DCP 461 Working Group - Meeting 17

29 September 2026 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Aishwarya Harsure [AH]	NESO
Alex Iknoic [AI]	Roadnight Taylor
Ben Godfrey [BG]	NGED
Brian Hoy [BH]	SP ENW
Deborah MacPherson [DM]	SPEN
Drew Johnstone [DJ]	NPg
Ed Grimsey [EG]	BU-UK
Edda Dirks [ED]	SSE Generation
John Harmer [JH]	Waters Wye
Joseph Higginbottom [JH]	NPg
Lee Wells [LW]	NPg
Liam Sweeney [LS]	Ofgem
Matthew Paige-Stimson [MPS]	National Grid
Rohan Sachdev [RS]	SSEN
Will Bowen [WB]	UKPN
Code Administrator	
Mel Kendal [MK] (Secretariat)	ElectraLink
Richard Colwill [RC] (Chair)	ElectraLink
Tim Hipperson [TH] (Chair)	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

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 The Chair confirmed that all actions captured within this meeting will be recorded within the action log; this can be found in the Appendix.

1.6 **Action 16/08 -** AI informed the group that the additional data is likely available, however, the effort involved in obtaining the data is highly dependent on the scope. AI queried what would add the most value with regards to whether the preferred methodology remains user MW, or a capability-based approach.

1.7 BH confirmed that most of the data where directly connected rather than embedded triggered work would be of most value. BH stated that it would be beneficial to have data where there are embedded projects with a DNO that is triggering the work and also confirmed that this would be building on the dataset previously provided by AH (as opposed to a new assessment).

1.8 AI agreed to circulate the data spreadsheet to the Working Group offline for review. AH also agreed to speak internally and seek whether NESO can assess disaggregated data for the 49 DNO schemes, showing the individual projects and capacities contributing to each aggregated scheme, and investigate whether limited additional recent data from other DNO areas can be added. If able to do so, AH agreed to bring this to the next Working Group for further discussion.

ACTION 17/01: AI to circulate the data spreadsheet to the Working Group offline for review (in relation to Action 16/04).
ACTION 17/02: AH to speak internally and seek whether NESO can assess disaggregated data for the 49 DNO schemes, showing the individual projects and capacities contributing to each aggregated scheme, and investigate whether limited additional recent data from other DNO areas can be added. If able to do so, AH agreed to bring this to the next Working Group for further discussion.

1.9 ED queried whether it would be beneficial to gather more data over a longer period of time – MPS explained that this would not be useful going further back because of global Supplier chain inflation.

1.10 ED also queried whether it would be useful to see a geographical split of the data to see whether there are regional differences which may need to be considered when setting the threshold – BH explained that the worry with this is with only 49 data points, if more disaggregation is done with this, we will be getting down into very small numbers of projects.

2. Introduction of Chair & Agree Structure for Meeting

2.1 The Chair (RC) informed the Working Group that TH will assume the role of Chair for DCP 461 following this meeting. RC confirmed that he will continue to Chair the current meeting, which would serve as an introductory session to provide TH with further context on the Change Proposal and the Working Group's discussions before he formally takes over as Chair at the next meeting.

2.2 The Chair presented a table including the key themes and focus areas for the Working Group to consider moving forward with the progression of this change. Although members agreed with the key themes presented, it was noted that only questions 1-4 of the collated Consultation 02 responses were reviewed within the group during the last meeting.

2.3 Following this, members suggested it may be beneficial to revisit the collated Consultation 02 responses document first to continue reviewing the responses prior to discussing the key themes and focus areas. The Chair agreed and presented the DCP 461 Collated Consultation 02 Responses document live on screen for the Working Group to review and further discuss.

3. Purpose of the Meeting

3.1 The Chair explained that the purpose of this meeting is to continue the review of the collated Consultation 02 responses within the Working Group and agree next steps.

4. Review of Collated Consultation 02 Responses Document

4.1 The Chair presented the DCP 461 Collated Consultation 02 responses document live on screen for the Working Group to review and further discuss.

4.2 The Chair reiterated that at the last Working Group meeting, members agreed to progress all nine solutions variants via three Change Reports.

4.3 The key updates can be found below:

4.4 **[Recap] Q1** – *Do you agree with the Working Group's approach (as previously applied by Ofgem in other methodologies) is the appropriate method for determining a High-Cost Project Threshold? Please explain your reasoning.*

4.5 The Chair noted that a key point that came out of the previous discussions was around the group needing to revisit the analysis to see if is does what it is intended to do.

