

# Joint DCP 359/CMP334 Working Group Meetings 05&06

20 and 21 April 2020 at 10:00am  
Teleconference

Attendee	Company
<b>Working Group Members</b>	
Alessandra De Zottis [ADZ]	Sembcorp
Chris Ong [CO]	UK Power Networks
Claire Campbell [CC]	Scottish Power Energy Networks
David Fewings [DF]	Inenco
Elizabeth Alkins [EA]	Ovo Energy
George Moran [GM] (1 <sup>st</sup> Meeting Only)	British Gas
Garth Graham [GG]	SSE Generation
Graeme Dawson [GD] (2 <sup>nd</sup> Meeting Only)	npower
Grahame Neale [GN]	National Grid ESO
Josephine Lord [JL]	Cornwall Insight
Jennifer Groome [JG] (1 <sup>st</sup> Meeting Only)	National Grid ESO
Julia Haughey [JH]	EDF Energy
Kara Burke [KB] (1 <sup>st</sup> Meeting Only)	Northern Powergrid
Kayt Button [KBu] (2 <sup>nd</sup> Meeting Only)	Ofgem
Kyran Hanks [KH]	Waters Wye Associates
Lee Stone [LS]	Eon Energy
Lee Wells [LW]	Northern Powergrid
Lina Aspotoli [LA]	Ofgem
Mark Jones [MJ]	SSE Business Energy
Nick Rubin [NR] (1 <sup>st</sup> Meeting Only)	Elexon
Paul Bedford [PB]	Opus Energy
Paul Farmer [PF]	Shell Energy
Paul Mullen [PM]	National Grid ESO

Ryan Farrell [RF] (1 <sup>st</sup> Meeting Only)	Northern Powergrid
Shiny Samson [SS] (1 <sup>st</sup> Meeting Only)	Northern Powergrid
Simon Lord [SL]	Engie
Simon Vickery [SV]	EDF Energy
Thomas Cadge [TCa]	BUUK
Thomas Cahill [ThC]	Veolia
Tony Collings [TCo]	Ecotricity
<b>Apologies</b>	
Dave Wornell	Western Power Distribution
George Moran (2 <sup>nd</sup> Meeting only)	British Gas
<b>Code Administrator</b>	
John Lawton [JT] (Chair)	ElectraLink
Dylan Townsend [DT] (Technical Secretary)	ElectraLink
Hollie Nicholls [HN] (Administration Support)	ElectraLink

## 1. Administration

- 1.1 The Chair welcomed the members to the meeting.
- 1.2 The Working Group agreed to be bound by the Competition Law Guidance for the duration of the meeting.

## 2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review the DCP 359 consultation responses and discuss the themes across both DCP 359 and the CUSC Modification CMP334<sup>1</sup>.

## 3. Review of DCP 359 Consultation Responses

- 3.1 The Chair walked the Working Group through DCP 359 Consultation Responses.
- 3.2 The Chair noted that there were 25 responses received to the DCP 359 consultation and the consultation response document had been updated to include summaries and conclusions.

### Question One

- 3.3 It was noted that all responses to question one had been noted and it was summarised that all respondents to the consultation understood the intent of DCP 359.

### Question Two

- 3.4 Again, all responses were noted, and it was concluded that all respondents were supportive of the principles of DCP 359, although, one respondent expressed a concern that the legal text needed further clarification regarding standalone facilities being exempt from residual charges, which will be picked

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<sup>1</sup> [CMP334 'Transmission Demand Residual – consequential definition changes \(TCR\)'](#)

up when reviewing the draft legal text. Another respondent also focussed on residual charges, stating that they should only be paid by final demand and not embedded generation or storage.

#### Question Three

- 3.5 All respondents supported the proposed definition for “Final Demand” with most respondents citing that it aligns with the proposed definition put forward by Ofgem. The definition also avoids dealing with what constitutes a “site”, which is better dealt with in the definition of “Final Demand Site”. Respondents also highlighted that the definition is clear, simple and universally applicable in both DCUSA and CUSC.

