

DCP 470 Working Group Meeting 02

20 March 2026 at 10:00 – Web-conference

Attendee	Company
Working Group Members	
Ian Burman [IB]	Green Gen Cymru
John Harmer [JH]	Waters Wye
Maxine Herron [MH]	SPEN
Peter Waymont [PW]	UKPN
Tim Porter [TP]	SSE
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Secretariat)	ElectraLink
Apologies	
Mark Bellman [MB]	SP ENW

1. Administration

Recording

- 1.1. The Chair informed Working Group members that, as per the terms of reference, the meeting would be recorded for the purpose of aiding the Technical Secretary in producing an accurate record of the meeting. The recording will be deleted after no later than 60 days after the meeting.

Competition Law Guidance and Terms of Reference

- 1.2. 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.

Action Log & Review of Minutes

- 1.3. The Chair reviewed the minutes of the previous meeting. No comments were received.

2. Purpose of the Meeting

- 2.1. The Chair set out that the purpose of the meeting was to review and discuss the collated Consultation responses within the Working Group and agree next steps.

3. Review/Discuss Collated Consultation Responses

- 3.1. The Chair presented the collated Consultation responses document on screen for the Working Group to review and further discuss.

- 3.2. The key updates can be found below:

Q1

Do you understand the intent of this CP?

- 3.3. The Chair informed the group that out of 7 respondents, all bar 1 respondent stated that they understand the intent of the CP.
- 3.4. One respondent that did not understand the intent stated that ‘the justification is based on users who would have their credit cover requirement increased by an independent credit check. However, there has been no consideration for the increase for credit cover requirements as a consequence of the DNO party procuring their own credit assessment’. This respondent also stated that this oversight makes the intent incomplete.
- 3.5. The Working Group discussed the above and a number of members did not understand the response. It was suggested that this respondent may have potentially misunderstood the intent of the CP. Members clarified that the intent is to be able to use a credit rating if one is already available, not to increase credit cover.
- 3.6. The Working Group noted that they will consider the potential misunderstanding of the CP into account when reviewing this respondents’ answers to further questions. The Chair also agreed to take an action to reach out to this respondent to seek further clarity around their understanding of the CP.

ACTION 02/01: The Secretariat to reach out to Utilita to seek further clarity around their understanding of the CP, in relation to the Consultation.

Q2

Are you supportive of the principles that support this CP?

3.7. The Chair informed the group that all respondents supported the principles of this CP.

Q3

Are there any other scenarios that could cause a user to be in breach where a company may wish to apply an independent credit assessment to recognise that user is of a lower risk? If so, please elaborate.

3.8. The Chair informed the group that a number of respondents provided examples below:

- Rapid growth/portfolio expansion causing temporary distortion of the PRF despite strong fundamentals.
- One-off late payments that recue PRF disproportionately, even when the User is generally low risk.
- System or data issues where settlement data or payment records temporarily misrepresent risk.
- Supplier mergers or restructuring, creating temporary anomalies in performance metrics.
- If a LoC or PCG expire leaving the User potentially in Cover Default.

3.9. The Working Group noted the examples provided.

Q4

Do you believe this change, if approved, would create any unintended consequences within the credit cover process or elsewhere? Please provide rationale.

3.10. The Chair informed the group that one respondent provided the below possible minor risks:

- Perceived loss of control by Users if an ICA is procured without their explicit request.
- DNOs could apply the ICA inconsistently unless guidance is harmonised across all operators.

3.11. PW suggested confusion around the loss of control as the independent credit assessment undertaken by the DNO was where the counterparty had not responded (i.e., they gave up the control). TP also agreed with this stating that the Supplier has agreed to that service if a credit rating is available.

3.12. In terms of DNOs applying inconsistently, TP stated that if a Supplier has various credit ratings across multiple agencies, its not the DNOs being inconsistent if they are using different credit ratings that are available. PW agreed with this.

3.13. Members noted that Suppliers have the opportunity to engage with the DNO and provide them with an independent credit assessment.

3.14. JH queried whether a Supplier could appeal if they have got a different credit rating with an agency that is different to the one the DNO has chosen to use – members were unsure of this, and the Chair suggested adding clarification around this within the legal text.