4.6 **[Recap] Q2 –** *Do you agree with the working groups position of applying a HCPT of £125,000 per MW. Please provide your rationale either way.*

4.7 The Chair noted that members previously agreed that this theme will need to be revisited and the Working Group to agree a position.

4.8 **[Recap] Q3 –** *Do you agree that a 5 MW threshold is appropriate for identifying when assets should be subject to cost apportionment under Option 2.2? If not, do you prefer an approach based on voltage level? Please provide justification.*

4.9 The Chair reminded the group that there were mixed views to this question, with a number of gaming concerns raised.

4.10 **[Recap] Q4 –** *Do you agree with the working groups proposed no detriment approach? Please provide your rationale either way.*

4.11 The Chair noted that the Working Group need to make a decision around what the no detriment approach is and whether it sits within the legal text (or not).

4.12 **Q5 [Template] –** *For each of the nine proposed solution variants summarised above, please indicate whether you would like the Working Group to take it forward for Authority consideration or not take it forward (i.e., eliminate it), and, if you have one, indicate your preferred option. A simple table for recording your selections is provided at the end of this document.*

4.13 The Chair suggested that the responses to Q5 (template) are reviewed towards the end of the review as the group will need to provide their rationale against each objective for all nine options (across three Change Reports). Whilst developing this, the responses to this question can be reviewed alongside this piece of work.

4.14 **Q6 –** *Do you have any comments on the proposed legal text changes for each solution?*

4.15 In relation to NGET's response, members noted the comments and agreed that there is still work to be carried out in deciding whether there will be a MW threshold or a voltage threshold.

4.16 In relation to NPg's response, LW identified that the wording of Option 1.1 could prevent recovery of one-off charges, such as assessment or modification fees, even though only capital components of transmission connection charges were intended to be excluded. BH agreed that the drafting should distinguish capital connection components from other charges that remain payable by the Customer.

4.17 LW also noted that the Consultation referred to assets being 'wholly or mainly' for a single user, whereas the legal text used 'exclusively', creating a potential gaming risk. A number of members agreed that the policy intent is to charge a Customer where a substation is effectively created for its exclusive benefit, while not charging the first Customer merely because it is the first user of infrastructure intended for future users; the wording requires legal refinement.

4.18 In regard to the single-user exception, the group agreed to define the intended policy outcome in clear legal terms prior to attempting detailed DCUSA wording.

4.19 Following this, the Working Group agreed for the Secretariat to reach out to Gowling (legal advisor) for advice on translating the agreed policy intent into clear legal text.

ACTION 17/03: The Secretariat to seek legal advice from Gowling for advice on translating the agreed policy intent into clear legal text.

4.20 In regard to paragraph 1.37 of the draft legal text, LW queried whether the reference to reinforcement is needed – BH agreed that although not harmful if the reference remained, it refers to a different charge and is not needed.

4.21 In regard to Option 2.1, LW noted that there is inconsistency, whereby new terms that have the same definitions as existing terms, and also terms with no definition added.

- Existing Capacity → members agreed that this can be removed as it is not needed; however, it can be used within context if desired as there is a definition (but may be duplicating).
- New Network Capacity → this is defined differently within the application of CAFs for reinforcement. Members suggesting amending the term to 'New Transmission Network Capacity'.
- RSN/RSTN → this is not referenced anywhere else within the document, and members agreed that this could be referenced under the new term of 'New Transmission Network Capacity'.

4.22 In regard to SSE Gen's response, ED suggested that transmission HCPTs should be included within the glossary for all of the options that include this. ED also suggested that the terms 'Transmission Security CAF' and 'Transmission Fault Level CAF' should also be added to the Schedule 22 Glossary.

4.23 The group discussed the above suggestions, and it was noted that if these terms are included for transmission, this may cause an anomaly as they will not be there for the existing distribution. Following this, the Working Gorup agreed that it would be beneficial to seek legal advice from Gowling around this – the Secretariat agreed to take an action to seek further legal advice from Gowling around the definitions/glossary in regard to the HCPT.

ACTION 17/04: The Secretariat to seek legal advice from Gowling around the definitions/glossary in regard to the HCPT.

4.24 BH also noted that there are inconsistencies in the way HCPT is referred to within the legal text, so this will need to be relooked at when the legal text is further developed.

ACTION 17/05: The Working Group to relook at the way HCPT is referred to when further developing the legal text to ensure it is consistent.

4.25 **Q7 [Template]** – *Having now seen the developed solutions and legal text, do you consider that any of the options would better facilitate the DCUSA Charging Objectives? Please specify which options*

better facilitate which objectives and give supporting reasons. Please utilise the table provided at the end of this document.

