

DCP 443 Working Group - Meeting 19

21 August 2026 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Alex Lam [AL]	NGED
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
Erik Baguzis [EB]	Indigo
Kara Burke [KB]	NPg
Karl Maryon [KM]	Drax
Peter Waymont [PW]	UKPN
Rachel Wallace [RW]	BU-UK
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink

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 previous minutes, and there were no further comments/feedback.
- 1.5 The Secretariat noted that the open Action 18/01 regarding the DCP 443 WG 17 minutes is yet to be re-reviewed and will remain open until complete.
- 1.6 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 is to review the draft Consultation within the Working Group and agree next steps.

3. Review Draft Consultation

- 3.1 The Chair presented the draft Consultation document live on screen for the Working Group to review and discuss.
- 3.2 The key updates can be found below:
- 3.3 In regard to scope of the guidance document, ED requested that the document be explicitly referenced as pertaining to Option C only – the Chair agreed to take an action to add clarifying text throughout the Consultation document to avoid confusion.

ACTION 19/01: The Secretariat to add clarifying text throughout the Consultation to clarify that the guidance document is explicitly referenced as pertaining to Option C only (to avoid any confusion).

- 3.4 In regard to the inclusion of excess capacity charge treatment, KB raised the need to clarify whether excess capacity charges should be considered as excluded or additional revenue, and whether this applies to all solutions and/or specific solutions. The Working Group discussed the origin of this question and agreed to add leading text and context, referencing previous Working Group discussions and minutes.
- 3.5 In relation to the consistency of terminology throughout the draft Consultation document, the group debated replacing ‘tariff’ with ‘charge’; PW explained the distinction to the group and the Chair agreed to update the terminology for both clarity and consistency.

ACTION 19/02: The Secretariat to update the terminology throughout the draft Consultation document by replacing 'tariff' with 'charge' for both clarity and consistency.

- 3.6 In relation to the various headed Sections within the draft Consultation document, there were a number of comments provided by the Working Group that led to restructuring of the document itself, such as moving analysis and conclusions after Consultation responses, condensing solution descriptions, and ensuring worked examples are referenced (as opposed to repeated).
- 3.7 In regard to the RFI response analysis within the draft Consultation document, members agreed that it would be beneficial to ensure that a summary is included outlining the potential impacts that were raised within the RFI responses, along with bullet points incorporating all feedback.

ACTION 19/03: The Secretariat to produce a summary for the RFI analysis section of the draft Consultation, outlining the potential impacts that were raised within the RFI responses, along with bullet points incorporating all feedback.

- 3.8 The Working Group reviewed and refined the current drafted Consultation questions, ensuring applicability to all solutions, clarifying their origins and aligning them with previous discussions and Consultation responses.
- 3.9 The Chair agreed to take an action to update the questions and circulate a revised draft Consultation document for the group to further review offline.

ACTION 19/04: The Secretariat to update the draft Consultation questions within the document for the Working Group to review.

- 3.10 The Working Group discussed the technical details and implications of the three proposed solutions for excess capacity charging, including cost reflectivity, implementation, and system impacts.
- 3.11 **Option A: 12-Month Maximum Demand Charging**
- 3.12 The group discussed the mechanics of charging excess capacity based on the highest maximum demand in the preceding 12 months, including the rationale for the 12-month period, the impact of changes in MIC, and the need for explicit clarification within the document. The consensus was to keep the 12-month signal, with flexibility for exceptional circumstances.
- 3.13 **Option B: Differential Tariff/Multiplier Approach**
- 3.14 Members clarified that the multiplier approach was not previously suggested as a fixed doubling, but as a means to reintroduce a differential. The group agreed to update the text for factual accuracy and discussed cost reflectivity concerns, noting that any multiplier must be justified.
- 3.15 **Option C: Model-Integrated Differential Approach**
- 3.16 CB provided a technical overview of the model-integrated approach, explaining how the model adjusts unit rates and excess capacity charges based on capacity ratios, preserves cost reflectivity, and requires input from DNOs. ED queried about forecasting challenges, and CB explained the aggregate predictability and use of historic data.

- 3.17 The group reviewed the inclusion of worked examples, deciding to reference previous Consultation materials rather than repeat them. Implementation timelines and system impacts were discussed, noting that Option A would require billing system changes, whilst Option B and Option C would not and the effort for both options should be the same.
- 3.18 Members discussed the need for licence condition amendments if excess capacity charges are treated as excluded or additional revenue, and the implications for billing and finance systems. PW noted that if the billing system interfaces with the finance system, there will be coding on the super Customer invoices that have an element of interest and would be coded separately to the DUoS. This line on the invoice would effectively have to be coded separately to the other lines within the invoice.
- 3.19 Following the above discussion, the Chair agreed to incorporate this within the draft Consultation document. Members also noted that it may be worth revisiting these original discussions that were held during [DCP 443 Working Group 16 Draft Minutes](#).

ACTION 19/05: The Secretariat to include discussions around billing and finance systems interfacing within the draft Consultation document.

