



DCUSA DCP 342 Change declaration

Voting end date: 9 August 2019

DCP 342	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	CVA REGISTRANTS	GAS SUPPLIER
CHANGE SOLUTION	Reject	Accept	Accept	n/a	n/a
IMPLEMENTATION DATE	Accept	Accept	Accept	n/a	n/a
RECOMMENDATION	<p>Change Solution – Accept.</p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the change solution was more than 50%. In accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the change solution be Accepted.</p> <p>Implementation Date – Accept.</p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was more than 50%. In accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the implementation date be Accepted.</p>				
PART ONE / PART TWO	<p>Part One – Authority Determination Required</p>				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				
Electricity North West Limited	Accept	Accept	<p>We believe this change will better facilitate the DCUSA charging objectives as below:</p> <p>Charging Objective One: Standard Licence Condition four of the electricity distribution licence requires that distributors operate their businesses in a way that does not distort competition in the generation of electricity. This CP will ensure that storage facilities connected at EHV are able to compete on a level playing field with traditional embedded generation technologies, and so will avoid a distortion to competition in the generation of electricity.</p> <p>Charging Objective Two: This CP will ensure that storage facilities connected at EHV are able to compete on a level playing field with traditional embedded generation technologies, and so will avoid a distortion to competition in the generation of electricity.</p> <p>Charging Objective Three: This CP will increase the cost-reflectivity of tariffs for storage facilities by ensuring they are not exposed to residual charges.</p> <p>Charging Objective Four: DNOs are seeing an increase in the number of applications for the connection of storage facilities to their networks. This CP will ensure that such storage facilities can compete on a level playing field with other embedded generators.</p>	This change addresses the distortion in competition that applies to standalone storage sites only. However, this doesn't restrict other parties from bringing forwards proposals that could address mixed demand/generation/storage sites in the future, perhaps supported by other industry developments.
Northern Powergrid (Northeast) Ltd	Reject	Reject	<p>This change will have a negative impact on the DCUSA Charging Objectives.</p> <p>Charging Objective two will be negatively impacted.</p>	We are supportive of a level playing field between storage and other forms of embedded generation. Such a level playing field exists under the current arrangements as both storage and other embedded generation pay
Northern	Reject	Reject	By removing residual charging from standalone storage only, this change will create a distortion	

Powergrid (Yorkshire) plc			<p>between standalone storage and other embedded generation.</p> <p>Charging Objective one will be negatively impacted. The application of residual charging to 'final demand' only has not yet been justified. As a result, we consider any change which moves the burden of residual charging from demand which is not 'final demand' onto 'final demand' (which DCP 342 will do) will reduce cost-reflectivity.</p> <p>If the justification for the application of residual charges to 'final demand' were provided, the negative impact on Charging Objective two would remain but there would be an argument for an offsetting positive impact on Charging Objective three.</p>	<p>residual in respect of their associated imports. If implemented, this change would introduce distortions into the market.</p>
SP Distribution	Reject	Accept		
SP Manweb	Reject	Accept		
Eastern Power Networks	Reject	Reject	<p>We believe that charging objectives two and three will be negatively impacted as a result of these changes, in that a storage customer, for their import requirements, will be treated differently by not paying any residual which any other import customer would continue to pay under the changes proposed. This would result in a discriminatory allocation of costs between users who are essentially equally casual to those network costs.</p>	
London Power Networks	Reject	Reject		
South Eastern Power Networks	Reject	Reject		
WPD South West	Accept	Accept	<p>Charging objectives 1,2, 3 and 4 are positively effected</p>	
WPD South Wales	Accept	Accept		
WPD Mid West	Accept	Accept		
WPD Mid East	Accept	Accept		

IDNO PARTIES				
ESP Electricity	Accept	Accept	Objectives 1-4 (not 5 as we think it does not apply) of the general objectives and objectives 1-6 of the charging objectives. Key reason: Modification is consistent with principle of correctly targeting costs	
Leep Electricity Networks Limited	Accept	Accept	The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.	
SUPPLIER PARTIES				
British Gas	Accept	Accept	We believe charging objectives 1,2 and 4 are better facilitated for the reasons set out by the Proposer in the Change Report. We believe the change is neutral against charging objective 3, since the aggregate amount being recovered by residual charges is unchanged.	We note the impact assessment suggests EDCM charges could increase by a large percentage (up to 100%) for a minority of customers. We presume these large percentage movements relate to customers with unusually low EDCM charges to begin with and so are immaterial – however it would have been useful if the working group provided commentary on this as well as detail on the range of absolute £ impacts. This is perhaps something Ofgem could request and include with its decision.
npower	Accept	Accept		
UK Power Reserve Ltd.	Accept	Accept	UKPR agrees with the WG assessment that DCP 342 facilitates DCUSA Charging Objectives 1, 2, 3, 4	
CVA REGISTRANTS				
n/a				
GAS SUPPLIER PARTIES				
n/a				