4.26 The Chair suggested reviewing the responses to Q7 once the solutions are being developed and confirmed that they will be presented to the DCUSA Panel. At this stage. The Working Group will need to share their views on whether each solution better facilitates the objectives, and reviewing the responses to this question alongside this may be more suitable. The Working Group were happy with this approach.

4.27 **Q8** – *Are you aware of any wider industry developments that may impact upon or be impacted by this CP?*

4.28 Members agreed that CMP 460 'CMP460: Improving Transmission Connection Asset Charging | National Energy System Operator' could materially affect or potentially remove the need for parts of DCP461, but DCP461 should continue so that customers receive greater certainty before CMP460 concludes. The two modifications must be considered in parallel, particularly regarding transmission reinforcement recovery and Gate 2 offers.

4.29 The group noted that DCP 461 'Reducing the Impact of Transmission Distribution Charges - DCUSA' options could affect current or future Gate 2 offers, potentially retrospectively. A minded-to decision or clear direction of travel would help projects assess whether to accept offers affected by high initial costs.

4.30 The group reviewed and noted the suggested wider developments that may impact upon or be impacted by this CP.

4.31 **Q9** – *Are you supportive of the proposed implementation dates for the solutions?*

4.32 LW stated that options should not take effect before 01 April 2028, the start of ED3, as not all DNOs were funded in ED2 for these costs and earlier implementation could undermine funding neutrality. Other consultation responses supported implementation as early as reasonably practical, subject to funding mechanisms and any necessary licence or price-control changes.

4.33 ED noted that some solutions require action outside the working group's authority, including changes to distribution-licence conditions and price-control arrangements. The final implementation date must therefore be reviewed after the preferred solutions, and associated funding arrangements are established.

4.34 **Q10** – *Any other comments?*

4.35 The Chair informed the group that Eclipse Power stated that Option 3.1 was the only current viable solution as other options could move costs into DUoS and create recovery difficulties under CDCM or EDCM. The concern was that IDNOs may be unable to recover costs from Customers whilst facing a smaller DUoS cost base.

4.36 The Working Group agreed that any required change to EDCM would be outside the scope of this change and could be considered as a consequential review or separate change if the final solution creates an unintended effect. ```

4.37 LW noted that IDNOs could also benefit as they would avoid some direct costs whilst receiving higher DUoS recovery. RS suggested that Eclipse Power may be describing the removal of an existing competitive advantage. BH questioned whether the issue related to direct transmission connection, which would be out of scope of this change and more relevant to CMP 460.

4.38 DJ considered that the concern might be confused with DCP 464 'IDNO Connection Applications: Treatment of Existing Assets' and stated that the current process does not normally involve the IDNO contracting directly for the relevant transmission works. The group agreed that the response should be acknowledged.

4.39 ED raised a query within their response in regard to the ECCR as to whether there were any cases where this would not apply – BH explained that transmission costs are considered to be in scope of the ECCR. DNOs do not have to be connected directly, but if they are benefiting from it, then they would get charged.

4.40 LW questioned the Consultation assumption that 50–60% of GSPs would avoid transmission connection charges after a second-user connection, noting that the observed figure in the relevant licence areas appeared closer to 15%. AH explained that the higher figures originated from earlier Ofgem communications (2020/2022) regarding the charging reclassification following second user connection. AH noted that this was addressed within this Consultation.

4.41 The group agreed that NESO should provide an anchored, time-specific view of which GSPs currently subject to connection charges could become shared when a second user connects. The analysis should account for tertiary connections, low-voltage bus-bar ownership and the effect of accepted or unaccepted Gate 2 offers.

4.42 LW referred to NPg's own analysis that shows approximately £1.3 billion of transmission costs in the relevant connection pipeline and estimated that, under a full socialisation scenario, the effect could be material for typical domestic customers. Members agreed that a robust Impact Assessment is required to show how costs could move from connection charges to DUoS, including customer-bill effects, cost-recovery risks and the proportion of GSPs affected (rather than relying on a single worst-case figure).

4.43 MPS explained to AH that the modelling being sought after from NESO is, out of all of the DNO GSP sites that are currently connection charge, knowing how many NESO have offered second user connections at tertiaries or low voltage bus bar connections, how many of those connection charge GSPs would become shared on connection of the second user. MPS also stated that it would be beneficial to understand what the delta of the annual connection charges are that are ending, would then add on to the TNUoS recovery.

4.44 The Working Group agreed that the above information from NESO would help with the Impact Assessment – although AH could not provide a definitive answer during the meeting, it was agreed for MPS to reach out to NESO for the required information to aid the Impact Assessment.

ACTION 17/06: MPS to reach out to NESO for the required information to aid the Impact Assessment.