- 3.20 Members agreed to include wording within the document explaining that there is no draft legal text due to not knowing the solution as of yet. Members also agreed for the legal text section within the document to be removed.
- 3.21 ED informed the group that there was a question within the first Consultation around whether EDCM should be included within the scope of this change or not and believes there was a majority in favour of doing so. With that being said, ED queried whether this has been mentioned within this second Consultation – KB confirmed that this was the case for the first Consultation and agreed that the conclusions from this need to be clear within the second Consultation.
- 3.22 If confirmed that EDCM will be included, members noted that both the modelled version and the guidance document will need to be expanded (almost a repetition of what was done for CDCM).
- 3.23 The group noted that export capacity charges were also questioned in the first Consultation, and the Chair agreed to clarify the Working Group's conclusions and intentions regarding their inclusion in the updated document.
- 3.24 PW also suggested including wording to state that whilst this Consultation is focused on the CDCM, once the Consultation responses have been received, the Working Group will consider how to apply a similar methodology/principle to the EDCM. Members were happy with this addition.

ACTION 19/06: The Secretariat to include wording to the Consultation document noting the Working Group's desired approach to the EDCM once the Consultation responses have been received.

- 3.25 PW emphasised that the principle of excess capacity charging should apply across methodologies, and the group agreed to add clarifying text to ensure the Consultation reflects this intention.

ACTION 19/07: The Secretariat to add clarifying text to the Consultation document to reflect the intention that the principle of excess capacity charging should apply across methodologies.

- 3.26 **Review of Guidance Document**

- 3.27 CB provided a refresher on the guidance document for the excess capacity test model, explaining its principles, calculation methods, and forecasting challenges.
- 3.28 CB explained the model's approach to adjusting unit rates and excess capacity charges, using ratios of capacity and excess capacity, and maintain cost reflectivity based on the 500 MW principle.
- 3.29 ED asked about forecasting excess capacity, and CB explained that DNOs use of historic data and aggregated trends to produce forecasts, acknowledging this is one of the more variable elements.
- 3.30 CB also described how the model shifts unit rates and excess capacity charges, resulting in minimal impact on fixed charges and overall revenue neutrality, with the differential emerging from the model rather than arbitrary multipliers.
- 3.31 Following the above discussions, the Secretariat agreed to circulate an updated version of the draft Consultation document, and guidance document, to the Working Group for offline review.
- 3.32 The Working Group also agreed to schedule the next Working Group meeting for 04 September 2026 for a final review of the documents – it was noted that if the review is completed offline and a meeting is no longer required, this meeting will be cancelled.

ACTION 19/08: The Secretariat to circulate an updated version of the draft Consultation document and guidance document to the Working Group for offline review.

ACTION 19/09: The Secretariat to schedule the next Working Group meeting for 04 September 2026.

4. Next Steps and Work Plan

- 4.1 The Working Group discussed the next steps, and the following items were captured:
- The Secretariat to make the necessary updates to the draft Consultation document and guidance document and circulate to the Working Group for offline review.

5. Any Other Business

- 5.1 No further business was raised.
- 5.2 The Chair thanked members for their contributions and closed the meeting.

6. Next Meeting Date – 04 September 2026

- 6.1 The Chair confirmed the next Working Group meeting will be held on 04 September 2026 at 10am.

7. Attachments

- Attachment 1_DCP 443 Work Plan

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
16/03	The Secretariat to issue the Consultation to wider industry.	Secretariat	Ongoing. <i>Still in development.</i>
18/01	The Secretariat to revisit the previous meeting recording (DCP 443 WG 17) and update the minutes in regard to the voting outcomes and the correct description of the options.	Secretariat	Ongoing.
19/01	The Secretariat to add clarifying text throughout the Consultation to clarify that the guidance document is explicitly referenced as pertaining to Option C only (to avoid any confusion).	Secretariat	New Action.
19/02	The Secretariat to update the terminology throughout the draft Consultation document by replacing 'tariff' with 'charge' for both clarity and consistency.	Secretariat	New Action.
19/03	The Secretariat to produce a summary for the RFI analysis section of the draft Consultation, outlining the potential impacts that were raised within the RFI responses, along with bullet points incorporating all feedback.	Secretariat	New Action.
19/04	The Secretariat to update the draft Consultation questions within the document for the Working Group to review.	Secretariat	New Action.

19/05	The Secretariat to include discussions around billing and finance systems interfacing within the draft Consultation document.	Secretariat	New Action.
19/06	The Secretariat to include wording to the Consultation document noting the Working Group's desired approach to the EDCM once the Consultation responses have been received.	Secretariat	New Action.
19/07	The Secretariat to add clarifying text to the Consultation document to reflect the intention that the principle of excess capacity charging should apply across methodologies.	Secretariat	New Action.
19/08	The Secretariat to circulate an updated version of the draft Consultation document and guidance document to the Working Group for offline review.	Secretariat	New Action.
19/09	The Secretariat to schedule the next Working Group meeting for 04 September 2026.	Secretariat	New Action.

Closed Actions

Action Ref.			Update
18/02	The Secretariat to include the rationale for issuing the RFI alongside the conclusions within the draft Consultation document.	Secretariat	Closed.
18/03	CB to review and update the guidance document (Attachment 7) to ensure it aligns with the current solution offline.	Chris Barker	Closed.

18/04	The Secretariat to expand on the conclusions from both the first Consultation and RFI and provide further detail around the solutions within the Consultation document.	Secretariat	Closed.
18/05	The Secretariat to circulate the updated draft Consultation document, along with all appendices, to the Working Group for review by 14 August 2026.	Secretariat	Closed.