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| Modification proposal: | Distribution Code: DCRP/MP/20/02 Modifications to the Distribution Code – Update of Annex 1 and 2 Appendices | | |
| Decision: | The Authority ¹ has decided to approve ² this modification | | |
| Target audience: | Distribution licensees, Distribution Code Review Panel, distribution network users and other interested parties | | |
| Date of publication: | 29 May 2020 | Implementation date: | 12 June 2020 |

Background

Electricity Distribution Licence holders are required by Standard Licence Condition (SLC) 20 of their licences to have in force, implement, and comply with the Distribution Code. SLC 21 imposes a duty on licence holders to review and, where appropriate, seek our approval for modification of the Distribution Code so as to better achieve the requirements of SLC 21. The Distribution Network Operators (DNOs) may propose changes to the Distribution Code and initiate work on a review of the Code through the Distribution Code Review Panel (DCRP)³.

Some requirements of the Distribution Code are implemented through other industry documents, listed in Annex 1 of the Distribution Code, and are mostly Engineering Recommendations. These documents typically cover certain technical areas in detail, such as connection of generation, switchgear ratings and supply quality planning limits.

There are other industry documents which are not implemented via the Distribution Code, but do have a material impact on distribution network users. These are listed in Annex 2 of the Distribution Code.

On 29 January 2018, we approved Distribution Code modification proposal “DCRP/17/03 – Revision of Engineering Recommendation (EREC) P25”⁴. Given the content of P25 we questioned whether or not it qualified as an Annex 1 document. At the February 2018 DCRP meeting, we requested the DCRP undertake a review of all Annex 1 and Annex 2 Qualifying Standards to ensure they meet the specific Distribution Code criteria for being assigned as a Qualifying Standard⁵.

The DCRP have reviewed the function of each document within Distribution Code Annex 1 and 2, and modification proposal DCRP/MP/20/02 (the “modification proposal”) proposes whether the document should sit within Annex 1 or Annex 2 of the Distribution Code.

¹ References to the “Authority”, “Ofgem”, “we” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ The DCRP is established in accordance with SLC 21 of the Electricity Distribution Licence.

⁴ [Ofgem decision; DCRP/17/03 - Revision of Engineering Recommendation \(EREC\) P25](#)

⁵ Qualifying Standards are Electrical standards in use by DNOs, included in the DCRPs governance procedures, and are within Distribution Code Annex 1, 2 or a standard adopted by an individual DNO and which is published as such by an individual DNO and that has a material effect on Users.

The modification proposal

The modification proposes to move the following documents from Annex 1 to Annex 2 of the Distribution Code:

- G12 "Requirements for the application of protective multiple earthing to low voltage networks"; the document sets out things that must / shall be achieved when a DNO is developing a protective multiple earthing (PME) system. However it is more focused on the implementation of Electricity Safety, Quality and Continuity Regulations (ESQCR) / PME regulations rather than DCode requirements, therefore is best placed in Annex 2.
- P25 "The short-circuit characteristics of single-phase and three-phase low voltage distribution networks"; the document provides guidance on the design of Low Voltage network rather than place any obligations on DNOs or Users and is therefore best placed in Annex 2.
- TS41-24 "Guidance for the design, installation, testing and maintenance of main earthing systems in substations"; the document applies to fixed earthing systems for all Electricity Supply Industry AC transmission and distribution systems in the UK and equipment earthing within substations. The arrangements for connecting the DNO's Distribution System with earth shall be designed to comply with the requirements of the ESQCR and relevant European and British Standards. Therefore this document is best placed in Annex 2.
- ER S32 "Guide for assessing the rise of earth potential at substation sites"; the document applies to fixed earthing systems for all Electricity Supply Industry AC transmission and distribution systems in the UK and equipment earthing within substations. The arrangements for connecting the DNO's Distribution System with earth shall be designed to comply with the requirements of the ESQCR and relevant European and British Standards. Therefore this document is best placed in Annex 2.

The modification also proposes to move the following document from Annex 2 to Annex 1 of the Distribution Code:

- EREP 130 "Application guide for assessing the Capacity of Networks Containing Distributed Generation"; the document, when implemented, sets out the requirements a DNO must take in order to comply with Engineering Recommendation P2 which is an Annex 1 document. Therefore this document implements a Distribution Code requirement to comply with P2, and is best placed in Annex 1.

DCRP comments and licensee recommendation

The modification proposal was discussed at the DCRP meeting on 9 April 2020. The DNOs and DCRP recommend that the modification proposal be approved.

The final modification report to us considers that the modification will have a positive impact on distribution code objective (a), (c) and (d) by helping to focus priorities.

Industry consultation process

There was no consultation as the modification proposal makes no material changes to the supporting documents, only changing the way they are managed by the DCRP and ourselves.

Our decision

We have considered the issues raised by the modification proposal and in the Final Report dated 17 April 2020. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the applicable objectives of the Distribution Code;⁶ and
- approving the modification is consistent with our principal objective and statutory duties.⁷

Reasons for our decision

We consider that the modification proposal will better facilitate Distribution Code objective (d), and that it will have a neutral impact on all other objectives.

(d) promote efficiency in the implementation and administration of the Distribution Code.

We note that the modification proposal makes no material changes to the supporting documents of the Distribution Code. However, the restructure of Annex 1 and 2 ensures that Distribution Code requirements implemented through other industry documents are listed in Annex 1 of the Distribution Code, and that other industry documents which are not implemented via the Distribution Code, but do have a material impact on distribution network users are listed in Annex 2 of the Distribution Code. This should ease the understanding of the requirements of the Distribution Code, and help focus priorities. We therefore believe this modification proposal will better facilitate this Distribution code objective.

We note that the final modification report to us considers that the modification will also have a positive impact on distribution code objectives (a)⁸ and (c)⁹ by helping to focus priorities. Given the low materiality of the proposal, we consider the modification to have a neutral impact on these Distribution Code objectives.

Decision notice

In accordance with SLC 21.11 of the Electricity Distribution Licence, the Authority hereby directs that the modification to the Distribution Code set out in the Final Report to the Authority of 17 April 2020 be made.

Martin Queen

Principal Engineer - Systems & Networks

Signed on behalf of the Authority and authorised for that purpose

⁶ As set out in Standard Condition SLC 21.4 of the Electricity Distribution Licence available at: <https://epr.ofgem.gov.uk/Content/Documents/Electricity%20Distribution%20Consolidated%20Standard%20Licence%20Conditions%20-%20Current%20Version.pdf>

⁷ The Authority's statutory duties are wider than matters which the Panel and licensees must take into consideration and are largely provided for in statute, principally in this case the Electricity Act 1989.

⁸ Distribution Code objective (a): To permit the development, maintenance and operation of an efficient, coordinated and economical system for the distribution of electricity

⁹ Distribution Code objective (c): Efficiently discharge the obligations imposed upon DNOs by the Distribution Licence and comply with the Regulation (where Regulation has the meaning defined in the Distribution Licence) and any relevant legally binding decision of the European Commission and/or Agency for the Co-operation of Energy Regulators.