

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 274
Date of submission	10 June 2016
Attachments	N/A
Originator Details	
Company Name	Neas Energy Ltd
Originator Name	Lars Weber
Category	Supplier
Email Address	Lars Weber lwe@neasenergy.co.uk
Phone Number	+45 (0) 9939 5764
Change Proposal Details	
CP Title	The application of export capacity charges in the EDCM
Impacted parties	Distributed generation
Impacted Clause(s)	12.3 in Schedule 17 and 12.6 in 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	This issue is considered a part 1 matter as it affects the level of charges for embedded generation and therefore impacts on competition for embedded generation as specified under 9.4.2 (A).
Related Change Proposals	N/a
Change Proposal Intent	
<p>The intent of this change proposal is to amend the EDCM methodology to ensure that distributed generation and storage sites do not pay distribution use of system charges twice for the import and export from a site where the same assets are used.</p>	
Business Justification and Market Benefits	
<p>The current EDCM methodology applies an import capacity charge and export capacity charge to distributed generation sites (including storage). The export capacity charge primarily consists of an O&M charge which is set within the methodology at £0.2/kW (following the approval of DCP 232 which sets the GL and GPa components to zero). The import capacity also includes an O&M element.</p> <p>Distributed generation sites use the same distribution assets whether they are importing or exporting so should not be charged twice for using the same assets. Applying an export capacity charge to the Maximum Import Capacity (MEC) and an import capacity charge to the Maximum Import Capacity (MIC) effectively applies the same charge where the MIC and MEC overlaps.</p>	

Removing the application of this charge where the MIC and MEC overlap would make the resultant charges to distributed generation and storage more cost reflective.

Proposed Solution and Draft Legal Text

We propose to amend the EDCM methodology to apply the export capacity charge to the difference between the MEC and the MIC. To implement this change the legal text will require changes to clause 12.3 in Schedule 17 and 12.6 in Schedule 18 as follows:

12.6 The fixed export capacity charge in p/kVA/day is applied to the Chargeable Export Capacity **less the Maximum Import Capacity** of each EDCM Connectee. **If this calculation would result in a value less than zero then the Chargeable Export Capacity less the Maximum Import Capacity is deemed to be zero.**

Proposed Implementation Date

April 2018

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

BSC	<input type="checkbox"/>
CUSC	<input type="checkbox"/>
Grid Code	<input type="checkbox"/>
MRA	<input type="checkbox"/>
SEC	<input type="checkbox"/>
Other	<input type="checkbox"/>
None	<input type="checkbox"/>

If other please specify

Consideration of Wider Industry Impacts

This will remove a potential barrier to storage which would otherwise pay for both the import and export when connecting at EHV

Environmental Impact

N/a

Confidentiality

This change proposal is not confidential

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA General 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

This change proposal better meets general objective two as it removes a potential area of double charging and results in more cost reflective charges for both distributed generation and storage.

PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS

Charging Methodology Change Proposals should only be assessed against the DCUSA Charging Methodology Objectives and the General Change Proposals should be assessed on DCUSA General Objectives.

Only Change Proposals impacted by both Charging and General objectives are to be assessed on both General and Charging Objectives.

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.

Detailed rationale for better facilitation of the DCUSA Objectives identified above

This change proposal better meets charging objectives two and three as it removes a potential area of double charging and results in more cost reflective charges for both distributed generation and storage.

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

Discussed at Methodologies Issues Group in June

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	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.

		<p>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	<p>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.</p>
7	Environmental Impact	<p>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.</p>
8	Confidentiality	<p>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.</p>
9	DCUSA General Objectives	<p>Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.</p>
10	Detailed Rationale for DCUSA Objectives	<p>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.</p>
11	DCUSA Charging Objectives	<p>Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a</p>

		CDCM or EDCM change may also facilitate the DCUSA General objectives.
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