




DCUSA Change Report		At what stage is this document in the process?
<h2>DCP 295</h2> <h3>CVA Registrants acceding to the DCUSA</h3> <p><i>Raised on 07 March 2017 as a Standard Change</i></p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
<b>Purpose of Change Proposal:</b> <p>DCP 295 seeks to facilitate CVA Registrants using a Distribution System to accede to the DCUSA which will negate the need for bilateral Use of System Agreements between distributor Parties and the CVA Registrants, saving administrative cost and effort and promoting efficiency and consistency.</p>		
	<p>This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 295 – ‘CVA Registrants acceding to the DCUSA’</p> <p>Parties are invited to consider the proposed amendment (Attachment 1) and submit their votes using the Voting form (Attachment 2) to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> by <b>15 March 2019</b></p> <p>The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.</p> <p>If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> or telephone 020 7432 3011.</p>	
	 <p>Parties Impacted: <b>DNO Parties and IDNO Parties, Suppliers, DG Parties</b></p>	
	 <p>Impacted Clauses: Sections 1A, 1B, 1C, 2A, 2B, 2C and 3 Schedules 2B, 9, 11, 19 and 21</p>	

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Any questions?

Contact:

**Code Administrator**



**DCUSA@electralink.co.uk**



**020 7432 3011**

Proposer: **Western Power Distribution**



**rellis@westernpower.co.uk**



**01332 827 508**

## Timetable

The timetable for the progression of the CP is as follows:

### Change Proposal timetable

Activity	Date
Initial Assessment Report Approved by Panel	15 March 2017
Consultation issued to Parties	24 July 2017
Change Report issued for Voting	23 March 2018
Party Voting Ends	17 April 2018
Change Declaration Issued to the Authority	19 April 2018
Authority Send Back Letter Received	25 May 2018
Consultation re-issued to Parties and other industry bodies	30 July 2018
Change Report re-issued to Panel	13 February 2019
Change Report re-issued for Voting	22 February 2019
Second round of Party Voting ends	15 March 2019
Change Declaration re-issued to Parties	19 March 2019
Authority Decision	25 April 2019
Implementation of amended DCUSA legal text	First DCUSA Release following approval
Implementation of amended NTC legal text	Second DCUSA Release following approval

## 1 Summary

### What?

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract principally between electricity Distributors and electricity Suppliers and large Generators. Parties to the DCUSA can raise Change Proposals (CPs) to amend the Agreement with the consent of other Parties and (where applicable) the Authority.
- 1.2 This Change Proposal (CP) seeks to modify the DCUSA to facilitate DCUSA accession for parties who are the Registrants within the CVA arrangements of the Settlements system (CVA Registrants) for future and existing sites which are connected directly to Distribution Systems.

### Why?

- 1.3 Registrants of many CVA connections are already DCUSA Parties due to being Electricity Suppliers. These Parties therefore contract for Use of System with electricity Distributors under the DCUSA terms. However, there is a subset of CVA Registrants who are not DCUSA Parties and these currently must have a bespoke bilateral Use of System agreement with Distributors. This CP is intended to negate the need for bilateral agreements, through replacing them with the standard DCUSA terms, so saving cost and effort and efficiently applying consistent contract terms.

### How?

- 1.4 This CP proposes to make CVA Registrants a Party Category within DCUSA governance and include references to *CVA Registrants* in all relevant sections of the DCUSA document. It also proposes to amend the National Terms of Connection (NTC) to make it a condition that CVA-settled connections are registered to a DCUSA Party.

## 2 Governance

### Justification for Part 1 Matter

- 2.1 DCP 295 has been designated as a Part 1 Matter as the proposed change impacts the change control arrangements under DCUSA.

### Requested Next Steps

- 2.2 The Panel considered that the Working Group have carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 295.
- 2.3 The DCUSA Panel recommends that this CP:
  - Be issued to Parties for Voting.

### 3 Why Change?

#### Background of DCP 295

3.1 Persons requiring bilateral Use of System agreements with Distributors for energy trading purposes fall into two categories:

- **SVA Registrants**

The overwhelming majority of connections to GB distribution systems are registered in and traded through the GB Settlements System in the Supplier Volume Allocation (SVA) processes of the BSC. Registrants of SVA connections tend to be Licenced Electricity Suppliers, whose Supply Licences require them to accede to the DCUSA and Use of System is therefore provided under DCUSA contract terms.

