

DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to dcusa@electralink.co.uk for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

- PART A – Mandatory for all Change Proposals
- PART B – Mandatory for Non Charging Methodologies Proposals
- PART C – Mandatory for Charging Methodologies Proposals
- PART D – Guidance Notes

PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard
CP Number	DCP 232
Date of submission	11/02/2015
Attachments	[See Guidance Note 1]
Originator Details	
Company Name	Dave Wornell
Originator Name	WPD
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	dwornell@westernpower.co.uk
Phone Number	01179332032
Change Proposal Details	
CP Title	GP and GL Solution
Impacted parties	DNOs, IDNOs and Suppliers
Impacted Clause(s)	Schedule 17, Schedule 18
Part 1 / Part 2 Matter	Part 1
Provide your rationale why you consider this change is a Part 1 or Part 2 Matter	The changes affect prices and are therefore a part 1 matter.
Related Change Proposals	n/a
Change Proposal Intent	
To revise the legal text for the generation revenue within DCUSA in schedules 17 and 18 to allow for the change from the DPCR5 license to ED1 license.	
Business Justification and Market Benefits	
<p>It has been identified that the GP and GL terms which are aligned to the DCPR5 Distribution Licence no longer exist under the ED1 Distribution Licence.</p> <p>This change proposal seeks to change the wording for the GP term so that for the year 2014/15 the wording for the GP term points directly to the DPCR5 Distribution licence that is in existence during these years. For years 2015/16 onwards the GP term equals zero as the GP term will no longer exist as an incentive.</p> <p>This change proposal seeks to also address the GL term which does not exist in ED1 under DPCR5 definition.</p>	

Proposed Solution and Draft Legal Text

Schedule 17

12. EXPORT CAPACITY CHARGES

12.1 The EDCM includes an export capacity charge.

12.2 EDCM DG revenue target £/year = $GL * [Total\ 2005-2010\ EDCM\ generation\ capacity] / ([Total\ 2005-2010\ EDCM\ generation\ capacity] + [Total\ 2005-2010\ CDCM\ generation\ capacity]) + AGPa * [Total\ post-2010\ EDCM\ generation\ capacity] / ([Total\ post-2010\ EDCM\ generation\ capacity] + [Total\ post-2010\ CDCM\ generation\ capacity]) + (OM * ([Total\ Pre-2005\ EDCM\ DG\ capacity] + [Total\ Post-2010\ EDCM\ DG\ capacity]))$

Where:

The following definition of GL is to be decided by the workgroup

GL is the incentive revenue in the charging year in respect of generators connected between 2005 and 2010 calculated for the charging year by using the DG Close out value from the DG4 sheet of the DPCR5 Closeout Workbooks for the charging year and multiplying by the forecast value of RPIFt for the charging year.

Or

GL is equal to zero.

AGPa is the average of the values of GPa for the charging year and each of the two years immediately preceding the charging year.

For regulatory year 2014/2015 GPa is calculated using a modified version of the formula in paragraph 11.6 of the Electricity Distribution Licence (CRC11) from DPCR5. To calculate GPa, the term GPX is replaced by the term GPS in the formula in paragraph 11.6. Both GPX and GPS are defined in paragraph 11.7 of the same document.

For regulatory years 2015/16 onwards GPa is equal to zero.

Schedule 18

12. EXPORT CAPACITY CHARGES

12.1 The EDCM includes an export capacity charge.

12.2 First, an EDCM generation revenue target would be calculated as follows:

12.3 EDCM DG revenue target £/year = $GL * [Total\ 2005-2010\ EDCM\ generation\ capacity] / ([Total\ 2005-2010\ EDCM\ generation\ capacity] + [Total\ 2005-2010\ CDCM\ generation\ capacity]) + AGPa * [Total\ post-2010\ EDCM\ generation\ capacity] / ([Total\ post-2010\ EDCM\ generation\ capacity] + [Total\ post-2010\ generation\ capacity]) + (OM * ([Total\ Pre-2005\ EDCM\ DG\ capacity] + [Total\ Post-2010\ EDCM\ DG\ capacity]))$

Where:

The following definition of GL is to be decided by the workgroup

GL is the incentive revenue in the charging year in respect of generation connected between 2005 and 2010 calculated for the charging year by using the DG Close out value from the DG4 sheet of the DPCR5 Closeout Workbooks for the charging year and multiplying by the forecast value of RPIfT for the charging year.

Or

GL is equal to zero.

AGPa is the average of the values of GPa for the charging year and each of the two years immediately preceding the charging year.

For regulatory year 2014/2015 GPa is calculated using a modified version of the formula in paragraph 11.6 of the Electricity Distribution Licence (CRC11) from DPCR5. To calculate GPa, the term GPX is replaced by the term GPS in the formula in paragraph 11.6. Both GPX and GPS are defined in paragraph 11.7 of the same document.

For regulatory years 2015/16 onwards GPa is equal to zero.

Proposed Implementation Date

Tariffs effective from 1 April 2016.

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

- BSC
- CUSC
- Grid Code
- MRA
- SEC
- Other
- None

If other please specify

Consideration of Wider Industry Impacts

N/A

Environmental Impact

None

Confidentiality

N/A

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives

General Objectives:

Please tick the relevant boxes. [See Guidance Note 9]

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity
- 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- 4 The promotion of efficiency in the implementation and administration of this Agreement
- 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Detailed rationale for better facilitation of the DCUSA Objectives identified above

[See Guidance Note 10]

PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Charging Objectives

Please tick the relevant boxes. [See Guidance Note 11]

Charging Objectives:

- 1 that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by

the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence

- 2 that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)
- 3 that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business
- 4 that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business
- 5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

General Objectives:

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity
- 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- 4 The promotion of efficiency in the implementation and administration of this Agreement
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Detailed rationale for better facilitation of the DCUSA Objectives identified above

Charging Objective 1 and General Objective 3 are both better facilitated as a result of this change proposal by ensuring that the methodology and wording within DCUSA is consistent with the ED1 distribution Licence.

Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation

This matter has been discussed within the DCMF MIG from which this change proposal has originated from.

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. www.dcusa.co.uk

Ref	Data Field	Guidance
1	Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	Part 1 / Part 2 Matter	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
3	Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	Proposed Solution and Draft Legal Text	<p>Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions. The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting) which enacts the intent of the solution. The legal text will be reviewed by the Working Group (if convened) and is likely to be subject to legal review as part of its progress through the DCUSA change process.</p>
5	Proposed Implementation Date	<p>The Change can be implemented in February, June, and November of each year or as an extraordinary release. For Charging Methodology CPs, select an implementation date which takes in to consideration the deadlines for publishing indicative tariffs.</p> <ul style="list-style-type: none"> • Submission of Company indicative tariffs is 31 December of each year. • Final tariffs are published on 1 April of each year. <p>Please select an implementation date that provides sufficient time for the change to be incorporated into the appropriate charging model and the DCUSA in order to be reflected within the December indicative tariffs.</p> <p>Contact the DCUSA helpdesk for any further information on the releases dcusa@electralink.co.uk.</p>
6	Consideration of Wider Industry Impacts	Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.
7	Environmental Impact	Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the

		proposed variation being made. Please see Ofgem Guidance .
8	Confidentiality	Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem.
9	DCUSA General Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
10	Detailed Rationale for DCUSA Objectives	Provide detailed supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.
11	DCUSA Charging Objectives	Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.