#### Question Four

- 3.6 The Working Group noted that the majority of respondents supported the definition of Single Site that had been proposed by the Working Group, however, there was support for the alternative option and the Ofgem decision.
- 3.7 There was also a concern raised regarding multiple supplies which do not have a Maximum Import Capacity and do not have a Connection Agreement as a rule and could not be considered a Single Site where one customer occupies several independently metered units adjacent to each other within a larger facility.
- 3.8 It was noted that the concerns raised regarding the definition of a Single Site were related to complex sites and private wires, to which these are areas are being descoped from the development of this CP. The other concerns related to connection agreements only being for customers with an agreed capacity and thus they had a preference for the alternative which added clarity.
- 3.9 Following their discussions, the Working Group agreed that there would be no changes to the definition of Single Site.

#### Question Five

- 3.10 The Working Group highlighted that the responses were mixed with the expectations catered for under question six of the consultation. Overall, there were no specific comments against the definition term but against the elements that make it up, i.e. Single Sites.
- 3.11 In addition, there are numerous comments that are to be considered in response to question 6 which covers the exemptions and an alternative exemption approach.
- 3.12 Finally, there was also a respondent that suggested a transition period for certifications.
- 3.13 The Working Group agreed that they would not be changing the definitions of Final Demand and Final Demand Site.

#### Question Six

- 3.14 There were varying responses with some respondents preferring Option A, some Option B, some Option C (or similar), some did not have a preference between Options A or B and one respondent did not have a preference.
- 3.15 After reviewing the responses, the Working Group agreed to support Option B because it provided extra clarity than that of Option A and a process to follow to be granted the exemption. The main concern over Option C and the alternative proposal was related to gaming or a continual request to review since circumstances had changed. The Working Group view was that it would be more appropriate for this to be catered for by the exceptional circumstances and disputes process (being proposed within DCP 360) rather than a further administrative burden on the DNOs.

#### Question Seven

- 3.16 It was noted that all respondents agreed with the definition for Electricity Storage, all respondents bar one agreed with the definition for Electricity Generation and all bar three respondents agreed with the definition for Eligible Facility.

- 3.17 It was agreed that some of the suggestions made were out of scope of the development of this CP, however, it was agreed that CT metering should be removed from Eligible Facility definition and that “commissioning and decommissioning should be included within the definition as was also suggested to be included in the CUSC modification.

#### Question Eight

- 3.18 All respondents who provided a response to question eight agreed that Final Demand Site applies to sites connected to networks owned by DNOs and LDNOs alike and agree that any further LDNO considerations on residual charges are out of scope of DCP 359. Two respondents did not provide a comment, or the question was not applicable to them.

#### Question Nine

- 3.19 The majority of respondents agree with the Working Group approach that the application of the residual charge cannot be considered in isolation of the Access and Forward-Looking Charging SCR element of the charges. The most appropriate solution at this stage is to continue with the status quo while DCP 328 ‘Use of System Charging for Private Networks with Competition in Supply’<sup>2</sup> considers this in more detail.
- 3.20 One Working Group member also noted that within the CUSC there is no explicit concept of a complex site and so the sites will be treated as any other site. There is still an option for private wire sites to be able to obtain their agreements keeping their generation separate.

#### Question Ten

- 3.21 The majority of respondents believe that the DCUSA Charging Objectives are better facilitated by DCP 359, specifically DCUSA Charging Objectives 1 and 2.
- 3.22 Those that disagreed cited:
- DCUSA Charging Objective 2 is not met since the arrangement fails to deal adequately with the risk of double charging or the levying of a residual charge on the imports of some generators as discussed in previous questions.
  - The Ofgem TCR Decision was intended to prevent consumers from using demand management to avoid paying what was deemed to be their ‘fair share’ of TNUoS costs, but demand management has a much lower impact on DUoS costs, so the rationale is less strong.
  - The implementation of 4 bands per voltage for charging compared with £/kVA/day charges (assuming the MIC is removed or is very small as a result of the SCR changes) means that many sites may be less incentivised to make minor reductions in agreed capacity (either because they won’t fall into a lower banding or because they will be locked into a band for several year). This is contrary to the desire to free up capacity on our networks.

- 3.23 The Working Group highlighted that the third point above would be better suited under the vires of DCPs 358 and 360 rather than DCP 359, but all concerns will be included within the Change Report.

