

DCP 477 Working Group – Meeting 06

03 September 2026 at 13:00 – 15:00

Attendee	Company
Working Group Members	
Alex Lam [AL]	National Grid Electricity Distribution
Dave Wornell [DW]	National Grid Electricity Distribution
Emma Clark [EC]	Scottish and Southern Electricity Networks
Georgia Preece [GP]	Northern Powergrid
John Harmer [JH]	Waters Wye Associates
Lorna Murray [LM]	SP Energy Networks
Alex Pentecost[AP]	Eclipse Power Networks Limited
Ofgem Observer	
Andrew Malley	Ofgem
Code Administrator	
Dylan Townsend [DT] (Chair)	ElectraLink
Apologies	
Phil J Moseley	National Grid Electricity Distribution

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 that he had not seen any formal apologies come through but would confirm if there were any in the inbox and record them above. ED noted that she was standing in for her colleague Damian Clough.

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

- 1.4 The Chair invited the Working Group to review the previous meeting minutes – no further feedback was received, and the minutes were approved.

Open Actions

- 1.5 Members reviewed the open actions which are captured within Appendix A below.

2. Purpose of the meeting

- 2.1 The Chair explained that the purpose of this meeting was to review and finalise the draft consultation document as well as the legal text prior to it being issued to stakeholders.

3. Review of Draft Consultation Document

Consultation Period and Document Structure

- 3.1 The Chair noted that he had provisionally proposed a two-week consultation period ending on 18 September 2026 to allow sufficient time for Working Group consideration of responses ahead of submitting the Change Report with the papers for the October Panel meeting. Members raised no objections to the proposed consultation period and noted that there weren't many questions to respond to and that the consultation is focussed only on one element of the change.
- 3.2 Members discussed the overall length of the consultation document. Whilst recognising that much of the content reproduced discussions and conclusions from the first consultation process, members noted that respondents familiar with the proposal may find the document lengthy. It was therefore agreed that explanatory wording should be added to direct returning respondents to the sections dealing specifically with the second consultation and notice period provisions whilst still preserving the full audit trail of the proposal's development.
- 3.3 The Working Group also agreed to streamline parts of Sections 4, 6 and 7 by remove the bullet points setting out what the section covers and to just rely on the sub-headings already captured in the document.

Amendments to Introductory and Background Sections

- 3.4 The Working Group reviewed updates to the introductory sections of the consultation document.
- 3.5 Members agreed amendments clarifying the circumstances associated with NGED's 2027/28 intervention, noting that the EMEB issue related to failures within the Authorised Network Model rather than directly arising from excessive surplus residual revenue itself. The Working Group considered it important that the consultation accurately distinguished between the underlying causes of the various intervention options and the circumstances in which they had previously been deployed.

- 3.6 The Working Group also reviewed the "Why Change?" section. Members agreed that the previous statement that the proposal would "prevent unnecessary delays in setting charges" no longer accurately reflected the expanded scope of the Change Proposal following inclusion of the reduced notice period as part of the solution for the change.

Second Consultation on Notice Period Arrangements

- 3.7 The Working Group reviewed the new section concerning notice period arrangements.
- 3.8 Members confirmed that the document appropriately reflected discussions from Meeting 05, namely that the original proposal addressed methodology derogations but did not fully address circumstances where a DNO may still require additional time to undertake analysis, assurance activities and model validation when implementing an intervention option. The Working Group agreed that the consultation should seek stakeholder views on whether reduced notice period provisions should form part of the enduring DCUSA solution.
- 3.9 The Working Group agreed that Questions 1 to 4 appropriately captured the areas where stakeholder views were required, being:
- whether a reduced notice period arrangement should be introduced;
 - whether a 13-month notice period was appropriate;
 - whether DNOs should provide advance notification to affected parties; and
 - whether LDNO and out-of-area DNO arrangements should operate on a relative notice period basis.