4.45 One member explained that the concern about over-recovery relates to different users being subject to different recovery regimes under the no-detriment approach. BH confirmed that existing licence obligations prevent over-recovery, but the issue should still be considered and clearly addressed in the Change Reports.

4.46 **Working Group Discussion**

4.47 After reviewing the collated responses document, the Working Group agreed that it would be beneficial to outline the exact options that will be developed under each individual Change Report (3 CRs in total).

4.48 The Working Group produced the outline of each Change Report live-on-screen – this can be found below:

Change Report 01	Change Report 02	Change Report 03
Option 1.1	Option 2.2	Option 3.1
Option 1.2	Option 2.2a	
Option 1.1 + Option 1.4	Option 2.2 + HCPT	
Option 1.2 + Option 1.4	Option 2.2a + HCPT	

4.49 LS confirmed that they are happy for three Change Reports to be presented and stated that if there are options that members think there is any value in or worth Ofgem considering, then to put these on the table for Ofgem to review.

4.50 Following the above discussions, both BH and LW agreed to start developing the three Change Reports offline for the Working Group to review and further develop during the next meeting.

ACTION 17/07: BH and LW to start developing the three Change Reports offline for the Working Group to review and further develop during the next meeting.

5. Agreed Next Steps

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

- AH to speak internally and seek whether NESO can assess disaggregated data for the 49 DNO schemes.
- The Secretariat to seek legal advice from Gowling.
- The Working Group to relook at the way HCPT is referred to when further developing the legal text to ensure it is consistent.
- MPS to reach out to NESO for the required information to aid the Impact Assessment.

- BH and LW to start developing the three Change Reports offline for the Working Group to review and further develop during the next meeting.

- The Secretariat to issue a meeting poll to the Working Group for the next meeting.

ACTION 17/08: The Secretariat to issue a meeting poll to the Working Group for the next meeting being held on 20 October 2026.

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. Next Meeting Date – 20 October 2026

7.1 The Chair confirmed the next Working Group meeting is scheduled for 20 October 2026 at 10am.

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 2)** *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.*
16/02	The Secretariat to add an extra rationale to explain why the data is 6-months.	Secretariat	**Ongoing.**
16/03	LS to look further into whether Ofgem can state a preference within a send-back letter, and whether Option 3.1 would need to be its own FMR in order to be assessed (if taken forward).	Liam Sweeney	**Ongoing.**
16/04	AI and JP to have a discussion offline around looking across the DNO regions and look at the average sizes of the projects, and how many would meet the current threshold, versus not.	Alex Ikonic / Jack Purchase	**Ongoing.** AI provided an update to the group (WG 17).
16/05	The Secretariat to produce a recommendation paper to the DCUSA Panel on how best to hold the voting for each of the proposed options/solutions in relation to the 3 separate Change Reports.	Secretariat	**Ongoing.**
16/06	The Secretariat to locate the reference under Q4 that states 'protecting existing Customers from cost increase' within the collated Consultation responses document.	Secretariat	**Ongoing.**

17/01	AI to circulate the data spreadsheet to the Working Group offline for review (in relation to Action 16/04).	Aishwarya Harsure	**New Action.**
17/02	AH to speak internally and seek whether NESO can assess disaggregated data for the 49 DNO schemes, showing the individual projects and capacities contributing to each aggregated scheme, and investigate whether limited additional recent data from other DNO areas can be added. If able to do so, AH agreed to bring this to the next Working Group for further discussion.	Alex Ikonic	**New Action.**
17/03	The Secretariat to seek legal advice from Gowling for advice on translating the agreed policy intent into clear legal text.	Secretariat	**New Action.**
17/04	The Secretariat to seek legal advice from Gowling around the definitions/glossary in regard to the HCPT.	Secretariat	**New Action.**
17/05	The Working Group to relook at the way HCPT is referred to when further developing the legal text to ensure it is consistent.	Working Group	**New Action.**
17/06	MPS to reach out to NESO for the required information to aid the Impact Assessment.	Matthew Paige-Stimson	**New Action.**
17/07	BH and LW to start developing the three Change Reports offline for the Working Group to review and further develop during the next meeting.	Brian Hoy / Lee Wells	**New Action.**

Closed Actions

Action Ref.			Update
16/01	The Secretariat to reach out to NESO to seek if additional data is available to include within the current data set.	Secretariat	**Closed.**

16/07	The Secretariat to issue a meeting poll to the Working Group for the next meeting.	Secretariat	**Closed.**
17/08	The Secretariat to issue a meeting poll to the Working Group for the next meeting being held on 20 October 2026.	Secretariat	**Closed.**