#### Question Eleven

- 3.24 The majority of respondents did not have any comments on whether there were any further industry developments that could impact on this CP. However, those responses who indicated that there could be wider developments that would impact that CP indicated that DCP 328, CMP332 and the Access and Forward-Looking Charging SCR should be considered. The respondents that discussed the latter two, suggested that the implementation dates should be aligned. The implementation date for DCP 359 is discussed under Question Twelve.

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<sup>2</sup> [DCP 328](#)

### Question Twelve

- 3.25 The Working Group noted that the majority of respondents agreed to the proposed implementation date, however, those that didn't believed that: the implementation date should be aligned with the new CMP332; a derogation should be provided to allow more time; the implementation date should be delayed until 2023; all TCR CPs should be implemented at the same time; or, DCPs 358, 359 and 360 be implemented at the same time.
- 3.26 It was highlighted that Ofgem have previously indicated that they would prefer all TCR related code modifications to be implemented at the same time, but this is now not going to be possible due to the consent being provided for CMP332 being withdrawn.
- 3.27 There was also a discussion regarding the current COVID-19 pandemic, and it was noted that there could be significant impacts on tariffs and forecasting. The Working Group agreed that Ofgem's position regarding the implementation date needed to be obtained, however, the Working Group will continue to develop DCP 359 to its original timescales until they hear otherwise. The Chair of the Working Group (via the chair of the DCUSA Panel) agreed to write to Ofgem regarding this.
- 3.28 Notwithstanding this, the Working Group took all feedback from the consultation responses into consideration and agreed that it would be beneficial to move away from a strict 5 Working Day implementation but rather select a specific date due to the explicit procedural dates within the draft legal text for DCP 358/360.

### Question Thirteen

- 3.29 The Working Group noted that no additional areas identified that had not been referenced in response to other questions of the consultation. More information regarding changes to the legal text can be found in section x below.

### Question Fourteen

- 3.30 There were a number of comments that were not catered for in other responses to the consultation, these being:
- How parties connected to two networks would be charged, e.g. a DNO network and the transmission network
  - Whether there needs to be any special consideration for Electric Vehicles and if dedicated EV charging facilities would be considered as Final Demand or not
  - Whether there needs to be any special consideration for which only (and will only every) provide Ancillary Services to the ESO or DNOs
  - It will help customers if a single source of information could be created (e.g. via DCUSA Website). Given the impact on contracts/tariffs being negotiated now, it was believed that guidance is needed in line with the DCUSA CPs implementation dates.

### Transitional Period

- 3.31 One respondent raised a concern over the lack of time for the certification process and suggested a transition process to cater for valid certificated to be received and verified. Working Group members agreed that such a transition process would be required and agreed that an addition section would be incorporated within the new schedule xx being introduced by DCP 358 and DCP 360.

### Certification Process

- 3.32 One Working Group member commented on the reference to certification. It was felt that this could be anything that the customer sends to seek an exemption. It was agreed to add the word "valid" before certification which then allows the DNO to verify and challenge as part of their acceptance process.

## 4. Work Plan

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- 4.1 The Working Group reviewed the DCP 361/CMP334 Work Plan and agreed the following next steps for the CP. An updated Work Plan can be found as Attachment 2.
- The Secretariat to update the legal text and circulate to WG members by close of play on 22 April 2020.
  - Working Group members to provide any final comments on the legal text by close of play on 24 April 2020.
  - The Secretariat to circulate the finalised legal text to the DCUSA Legal Advisors.
  - The Secretariat to update the Change Report and circulate to Working Group members; and
  - The Working Group to meet on 07 May 2020 to review the Change Report and any comments made by the DCUSA Legal Advisors on the legal text.

## 5. Agenda Items for the Next Meeting

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- 5.1 At the next meeting, the Working Group will review the Change Report and any comments made by the DCUSA Legal Advisors on the proposed legal text.

## 6. Any Other Business

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- 6.1 There were no further items of AOB, and the Chair closed the meeting.

## 7. Date of Next Meeting

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- 7.1 The date of the next meeting is scheduled for 07 May 2020 and will be held via teleconference.
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