- **CVA Registrants**

A comparatively small number of connections to GB distribution systems are registered in and traded through the GB Settlements System in the Central Volume Allocation (CVA) processes of the BSC. Although many CVA Registrants are also Licenced Electricity Suppliers and therefore DCUSA Parties, a small number do not have Supply Licences, and such non-Suppliers have no obligation currently to sign up to the DCUSA.

3.2 Consequently, for a Connection Point that is registered within CVA and the Registrant is not already a DCUSA Party, the CVA Registrant must enter into a bilateral Use of System Agreement with a Distributor in addition to there being a normal connection agreement.

3.3 This Use of System Agreement tends to mirror the terms of the DCUSA, but is a bilateral agreement involving both the Distributor and the CVA Registrant and a bespoke agreement may be required for each new site. This results in extra administrative effort and legal costs for both parties in the initial setting up of the contract and for ongoing maintenance, should variations be required due to legislation or regulatory change. Where variations are not agreed there is likely to be divergence between the industry standard terms (set out in DCUSA) and the bilateral contract. This adds to the complexity of contract management for all parties.

3.4 This change seeks to overcome these issues by changing the DCUSA to enable such CVA Registrants to accede and be represented within a Party Category. In addition, this CP proposes an amendment to the NTC that will oblige CVA site connectees on those terms to ensure that their Registrant is a DCUSA Party.

3.5 As the template used by Distributors for bilateral CVA Use of System Agreements closely reflects DCUSA terms, the Working Group believes that Registrant accession to DCUSA in place of bilateral agreements would not result in contractual terms which were less favourable or more onerous to any party. In addition, the DCUSA is in open governance and accession may enable affected parties to more readily engage in the DCUSA governance and change processes.

3.6 The Working Group confirmed and noted that parties who accede to DCUSA only in the category of CVA Registrant would not be required, under current arrangements, to contribute to DCUSA operational costs and would also not be subject to undue administration burden due to being a DCUSA party.

## 4 Solution

### DCP 295 Assessment

- 4.1 The DCUSA Panel established a Working Group to assess DCP 295. This Working Group consists of DNO representatives. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – [www.dcusa.co.uk](http://www.dcusa.co.uk).
- 4.2 The rationale for this CP being raised was that the creation of bilateral Use of System Agreements with some CVA Registrants is an inefficiency (in set up and change management) similar to that which DNOs historically faced with bilateral Use of System Agreement with Electricity Suppliers. This inefficiency was resolved by the creation of the multi-party DCUSA in 2006, as the DCUSA contains standard Use of System contractual terms which apply to the Parties. DCP 295 seeks to include terms within the DCUSA to facilitate CVA Registrants being Parties to DCUSA and to help to oblige them to be.
- 4.3 Currently within DCUSA, the existing Party Category for parties who require to use Distribution Systems for energy trading and are not Suppliers is named 'DG Parties' and is therefore exclusive to embedded generators. It is noted that there is only one member of this Party Category and not all CVA Registrants requiring Use of System are necessarily distributed/ embedded generators. Following discussion and its first consultation, the Working Group concluded that opening the Party Category to any type of CVA Registrant would be an improvement to DCUSA accessibility. The changes required to the DCUSA text to enable this change could consist of simple wording changes, replacing 'DG Party' with 'CVA Registrant'.
- 4.4 The Working Group discussed that for some sites the Owner and the Registrant are not the same so there is reason to have two separate agreements, one for Connection and one for Use of System, in place. It should be noted that some of the CVA Registrants are already DCUSA Parties by being Suppliers, therefore, changing the DCUSA terms to facilitate CVA Registrants to accede to DCUSA would mean that all users of the Distribution System (who are party to DCUSA) are on consistent terms. The relationship between the CVA Registrant and the Owner would be treated in the same way as the relationship between Suppliers and Customers.
- 4.5 As an attempt to amend the BSC to oblige CVA Registrants to accede to DCUSA was unavailable, as described in section 9.1 below, it was agreed that the best way to move forward with this would be to amend the National Terms of Connection so that CVA customers on those terms would be obliged to use CVA Registrants who are DCUSA Parties. While this may not cover all situations, it was felt that this was the best solution to avoid a situation where CVA Parties may become DCUSA Parties, but only Suppliers do so.