3.15. Another respondent stated that there is a minor consequence within the proposed legal text of increasing energy Suppliers cover requirements despite them having 60 months of good payment history.

3.16. TP stated that one the Supplier hits 60 months, their good payment history would be wiped out so this would not be taken into consideration.

- 3.17. To clarify, PW explained that DNOs will always use good payment history if a Supplier has agreed to this, until the good payment history has expired. Once expired, the DNO would also if they have a credit rating they can use moving forward. The Supplier could also contact the DNO at any point to state that they wish to use a credit rating over good payment history if they wish to do so.

Q5

To Distributors – Are you able to procure an independent credit assessment?

- 3.18. The Chair informed the group that out of the 5 DNO respondents, 5 respondents stated yes, and 1 respondent stated that some can, but not all distributors have this capability.
- 3.19. One respondent clarified within the Working Group that they had responded ‘non-applicable’ to this question and meant to state that they can procure an independent credit assessment.

Q6

Do you have any comments on the drafted legal text, and do you believe it captures all the scenarios the CP is seeking to cater for?

- 3.20. The Chair informed the group that one respondent stated that they are aware of concerns raised around the lack of a clear default CAF of zero if the various options concerning providing/obtaining/calculating CAF are not taken up.
- 3.21. Another respondent stated that the proposed legal text does not have provision for appeal or alteration. The Working Group agreed that the drafting would not be an ‘appeal process’, but would outline that if a Supplier has an alternate credit assessment/rating they would like the DNO to use, they can do so.
- 3.22. The respondent also stated that the intention is to punish disengaged Suppliers. Members disagreed with this statement and suggested that it is made clear that the intention is to ensure where a Supplier has not provided their own ICA, the DNO would be able to access one that is already available.
- 3.23. Members noted that currently a result of a Supplier not having credit is that registrations can be suspended and this process mitigates that risk for Suppliers.

Q7

Do you consider the solution better facilitates the DCUSA objectives? Please give supporting reasons.

- 3.24. The Chair informed the group that 6 respondents agree that the solution better facilitates the DCUSA Objectives. 1 respondent did not provide a comment.

Q8

Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

- 3.25. The Chair informed the group that all respondents were not aware of any wider industry developments that may impact upon by this CP.

Q9

What date do you believe this CP should be implemented? Please provide rationale.

- 3.26. The Chair informed the group that the majority of respondents stated that they believe this CP should be implemented within the next scheduled DCUSA release following approval. 1 respondent stated that they do not have an opinion in regard to an implementation date.

Q10

Do you have any other comments?

- 3.27. The Chair informed the group that 6 respondents did not provide any other comments. 1 respondent stated that this CP is likely to result in more Suppliers being covered by credit assessment scores, and they have concerns around the reliability and review of the ICAs, the amount of cover provided and extend to which they reflect a Suppliers real credit risk.
- 3.28. PW explained that if a Supplier engaged with the DNO stating that they can use an ICA, then the outcome would be the same. TP agreed with this, and members questioned why this would lead to 'more Suppliers' getting ICAs.

4. Review of Draft Legal Text

- 4.1. The Chair presented the draft legal text live on screen for the Working Group to further discuss.
- 4.2. The key updates can be found below:
- 4.3. In regard to the updated paragraph c), JH raised a concern around the use of the term 'procure' as this may suggest that the DNO will carry out their own ICA if a Supplier does not engage and/or provide one of their own. PW explains that the current paragraph 2.6 states that the DNO may obtain one and therefore have used the same language within this wording.
- 4.4. Paragraph 2.7 states that if the DNO would like to obtain an ICA, then they would have to cover the costs of this.
- 4.5. JH suggested it should be made clearer within paragraph c) to state that that the DNO can procure an existing ICA if one is available but can procure a new one if the Supplier wishes to do so.
- 4.6. To clarify, the legal text states that a Supplier will always have the ability to get their own ICA within a 12-month period if they wish to do so, and this will always supersede what the DNO may have found previously and used. The Chair agreed to state this intent of the legal text when provided to Gus Wood (Gowling) for review.

ACTION 02/02: The Secretariat to provide Gus Wood with an outline of the intent of the legal text when seeking legal review.

