

DCP 461 Working Group - Meeting 11

19 January 2025 at 13:00 - Web-Conference

Attendee	Company
Working Group Members	
Aishwarya Harsure [AH]	NESO
Anne-Claire Leydier [ACL]	UK Power Distribution
Ben Godfrey [BG]	NGED
Brian Hoy [BH]	SP Electricity North West
Claire Witty [CW]	SPEN
Drew Johnstone [DJ]	NPg
Edda Dirks [ED]	SSE Generation
Erik Baguzis [EB]	Indigo
Hector Eduardo Perez [HEP]	Scottish Power
Helen Stack [HS]	Centrica
Jack Purchase [JP]	NGED
John Harmer [JH]	Waters Wye
Lee Wells [LW]	NPg
Liam Sweeney [LS]	Ofgem
Mark Askew [MA]	SSE
Natalija Zaiceva [NZ]	UKPN
Nikki Pillinger [NP]	Roadnight Taylor
Nina Sanghera [NS]	Drax
Will Bowen [WB]	UKPN
Code Administrator	
Craig Booth [CB]	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Apologies	

Ed Grimsey [EG]	BU-UK
Matthew Paige-Stimson [MPS]	National Grid

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.
- 1.6 In relation to Action 10/03, BH suggested whether the DCUSA Panel can review the 3 CPs during an offline (ex-committee) review as opposed to waiting until the February DCUSA Panel meeting to present them, so they can be consulted on. The Chair confirmed that this can be requested from the DCUSA Panel at the meeting on 21 January.
- 1.7 ED queried whether the 3 CPs would meet the urgency criteria (as the original CP was not raised as urgent) in order for an ex-committee meeting to be held and raised concerns around adapting the rules. The Chair informed the group that an urgency status is not necessarily needed but noted that this is not the norm and it is ultimately down to the Panel what they decide to do.
- 1.8 Following the above discussions, the Secretariat agreed to take an action to seek whether the DCUSA Panel would agree to review the 3 CPs offline during an ex-committee meeting at the January DCUSA Panel meeting.

ACTION 11/01: The Secretariat to seek whether the DCUSA Panel would agree to review the 3 CPs offline during an ex-committee meeting.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of this meeting was to the continue the review of the collated Consultation 1 responses and review of draft Consultation 2 document, within the Working Group and agree next steps.

3. Continued Review of Collated Consultation 1 Responses

- 3.1 The Chair presented the collated Consultation 1 responses document on screen for the Working Group to continue to review. 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.
- 3.2 The key updates can be found below:
- 3.3 The Chair asked the group whether there were any further comments or feedback on the final version of the collated Consultation 1 responses document which has now been completed with all Working Group comments and conclusions – there were no further comments.

4. Review of Draft Consultation 2 Document

- 4.1 The Chair presented the draft Consultation 2 document on screen for the Working Group to review.
- 4.2 The key updates can be found below:
- 4.3 Firstly, the Working Group reviewed the initial structure of the draft Consultation.
- 4.4 In relation to Q5, the Chair informed the group that a member of the group provided comments to a respondent, stating that a small increase in capacity could cause a lot of cost, and state that it is common for Scotland GSPs to recoup a cost between 5-125 years. The Chair suggested that the figure of 125 years is likely to be a typo and asked the group whether they could provide any additional clarity on what this timeframe should be. The group were unsure, and therefore an action was taken by the Secretariat to follow this query up with the member of the group (MPS) offline to gain further clarity and update as needed.

ACTION 11/02: The Secretariat to follow up with Matthew Paige-Stimson to Q5 of Consultation 1 in regard to the likely typo of 5-125 years (cost for Scottish GSPs).

- 4.5 In regard the High-Cost Project Cap Threshold (HCPCT), LW stated that Ofgem want this to be done, and 3 different options have been created with 3 simple ways of turning data into numbers; however, this data needs to be gathered from DNOs (potentially NESO) which could help with this.
- 4.6 The Chair asked the group whether each proposed option needs to be measured against the DCUSA Objections individually – it was suggested that it may be beneficial to develop a matrix to show this against each option.
- 4.7 ED raised a concern around the legal text commentary within the Consultation and suggested that a brief explainer paragraph is added to the beginning of this section to avoid any confusing with the paragraph references – i.e., to note that the paragraph references are to the legal text document and not to paragraphs within the Consultation document. The Chair agreed to take an action to include this.