### DCP 295 First Consultation and Working Group conclusions

- 4.6 The Working Group carried out a consultation (Attachment 4) to give DCUSA Parties, BSC Parties and Generator Trade Associations an opportunity to review and comment on the proposed DCP

295 solution. The Working Group issued the consultation to DCUSA Contract Managers and Ofgem on 24 July 2017 to determine whether Parties:

- Understood the intent of the change;
- Agreed that there were no impacts on the existing connection agreements between Distributors and Customers;
- Agreed that there were no impacts on the existing Use of System terms between Distributors and CVA Registrants;
- Agreed that CVA Registrants should replace the DG Party Category; and
- Agreed with the proposed legal text changes and changes made to the National Terms of Connection.

4.7 There were six responses received to the consultation, all of which were from Distribution Network Operators (DNOs). The Working Group discussed each response and its comments are summarised alongside the collated consultation responses in Attachment 4.

4.8 A summary of the responses received, and the Working Group's conclusions are set out below:

#### **Question 1: Do you understand the intent of DCP 295?**

4.9 All respondents understood the intent of the CP.

#### **Question 2: Are you supportive of DCP 295?**

4.10 All respondents were supportive of DCP 295.

#### **Question 3: Will there be an impact on the existing connection agreements between Distributors and Customers?**

4.11 The majority of respondents were happy that there would not be any impacts on their existing connection agreements. However, one DNO suggested that existing connection agreements would need to be amended or replaced with the National Terms of Connection.

4.12 Following on from discussions, the Working Group concluded that some DNOs may wish to review existing connection agreements to determine whether amendments would be needed.

#### **Question 4: Will there be an impact on the existing Use of System terms between DNOs and CVA Registrants?**

4.13 All respondents agreed that there would not be any impacts on the existing Use of System terms. The Working Group wanted to highlight that, as stated in their response to question 3, the DNOs may wish to make a decision to review their existing Use of System terms to determine whether any amendments would be needed.

**Question 5: Do you prefer to add CVA Registrants into DCUSA as a new Party Category or to replace the DG Party Category?**

- 4.14 The respondents provided a 50:50 response to this question, with three DNOs preferring to add CVA Registrants as a new Party Category and three DNOs preferring to replace the DG Party category.
- 4.15 The Working Group concluded that they would prefer to accept the solution of replacing the DG Party category with a CVA Registrant category. The decision was made based on the fact that there is currently only one DG Party that has acceded to the DCUSA and there would not be any changes to their terms by replacing their Party Category with CVA Registrant.

**Question 6: Do you have any comments on the proposed legal text for DCP 295, including the changes to the National Terms of Connection?**

- 4.16 The majority of respondents agreed that they were happy with the proposed legal text for DCP 295. However, one DNO provided some suggested amendments which the Working Group was happy to include.
- 4.17 One DNO questioned how a customer would fulfil the obligations suggested in 4.1.3. The Working Group concluded that there was sufficient information in the public domain for the customer to be able to determine whether their Registrant was a DCUSA Party. The Working Group also identified a need for communications with directly connected CVA customers and registrants.

**Question 7: Do you think for clarity the DCUSA legal text should also specify that an existing Supplier, DNO or IDNO DCUSA Party cannot be treated as a CVA Registrant?**

- 4.18 Once again, respondents were split on their preference for whether the legal text should specify that an existing Supplier, DNO or IDNO DCUSA Party cannot be treated as a CVA Registrant.
- 4.19 The Working Group decided that they would ask the legal advisors for their opinion and update the legal text accordingly, if required.

**Question 8: Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments.**

- 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**

4.20 There was a mixed response to which DCUSA General Objective was better facilitated by this change. The Working Group concluded that they believe that DCUSA General Objectives 1, 2 and 3 were better facilitated.

4.21 This was decided because the change provides better control over there being Use of System agreements in place, it means that Use of System Parties are on the same terms and it helps to prevent any risk of discrimination in providing Use of System.

**Question 9: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?**

4.22 All respondents agreed that there were no wider industry developments that may impact upon or be impacted by the implementation of this Change Proposal.

**Question 10: Are there any alternative solutions or unintended consequences that should be considered by the Working Group?**

4.23 All respondents agreed that they are happy that there are no alternative solutions or unintended consequences that should be considered by the Working Group.