Housekeeping Log Change – Amendment to Independent Credit Assessment Definition

- 4.7. The Chair informed the group of a Housekeeping Log Change that was raised during the March DCUSA Panel meeting around the definition of 'Independent Credit Assessment'.
- 4.8. The original definition of 'Independent Credit Assessment' can be found below:
- *Means a credit assessment of the User procured by the Company at the User's request in accordance with Paragraph 2.7 from a Recognised Credit Assessment Agency chosen by the User.*
- 4.9. The suggested amendments to this definition can be found below:
- *Means a credit assessment of the User carried out by a Recognised Credit Assessment Agency ~~for the purposes of this Schedule~~, whether provided by the User pursuant to Paragraph 2.6, or procured by the Company pursuant to Paragraph 2.7 and Paragraph 2.5c.*

- 4.10. PW stated that the new Paragraph 2.5 c) also needs to be included after the reference to Paragraph 2.7.
- 4.11. JH queried why the definition makes reference to ‘for the purposes of this schedule’ – PW stated that this is redundant as other definitions within the schedule all reference that these are the definitions within this specific schedule. Following this, members agreed to remove this.
- 4.12. The Chair presented the group with an offline query from Mark Bellman (MB) suggesting an amendment to the new proposed definition of Independent Credit Statement to state the below:
- Paragraph 2.5d – where neither Paragraph 2.4 nor Paragraph 2.5a to Paragraph 2.5c apply, CAF shall equal zero.
- 4.13. PW responded to this query offline by stating that the CAF would already equal zero by virtue of the payment record factor falling away. PW suggested that if Paragraph is open to doubt, it could be made clear in Paragraph 2.9 that where no rating exists, then the CAF is zero. MB agreed with PW, and suggested the below for Paragraph 2.9:
- Where pursuant to the conditions in Paragraph 2.5, CAF is not determined by reference to either an ICA or GPH, CAF shall be determined to be zero.
- 4.14. MB stated that the above wording would cover where the Supplier has not provided a ICA under Paragraph 2.6, not requested one under Paragraph 2.7 and where the DNO has chosen not to use one under the proposed Paragraph 2.5c.
- 4.15. After reviewing the suggested wording from MB, members agreed that this would be best suited to the end of Paragraph 2.3 which now states:
- CAF is the Credit Assessment Factor (which is to be expressed as a percentage determined pursuant to Paragraph 2.4 or 2.5 **or is otherwise zero**).
- 4.16. Following discussions, the Chair agreed to issue the legal text to Gus Wood for legal review and to draft a Change Report for the Working Group to review.

ACTION 02/03: The Secretariat to provide Gus Wood with the draft legal text for legal review.

ACTION 02/04: The Secretariat to draft the Change Report and issue to the Working Group for review.

5. Agreed Next Steps

- 5.1. The Working Group discussed the next steps, and the following items were captured:
- The Secretariat to send the draft legal text to Gus Wood for legal review.
 - The Secretariat to send the Working Group both the draft legal text and draft Change Report for review.
 - The Secretariat to schedule the next meeting to review both documents.

6. Any Other Business

- 6.1. The Chair asked the group whether there were any other items of business to discuss.
- 6.2. No other business was raised.

7. Next Meeting – 08 April 2026

7.1. The next meeting will be held on 08 April 2026 at 10am.

New and Open Actions

Action Ref.	Action	Owner	Update
02/01	The Secretariat to reach out to Utilita to seek further clarity around their understanding of the CP, in relation to the Consultation.	Secretariat	New Action.
02/02	The Secretariat to provide Gus Wood with an outline of the intent of the legal text when seeking legal review.	Secretariat	New Action.
02/03	The Secretariat to provide Gus Wood with the draft legal text for legal review.	Secretariat	New Action.
02/04	The Secretariat to draft the Change Report and issue to the Working Group for review.	Secretariat	New Action.

Closed Actions

Action Ref.			Update
01/01	The Secretariat to develop a draft Consultation and circulate to the Working Group for an offline review.	Secretariat	Closed.
01/02	The Secretariat to issue the final Consultation to wider industry on 20 February for a period of 3 weeks.	Secretariat	Closed.