ACTION 11/03: The Secretariat to include an explainer paragraph to the beginning of the legal text commentary to explain that paragraph references are to the legal text document (not the Consultation).

- 4.8 BH suggested that the proposers view is taken forward at present in relation to each option against the DCUSA objectives, and further details can be presented within the Change Report. The Consultation can then request responses for each of the options. The group were supportive of this approach.

4.9 High-Cost Project Cap Threshold Discussion

- 4.10 LW presented a spreadsheet which contains dummy data working across 2 different options, for the Working Group to see and further discuss.
- 4.11 BH noted that there was an exponential rise around 70% which was similar to Ofgem's similar graph which showed a rise at 95%. Following this, it was suggested to insert the real data once received and see what the results are as the diagram will change dependant on what data is put in.
- 4.12 The second option excludes the top and bottom 10% of data to create an average. BH queried what the policy intent of using averages is – LW explained that although not supportive if this approach, it would provide better protection to DUoS Customers.
- 4.13 With the third option, LW explained that it works out the capacity at each percentile and calculates an average threshold for each connection. BH suggested a recommendation be included around mirroring the Ofgem approach carried out for demand and use £s per MW.
- 4.14 MA queried whether there was any analysis carried out when the demand threshold was set previously; if there is a methodology that can be aligned to these figures, that would be really helpful and would mean consistency over both of them. BH and LW stated that this is available.
- 4.15 In terms of available data, LW suggested it would be really useful to request this from NESO, to help assess the cost (£ per MW) of creating capacity. LW informed the group that he requested data internally, for capital costs on an upfront basis (not ongoing costs). Data showing the capacity only requested by the Customer would be needed. Following this, AW agreed to take an action to seek internally what data is available, and feedback to the group. Once the group can see what data is available, a separate request for specific data items can then be requested.

ACTION 11/04: AW to seek internally what data is available from NESO in relation to capital costs on an upfront basis and customer requested capacity, and feedback to the group.

ACTION 11/05: Once the available NESO data is known, the Working Group to make a request for specific data from NESO.

- 4.16 NP raised a concern around mod applications, stating that they can involve multiple Customers (ranging from a single Customer up to, for example, 6 Customers) within one application. Regardless of the number of Customers involved, the outcome of a mod application can still be in the delivery of a new SGT.
- 4.17 NP continued to explain that mod applications are typically used in these circumstances rather than Appendix G, as Appendix G relates to a defined block capacity that has already been agreed between NESO and the DNO. Mod applications are driven by the capacity requested by Customers, which may be aggregated across several parties.
- 4.18 NP stated that network assets delivered through mod applications can provide capacity in excess of the capacity directly funded by Customers, highlighting important considerations around cost sharing and capacity attribution.
- 4.19 JH raised a concern and queried whether we are creating another version of the last man standing – whether the same risk is being passed back to Customers as there is no certainty being provided. BH

explained that it does and doesn't, but all of the different options and legal text will need to be worked through on this.

- 4.20 Members mentioned a concern around raising a level of uncertainty that goes against the principle of why this change was raised in the first place (to remove the uncertainty). BH explained that option 1 will work, but option 2 may bring in a level of uncertainty, but this is something that can later be teased out from Consultation 2 responses.

4.21 **Development of Options Table / Matrix**

- 4.22 In relation to Q8 of Consultation 1, the Chair informed the group that it was noted that the legal text, as currently drafted, does not yet contain provisions to prevent detriment and this will need iterating upon (no detriment approach).
- 4.23 In order to develop this, members agreed it would be beneficial to create a table/matrix of all of the options with different scenario outcomes.
- 4.24 DJ mentioned that the terminology used within this matrix should be considered at some point (i.e., the use of the word 'contract) to ensure that all terms are clear.
- 4.25 MA queried a scenario whereby a Customer is connecting in 2026 and already received their gate 2 offer – if they are connected already by the time this goes through, would they be classed as already connected? BH confirmed that yes, they would be class as already connected. BH also stated that it depends on how quickly go live on this change is; the number of those connected under connection reform may be few and far between but would want to protect those in the first tranche.
- 4.26 The group agreed to ask a Consultation around whether the respondents agree with the outcomes listed under each option for each scenario within the matrix table. Another question will also be included to ask the respondent which option they prefer and their rationale.
- 4.27 JH stated that Customers that are already connected could be affected by second comer issues, whereby some costs may be passed back after some changes coming in. DJ noted that there would be no changed to the ECCR rules following this change. BH stated that in a cost apportionment approach, there might be different treatment to new Customers under this and the ECCR.
- 4.28 DJ suggested a column could be added to the matrix that says 'ECCR impact' (Y/N) or just add to those with apportionment.
- 4.29 NP suggested that the ECCR does not apply to SGT charging – DJ stated that it does from a distribution perspective, but not at a transmission level (as stated within Consultation 1). NP stated that these are transmission assets, so they are covered by the agreement between the DNO and NESO.
- 4.30 DJ stated that this was discussed in option 3.1 as this is one of the reasons the last man standing risk as the application for the ECCR for option 3.1 does offer some protection against it.
- 4.31 Following the above discussion, DJ agreed to provide the link to the [ENA ECCR Guidance](#) for members to review for their information.