**Question 11: The proposed implementation date for DCP 295 is the 01 November 2017. Do you agree with the proposed implementation date?**

4.24 All respondents agree that they are happy with an implementation date of 01 November 2017 for this change.

**Question 12: Does there need to be a phased approach to the implementation of this CP (through the NTC changes being enacted later) and if so, how long and why?**

4.25 The majority of respondents believe that a phased approach to implementation would be beneficial for this change.



4.26 The Working Group concluded that the amendments to DCUSA should be implemented in a first DCUSA release and the amendments to the National Terms of Connection should be implemented in a second DCUSA release later. The phased approach was agreed to allow a period of time to enable affected parties to accede to DCUSA and for Distributors to review existing agreements to identify any requirement to amend these because of this Change.

### **Authority Send Back Letter**

4.27 On 25 May 2018, the Authority published a Send Back Letter (Attachment 5) to inform the DCUSA Panel that they could not make a determination on this CP and requested that further work needed to be conducted to obtain further views on the impact this CP would have on existing and future CVA Registrants.

4.28 The Working Group reconvened on 27 June 2018 to review the Authority Send Back Letter and to decide their next steps for the CP. The Working Group agreed that they would update their initial consultation document to highlight more clearly what the rights and obligations would be of any existing CVA Registrants and any new CVA Registrants that would be required to accede to the Code, and reissue it.

### **DCP 295 Second Consultation and Working Group Conclusions**

4.29 The Working Group carried out a second consultation (Attachment 4) to give industry the opportunity to review and comment on the proposed solution for DCP 295.

4.30 One of the criteria for Ofgem being unable to make a determination initially was due to the fact they did not believe that enough existing and future CVA Registrants had been engaged with during the development of the CP. Therefore, the Working Group agreed that they would send the second consultation document wider than they previously had. The consultation was sent to the following industry parties:

- DCUSA Parties;
- BSC Parties;
- Energy UK;
- The Association of Decentralised Energy (ADE);
- Scottish Renewables;
- Solar Trade Association; and
- Renewable Energy Association.

4.31 In addition to the above, the DNO Working Group members have written all of their CVA connected sites to send them a copy of the second consultation document and provide them with explicit

opportunity to respond. The DCUSA Secretariat also requested this of the DNO Parties that were not Working Group members and it was confirmed that they had done this.

4.32 Also, as part of one respondents' comment to one of the second consultation questions, they offered to provide contact details of one of the CVA Registrants operating from their partner business. The Secretariat requested these details and shared them with the Working Group for the DNOs to contact them to discuss the changes.

4.33 The Working Group issued the consultation on 30 July 2018 for a period of five-weeks, however, after the response deadline there will still limited responses to the consultation and so the Working Group agreed that they should extend the deadline for a further two weeks. The consultation allowed the Working Group to determine whether Parties:

- Understood the intent and were supportive of the change;
- Agreed that there were no impacts on the existing connection agreements between Distributors and Customers;
- Agreed that there were no impacts on the existing Use of System terms between Distributors and CVA Registrants;
- Agreed that CVA Registrants should replace the DG Party Category; and
- Agreed with the proposed legal text changes and changes made to the National Terms of Connection.

4.34 There were eight responses received to the consultation, four of which were from Distribution Network Operators (DNOs), one Supplier, one power generation association, one generation trading company and one energy trade association. The Working Group discussed each response and its comments are summarised alongside the collated consultation responses in Attachment 4.

4.35 A summary of the responses received, and the Working Group's conclusions are set out below:

#### **Question 1: Do you understand the intent of DCP 295?**

4.36 The Working Group noted that six respondents to this question highlighted that they understood the intent of the CP. However, the Supplier respondent explained that they thought that the CP was aiming to "facilitate" accession to DCUSA of a CVA Registrant, but the detail seemed to show that the solution was to mandate accession. The Supplier also suggested that the impact of accession on particular sites needed to be made clearer.