Discussion on the Appropriate Notice Period

- 3.10 The Working Group revisited the rationale for consulting on a proposed 13-month notice period.
- 3.11 Members acknowledged that the proposed period was derived from previous Ofgem derogation decisions which had effectively enabled publication of charges at approximately 13 months' notice. However, discussion highlighted that those arrangements reflected particular circumstances and that future applications may differ.
- 3.12 One DNO Working Group member explained that, having now gained experience in applying the relevant intervention options, future implementation may potentially be achieved within a shorter extension than previously required. Members therefore discussed whether a 14-month notice period could ultimately prove sufficient. However, other members noted that future issues may arise within DNO areas which have not previously applied the interventions and that additional time may remain necessary for those parties.
- 3.13 The Working Group concluded that the consultation question should remain focused on stakeholder views regarding the appropriateness of a 13-month notice period and that the final position could be reviewed following consultation responses.

Interaction with Other Notice Period Workstreams

- 3.14 The Working Group discussed potential interactions between DCP 477 and other notice period initiatives, including DCP 469 and wider Ofgem consideration of notice period arrangements. Members noted that future reductions to charging notice periods could potentially affect the practical application of DCP 477 where intervention options are required.
- 3.15 Members recognised the interaction but agreed that DCP 477 should continue to be assessed on its own merits. The Working Group noted that any future interactions between approved changes and notice period arrangements would ultimately need to be considered through the relevant governance processes and by the Authority.

Future Treatment of Notice Period Provisions

- 3.16 The Proposer questioned whether the methodology aspects of DCP 477 could continue to progress if consultation respondents ultimately did not support the proposed notice period provisions.
- 3.17 The Chair explained that the original intent of DCP 477 was to codify the intervention methodologies themselves and that the notice period aspect had emerged later during proposal development and therefore that, depending on consultation responses, it would remain possible to progress the methodology elements independently if the notice period provisions did not receive sufficient support.

Implementation

- 3.18 Members noted that the original implementation target of 5 November 2026 was no longer achievable due to the requirement for a second consultation. Following discussion, the Working Group agreed that the consultation document should instead state that implementation would occur five Working Days following Authority approval. Members considered this approach to be more appropriate given the uncertainty surrounding consultation outcomes and Authority decision timescales.

ACTION 06/01 Draft Consultation: Secretariat to update the draft consultation document to reflect Working Group comments and decisions during meeting 06 and circulate both a tracked changed version for traceability and a clean version for final review.

4. Review of Legal Text

Schedule 17 Intervention Provisions

- 4.1 Members considered a version of the legal text produced by the Chair and subsequently amended by the Proposer which covered off an action taken during the last meeting. The Chair explained that all the content should be aligned to what was previously circulated but that the version he produced was designed to be more aligned to current DCUSA drafting as well as with the legal text that was produced by DCP 450.
- 4.2 Discussion focused particularly on Paragraphs 18.25 and 18.26. Members agreed that the revised drafting more accurately reflected Working Group intentions, namely that DNOs should continue to apply previously established intervention approaches where the underlying driver remained unchanged, whilst retaining sufficient flexibility to move between intervention types where the root cause of the issue differed.

Additional Explanatory Text

- 4.3 The Chair explained that the intention had been to improve accessibility for non-specialist readers and to provide additional context regarding the practical effect of the interventions. Members advised that the text introduced for the intervention options relating to ‘Reapportioning negative fixed charges to capacity charges’ and ‘carrying over locational components and network use factors from previous year’ were acceptable as they are more easily described.
- 4.4 However, members did not believe the same could be said for the option related to ‘applying the load growth assumptions used for the previous year’. Members agreed that introducing additional explanatory wording could inadvertently create ambiguity or inconsistency with the established methodology and because it relates to power flow modelling which is carried out by dedicated engineering teams responsible for those processes and they understood the high-level instruction without additional context.

Notice Period Legal Drafting

- 4.5 The Working Group reviewed the proposed new clauses within Clause 19 of Section 2A relating to:
- reduced notice period arrangements for DNOs applying intervention options;
 - advance notification requirements; and
 - consequential notice period arrangements for LDNOs and out-of-area DNOs.
- 4.6 Members considered that the drafting appropriately reflected discussions held during Meeting 05 and provided a workable basis for consultation.

ACTION 06/02 Draft Legal Text: Secretariat to update the draft legal text document to reflect Working Group comments and decisions during meeting 06 and circulate both a tracked changed version for traceability and a clean version for final review.