4.32 WB suggested that the headings/statuses within the matrix needs to be clear as to when they apply from (i.e., on go-live day, the day the rules change). By this point, every Customer will be at some point on this matrix.

4.33 Within the scenario boxes, when referencing to 'see above', JH suggested including the reference to the specific line (i.e., refer to above 1.1). The Chair agreed to update this offline.

ACTION 11/06: The Secretariat to include specific line numbers when referencing 'see above' within the options matrix table.

4.34 Following the development of the options matrix table, the Chair agreed to circulate a clean version to the Working Group offline for review.

ACTION 11/07: The Secretariat to circulate a clean version of the options matrix table to the Working Group offline for review.

4.35 ED stated that this matrix is very helpful and suggested it could be included within the Consultation 2 document in the Appendix.

4.36 ED also stated that it has now been established that the ECCR provisions also apply to transmission upgrades, which was not fully understood previously, and suggested that this is covered within the Consultation 2 document. The Chair agreed to take an action to include a paragraph within the Consultation document.

ACTION 11/08: The Secretariat to include wording within the Consultation 2 document around ECCR provisions.

4.37 Following the above discussions, the Working Group agreed to continue to develop the Consultation 2 document during the next meeting along with a review of the draft legal text. It was also agreed to continue to address points made from the previous Consultation 1 responses.

5. Agreed Next Steps

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

- Review scenario where 'demand and generation connections share transmission assets' and 'whether the solutions provide the best cost reflectivity for how transmission asset costs are shared between these'.
- Agree when the 'go live' date would be for each of the options.
- Draft the no detriment provisions in the legal text.
- Draft Consultation 2 document – content & questions.

6. Any Other Business

6.1 The Chair asked the group whether there were any other items of business to discuss.

6.2 There were no other items raised.

7. Date of Next Meeting – 29 January 2026

7.1 The next Working Group meeting will be held on 29 January 2026 at 1pm.

8. 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>
09/05	The Secretariat to bring the discussions around the potential 3 DCP 461 CPs to the January DCUSA Panel meeting.	Secretariat	Ongoing. <i>Update will be provided at the next Working Group.</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	Ongoing. <i>Update will be provided at the next Working Group.</i>
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	Ongoing. <i>Currently being reviewed.</i>
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	Ongoing. <i>Will be presented at the February Panel.</i>

11/01	The Secretariat to seek whether the DCUSA Panel would agree to review the 3 CPs offline during an ex-committee meeting.	Secretariat	New Action.
11/02	The Secretariat to follow up with Matthew Paige-Stimson to Q5 of Consultation 1 in regard to the likely typo of 5-125 years (cost for Scottish GSPs).	Secretariat	New Action.
11/03	The Secretariat to include an explainer paragraph to the beginning of the legal text commentary to explain that paragraph references are to the legal text document (not the Consultation).	Secretariat	New Action.
11/04	AW to seek internally what data is available from NESO in relation to capital costs on an upfront basis and customer requested capacity, and feedback to the group.	Aishwarya Harsure	New Action.
11/05	Once the available NESO data is known, the Working Group to make a request for specific data from NESO.	Working Group	New Action.
11/06	The Secretariat to include specific line numbers when referencing 'see above' within the options matrix table.	Secretariat	New Action.
11/07	The Secretariat to circulate a clean version of the options matrix table to the Working Group offline for review.	Secretariat	New Action.
11/08	The Secretariat to include wording within the Consultation 2 document around ECCR provisions.	Secretariat	New Action.

Closed Actions

Action Ref.		Update	
09/01	The Secretariat to update DCP 461 WG 08 Draft Minutes to reflect discussions held.	Secretariat	Closed.
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	Closed.