4.37 The Working Group noted all responses and concluded that they were happy that the majority of respondents understood the intent of the CP. It was also highlighted that section 8.5 of the second consultation document stated some impacts on CVA Registrants, however, the Working Group welcomed the opportunity to provide further clarity on this. It was agreed that the Working Group would provide a matrix to show the impacts on CVA Registrants in the different scenarios in more detail and this matrix can be seen below:

	Existing CVA that has STC terms implied into Connection Agreement	Existing CVA that does not have STC terms implied into Connection Agreement	New Site
<b>Existing DCUSA Party</b>	No effect as already acceded to the DCUSA and bound by its terms.	No effect unless DNO and CVA Registrant both agreed to align agreement with STC.	As the registrant is already acceded to the DCUSA this would just mean that the connection agreement and other related terms would be comparable to a supplier of an SVA site.
<b>Non DCUSA Party</b>	CVA Registrant would have to accede to the DCUSA during the 9- month period between the 2 parts of this change.	No effect unless DNO and CVA Registrant both agreed to align connection agreement with STC in which case CVA Registrant would have to acceded to the DCUSA.	As part of the process of agreeing the connection agreement the CVA registrant would have to accede to the DCUSA and this would mean the connection agreement and other related terms would be comparable to a supplier of an SVA site.
<b>Non DCUSA Party becoming DCUSA Party for an unrelated reason</b>	Not applicable.	No effect unless DNO and CVA Registrant both agreed to align agreement with STC.	Not applicable.

## Question 2: Are you supportive of DCP 295?

4.38 Six respondents to this question highlighted that they were supportive of DCP 295, with the generation trading company stating that they were “strongly” supportive.

- 4.39 One respondent explained that they felt that they were unable to assess the true impact of the CP and were hoping that CVA customers affected by the CP would need to be engaged with directly by the DNO. The Working Group highlighted that they had attempted to contact their CVA connected customers when the consultation was issued to industry and this was also requested of the DNO parties who are not Working Group members.
- 4.40 One respondent also discussed that although they were supportive of DCP 295, they thought that CVA Registrants acceding to DCUSA should be voluntary rather than mandatory requirement. The Working Group noted the response; however, they had decided to continue to progress DCP 295 as it is currently written, meaning that accession to DCUSA would be mandatory for CVA Registrants if the NTC applied. Providing an optional solution would defeat the intent of the CP.
- 4.41 The Working Group concluded that the majority of the respondents to the second consultation were supportive of DCP 295.

**Question 3: Will there be an impact on the existing connection agreements between Distributors and Customers?**

- 4.42 The majority of respondents to question three noted that they did not think that the existing CVA Connection agreements would be affected by the implementation of this CP.
- 4.43 A Supplier responding to the question discussed that they thought that it was inappropriate for the Working Group to expect existing CVA customers to provide insight to this as it would be better suited for the DNOs to provide the information. The Working Group noted that the question was relevant as it allowed DNO Parties who are not members of the Working Group to provide responses and allowed all consultees to raise any concerns that they may have. The respondent also offered to provide contact details for colleagues that are responsible for a number of CVA sites across the country to allow the DNOs to be able to engage more effectively. The Working Group relished the opportunity and requested the contact details from the Supplier.
- 4.44 In conclusion, the Working Group believes that existing connection agreements between Distributors and CVA connected customers would be affected by the implementation of this CP.

**Question 4: Will there be an impact on the existing Use of System terms between DNOs and CVA Registrants? Please explain your rationale.**

- 4.45 The Working Group concluded that the responses to this question mirrored those received to question three. The majority of respondents did not believe that existing Use of System terms between Distributors and CVA Registrants would be impacted by the implementation of this CP.

**Question 5: Do you have any comments on the proposed legal text for DCP 295, including the changes to the National Terms of Connection?**

- 4.46 All respondents to this question provided no amendments or comments to the proposed legal text or the changes to the NTCs.
- 4.47 The Working Group concluded that they were happy with the current version of the legal text and this would not be amended due to no comments being received by respondents of the consultation.

**Question 6: Do you think for clarity the DCUSA legal text should also specify that an existing Supplier, DNO or IDNO DCUSA Party cannot be treated as a CVA Registrant as well?**

- 4.48 There were varying responses to this question with some respondents suggesting that clarity needed to be included and some responses suggesting that the current drafting was sufficient. Therefore, the Working Group agreed that the drafting of the legal text was appropriate in its current state, however, this would be re-reviewed once legal advice has been received from the DCUSA Legal Advisors. More information about the advice received can be found in section 8 below.