5. Next Steps

- 5.1 The Working Group agreed that:
- the Secretariat would update the consultation document and legal text to reflect comments raised during the meeting;
 - a clean version of both documents would be circulated for final review;
 - subject to final comments, the consultation would be issued on 4 September 2026;
 - consultation responses would be sought by 18 September 2026; and
 - the next Working Group meeting would be scheduled for 28 September 2026, commencing at 13:30, to review consultation responses and agree next steps.

ACTION 06/03 Review of Consultation and Legal Text: Working Group members to review the consultation document and legal text and provide any final comments back by midday on 04 September.

ACTION 06/04 Issue Consultation: The Secretariat to issue the consultation for industry feedback on 04 September 2026 for a period of two weeks.

ACTION 06/05 Arrange Follow-up Meeting: The Secretariat to arrange a follow-up meeting for Monday, 28 September from 13:30 to 16:30 to review the consultation responses.

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 items of other business raised.

7. Date of Next Meeting – 28 September 2026

- 7.1 The next Working Group meeting is scheduled to be held on 28 September 2026 at 1:30pm with the purpose being to review the responses to the second DCP 477 consultation.

Appendix A – Actions Log

New and Open Actions

Ref	Action	Owner	Update
04/02	<u>Legal Advice on Schedule Alignment:</u> The Secretariat to raise the subject of Paragraph numbering alignment (i.e., a respondent's suggestion to add 'not used' paragraphs to Schedule 18 such that it would align with Schedule 17 changes as part of DCP 477) with the legal advisors when submitting the draft legal text for final review which will be post meeting 05.	Secretariat	Update as of 03 September: This will remain as ongoing until the point at which the legal drafting is issued for final legal review.
04/04	The Secretariat to finalise the Working Group's comments against the consultation responses received and include the Working Group Conclusions at the end of each question.	Secretariat	Update as of 03 September: This remains ongoing but will be completed prior to second consultation being issued.
06/01	<u>Draft Consultation Changes:</u> Secretariat to update the draft consultation document to reflect Working Group comments and decisions during meeting 06 and circulate both a tracked changed version for traceability and a clean version for final review.	Secretariat	
06/02	<u>Draft Legal Text:</u> Secretariat to update the draft legal text document to reflect Working Group comments and decisions during meeting 06 and circulate both a tracked changed version for traceability and a clean version for final review.	Secretariat	
06/03	<u>Review of Consultation and Legal Text:</u> Working Group members to review the consultation document and legal text and provide any final comments back by midday on 04 September.	Working Group Members	
06/04	<u>Issue Consultation:</u> The Secretariat to issue the consultation for industry feedback on 04 September 2026 for a period of two weeks.	Secretariat	
06/05	<u>Arrange Follow-up Meeting:</u> The Secretariat to arrange a follow-up meeting for Monday, 28 September from 13:30 to 16:30 to review the consultation responses.	Secretariat	

Closed Actions

Ref	Action	Owner	Update
05/01	<u>Legal Text Drafting for Notice Period Changes:</u> The Secretariat to rework the legal text drafting for the suggested changed with respect to the notice period for changes to charges in Clause 19 of Section 2A and circulate to the Working Group for review	Secretariat	Completed: Suggested amendments to the legal text were circulated by the Secretariat prior to meeting 06.
05/02	<u>Adding Clarity to the Intervention Options in the Legal Text:</u> EC to review the current drafting of the intervention options and add explanatory drafting where feasible to better describe the effect of each intervention option whilst avoiding detailed implementation instruction	EC	Completed: Suggested amendments to the legal text were circulated by EC prior to meeting 06.
05/03	<u>Drafting of Focussed Consultation:</u> The Secretariat to complete the initial drafting of a focussed consultation related to the inclusion of amendments to the notice period requirements for DNOs who need to apply one of the intervention options and where in doing so, they would not be able to meet the required 15-month notice period. The Secretariat to circulate this to members for review as soon as possible.	Secretariat	Completed: The draft consultation document was circulated to the Working Group prior to the meeting.
05/04	<u>Review of Draft Focussed Consultation:</u> Working Group members to review the consultation document drafted by the Secretariat once received	Working Group	Completed: Comments were received prior to meeting 06.
05/05	<u>Arrange Follow-up Meeting:</u> The Secretariat to arrange a follow-up meeting for Thursday, 03 September from 13:00 to 15:00 in case there is a need or desire to discuss the consultation document being drafted by the Secretariat.	Secretariat	Completed: Meeting was arranged and held.