.
09/09	The Secretariat to start developing the draft Consultation 2 document for the Working Group to further develop during the next meeting.	Secretariat	Closed.