**Question 7: Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments.**

- 4.49 Once again, there were varying responses to this question, however, the Working Group concluded that the majority of respondents believe that DCUSA General Objectives 3 and 4 would be better facilitated by the implementation of this CP.
- 4.50 More information about the DCUSA Objectives can be found in Section 5 below.

**Question 8: Do you believe that only a small number of CVA Registrants would be impacted by this Change Proposal? Please provide your rationale.**

- 4.51 The majority of respondents to this question believe that there would only be a small number of CVA Registrants impacted by this CP.
- 4.52 The Working Group concluded that only a small number of CVA Registrants would be impacted by this CP and although numbers of these Parties may increase in the future, a common set of terms and easier market entry would be beneficial.

**Question 9: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?**

- 4.53 The majority of respondents did not think that there were any wider industry developments that the Working Group should consider.
- 4.54 One respondent highlighted that the Working Group may want to consider Ofgem's Access and Forward-Looking Charges Task Forces to determine whether the standardisation of connection

terms is consistent with Ofgem's direction of travel. The Working Group noted the response but believes that this CP does not affect the connection terms and only affects the Use of System terms. Should the access arrangements effect future Use of System terms DCUSA will need to consider this separately.

- 4.55 The Working Group concluded that there were no wider industry developments that may impact on or be impacted by the implementation of this CP.

**Question 10: Are there any alternative solutions or unintended consequences that should be considered by the Working Group?**

- 4.56 The majority of the respondents to this question highlighted that they did not believe that there were any alternative solutions or unintended consequences that the Working Group should consider.
- 4.57 One respondent suggested that the accession of CVA Registrants should be made voluntary and not mandatory. The Working Group highlighted that they noted the response and had provided their comments on their suggestion within question two.
- 4.58 A further respondent suggested that changing DG Party to CVA Party seem limited to 'facilitating' accession to DCUSA should the 'mandatory' element introduced by the proposed changes to the NTC. The Working Group noted that all other services have standardised mandatory agreements and therefore, this CP is addressing this in regard to connections of CVA sites. The CP is aiming to apply consistency by addressing the anomaly in the current contractual arrangements that have not been addressed until now.
- 4.59 The Working Group concluded that they are happy to progress the CP as it is currently written, and no alternative solutions or unintended consequences should be considered any further by Working Group members.

**Question 11: Do you agree with the phased approach for the implementation of this change? Please provide your rationale.**

- 4.60 The Working Group concluded that the phased approach for implementation is supported by the respondents to the consultation as it would allow CVA Registrants to accede to DCUSA without being in breach of the NTC.

### Request for Information

- 4.61 As part of the development of this CP, the Working Group also conducted a request for information to determine how many connected CVA sites would be affected by this change. The results were as follows:

	Number of CVA connected sites	Number of those CVA sites who may need to accede to DCUSA	Average rate per year at which CVA sites have connected to the network
Electricity North West	17	4 companies	Static for a number of years – 4 CVA sites in 2018
Northern Powergrid	58 (some of which include multi meter sites)	6 companies	1 CVA site per year on average
Scottish and Southern Energy Networks	26	6 companies	2 CVA sites per year since 2009/10
Scottish Power Energy Networks	16	3 companies	5 CVA sites in 2016, 2 in 2017 and 0 in 2018
UK Power Networks	15	3 companies	1 CVA site per year on average
Western Power Distribution	25	2 companies	2 CVA sites per year on average

## 5 Relevant Objectives

- 5.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better meets the DCUSA Objectives. The Working Group sought Parties views on which of the DCUSA General Objectives are better facilitated by this change.
- 5.2 The respondents provided various responses to which DCUSA Objectives were generally better facilitated. The table below showcases the responses received:

### Impact of the Change Proposal on the Relevant Objectives:

Relevant Objective	Identified impact	Rationale
General Objective One – The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated and economical Distribution Networks	Positive	The creation and maintenance of bespoke bilateral Use of System Agreements will no longer be



		necessary, with associated efficiency and cost improvements for distributors.
General Objective Two – 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	Positive	By application of DCUSA terms to all CVA Registrants, Use of System terms will be consistent, transparent and subject to open governance, all of which are beneficial to effective competition.
General Objective Three – The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	Positive	The Change provides a means for distributors to more efficiently discharge Licence Condition 12 with respect to provision of CVA Registrant Use of System terms than the current bilateral agreement arrangements.

- 5.3 Having considered the views of all parties the Working Group concluded that DCUSA General Objectives 1, 2 and 3 will be better facilitated with the implementation of this CP.

## 6 Impacts & Other Considerations

### Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

- 6.1 No

### Consumer Impacts

- 6.2 The NTC changes will oblige CVA customers on those terms to potentially take action with their CVA Registrant.

### Environmental Impacts

- 6.3 In accordance with DCUSA Clause 11.14.6, the Working Group assessed whether there would be a material impact on greenhouse gas emissions if DCP 295 were implemented. The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

### Engagement with the Authority

- 6.4 Ofgem has been fully engaged throughout the development of DCP 295 as an observer on the Working Group.

## 7 Implementation

- 7.1 The Working Group concluded that a phased approach to implementation should be taken. This would mean that the amendments to the DCUSA legal text would be implemented in the first DCUSA Release following approval by the Authority and the amendments to the National Terms of Connection legal text would be implemented in the next DCUSA Release.

## 8 Legal Text

- 8.1 The DCP 295 draft legal text acts as Attachments 1a and 1b to this Change Report.
- 8.2 The draft legal text amends Sections 1A, 1B, 1C, 2A, 2B, 2C and 3 Schedules 2B, 9, 11, 19 and 21. There are also amendments to the National Terms of Connection legal text. The DCUSA legal text replaces DG Party with CVA Registrant. There are also changes to the Conditions Precedent in Section 2A. The NTC changes would require customers to ensure their Registrants have acceded to the DCUSA.
- 8.3 As noted in paragraph 4.46, and in relation to question 6 of the second consultation, there were varying responses to the question of whether clarity was needed in the legal text to specify that an existing Supplier, DNO or IDNO Party cannot be treated as a CVA Registrant as well. Some respondents suggested that clarity would be of benefit, whilst others suggested that the current drafting was sufficient. Therefore, the Working Group agreed that the drafting of the legal text was appropriate in its current state, however, sought advice from the DCUSA legal advisors on this matter.
- 8.4 The legal advisors, upon returning the legal text to the Working Group, noted that if a Party is in more than one Party Category, it can vote in both Party Categories. That is the current case if a Supplier Party is also a DG Party. It was noted that this in either/both cases where Parties vote on CPs under clause 12, and/or vote to elect Panel members under clause 6.
- 8.5 The Working Group discussed this existing anomaly, specifically if it is appropriate for a single entity to have a vote in more than one Party Category but noted that they hadn't realised that this already exists with Supplier and DG Parties. The Working Group agreed that DCP 295 doesn't change the status quo but just that it has been uncovered as they have worked through the modification process.
- 8.6 The Working Group concluded that making changes to the legal text that impact upon the voting arrangements for CPs and Panel Elections is outside the scope of DCP 295. It was agreed that the Panel should be made aware of this matter so that they can consider it in more detail and reach a decision on whether anything needs to change in the current arrangements. The Secretariat noted that they will raise this at the next Panel meeting and will include it in the Housekeeping Log that is designed to track these types of items that are periodically raised.
- 8.7 The Proposer of the change is satisfied that the legal text meets the intent of the change.

## 9 Code Specific Matters

- 9.1 A concurrent CP was originally raised with the Balancing and Settlement Code (BSC) in order to oblige CVA Registrants to accede to DCUSA but this could not be progressed as the BSC Governance process considered it did not meet the BSC Objectives. On this basis, the proposal to incorporate changes to the NTC was identified as a mechanism to require CVA Registrants to be DCUSA Parties.

### Modelling Specification Documents

- 9.2 Not applicable.

### Reference Documents

- 9.3 Not applicable.

## 10 Recommendations

### Panel's Recommendation

- 10.1 The Panel approved this Change Report on 20 February 2019. The Panel considered that the Working Group had carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 295.
- 10.2 The Panel have recommended that this report is issued for Voting and DCUSA Parties should consider whether they wish to submit views regarding this Change Proposal.

### Attachments

- Attachment 1 – DCP 295 DCUSA Legal Text
- Attachment 2 – DCP 295 Voting Form
- Attachment 3 – DCP 295 Change Proposal
- Attachment 4 – DCP 295 Consultations and Collated Responses
- Attachment 5 – DCP 295 Authority Send Back Letter