

## DCP342 - Removal of residual charging for storage facilities in the EDCM

### Draft Legal Text

**Amend the introductory paragraph below 'Introduction' at the beginning of Schedule 17 as follows:**

This Schedule 17, version [TBC]10.0, is to be used for the calculation of Use of System Charges which will become effective from, [TBC]01 April 2018 and remain effective until superseded by a revised version.

**Amend paragraph 1.3 of Schedule 17 as follows:**

- 1.3 In order to comply with this methodology statement when setting distribution Use of System Charges the DNO Parties referred to above will populate the EDCM model version [TBC]F204 when issued by the Panel in accordance with Clause 14.5.3.

**Amend paragraph 18.18 of Schedule 17 as follows:**

- 18.18 A single asset based residual revenue charging rate is calculated for all EDCM Connectees. This is calculated as follows:

Residual revenue charging rate (per cent) =  $0.8 * (\text{EDCM demand revenue target} - \text{EDCM NR and DOC capacity contribution} - \text{Aggregate indirect cost contribution} - \text{SU recovery} - \text{FCP recovery}) / (\text{Total adjusted site-specific shared assets} - \text{Total adjusted site-specific shared assets for storage sites})$ .

Where:

EDCM NR and DOC capacity contribution is the sum of the import capacity based network rates and direct costs contribution from each EDCM Connectee.

Aggregate indirect cost contribution is the sum of the import capacity based and import sole use asset based indirect cost contribution from each EDCM Connectee.

SU recovery is the forecast notional recovery from the application of import fixed charges (before any rounding) for sole use assets relating to EDCM Connectees.

FCP recovery is the forecast notional recovery from the application of FCP demand charges (before any rounding) to all EDCM Connectees.

Total adjusted site-specific shared assets is the aggregate value (in £) of all adjusted site-specific shared assets for EDCM Connectees.

Total adjusted site-specific shared assets for storage sites is the aggregate value (in £) of all adjusted site-specific shared assets for EDCM Connectees that are Eligible Electricity Storage Facilities.

**Amend paragraph 18.19 of Schedule 17 as follows:**

- 18.19 The asset based charging rate for residual revenue is converted into a p/kVA/day import capacity based residual revenue charge for each EDCM Connectee which is not an Eligible Electricity Storage Facility.

Asset based residual revenue charges in p/kVA/day =  $(100 / DC) * TNAa * \text{Residual revenue rate}$

Where:

DC is the number of days in the Charging Year.

TNA is the total site-specific assets (£/kVA) for that EDCM Connectee.

Residual revenue rate is the residual revenue charging rate in per cent.

**Insert a new paragraph 18.19A in Schedule 17 as follows:**

18.19A The asset based residual revenue charge for each EDCM Connectee which is an Eligible Electricity Storage Facility shall be zero.

**Amend paragraph 18.20 of Schedule 17 as follows:**

- 18.20 A fixed adder in p/kVA/day for the remaining 20 per cent of residual revenue is calculated as follows:

~~Single-f~~Fixed adder in p/kVA/day =  $100 / DC * 0.2 * (\text{EDCM demand revenue target} - \text{EDCM NR and DOC capacity contribution} - \text{Aggregate indirect cost})$

contribution - SU recovery - FCP recovery) / (Volume for scaling – Volume for scaling for storage sites).

Where:

DC is the number of days in the Charging Year.

EDCM demand target is the EDCM demand revenue target calculated as described in the previous section.

EDCM NR and DOC capacity contribution is the sum of the import capacity based direct costs contribution from each EDCM Connectee (from annex 3).

Aggregate indirect cost contribution is the sum of the import capacity based and import sole use asset based indirect cost contribution from each EDCM Connectee

SU recovery is the forecast notional recovery from the application of demand fixed charges (before any rounding) for sole use assets relating to EDCM Connectees.

FCP recovery is the forecast notional recovery from the application of FCP demand charges (before any rounding) to all EDCM Connectees only.

Volume for scaling is calculated as the sum of  $(0.5 + \text{coincidence factor}) \times \text{import capacity}$  for all EDCM Connectees.

Volume for scaling for storage sites is calculated as the sum of  $(0.5 + \text{coincidence factor}) \times \text{import capacity}$  for each EDCM Connectee that is an Eligible Electricity Storage Facility.

Coincidence factor is calculated as the forecast peak-time consumption in kW divided by maximum capacity in kVA of that Connectee (based on historical data) multiplied by  $(1 - (\text{Hours in super-red for which not a customer} / \text{Annual hours in super-red})) \times (\text{Days in year} / (\text{Days in year} - \text{Days for which not a customer}))$

Import capacity is the Maximum Import Capacity (adjusted if the Connectee is connected for part of the Charging Year) in kVA for that EDCM Connectee.

**Amend paragraph 18.21 of Schedule 17 as follows:**

18.21 The fixed adder in p/kVA/day is converted into an import capacity based charge for each EDCM Connectee which is not an Eligible Electricity Storage Facility as follows:

Import capacity based fixed adder in p/kVA/day = Fixed adder \* (0.5 + coincidence factor)

Where:

Fixed adder is the Distribution System-wide p/kVA/day fixed adder calculated as described in the previous paragraph.

Coincidence factor is calculated as the forecast peak-time consumption in kW divided by Maximum Import Capacity in kVA of that Connectee (based on historical data) multiplied by (1 - (Hours in super-red for which not a customer/Annual hours in super-red))\*(Days in year/(Days in year - Days for which not a customer)).

**Insert a new paragraph 18.21A in Schedule 17 as follows:**

18.21A The fixed adder for each EDCM Connectee that is an Eligible Electricity Storage Facility shall be zero.

**Insert new definitions in Section 3 of ‘Annex 1 – Implementation Guide’ in Schedule 17 as follows:**

Electricity Storage is the conversion of electrical energy into a form of energy, which can be stored, the storing of that energy, and the subsequent reconversion of that energy back into electrical energy.

Eligible Electricity Storage Facility means a facility at which Electricity Storage occurs, and if registered in an MPAS Registration System:

(a) has an export MPAN and an import MPAN with associated metering equipment which only measure export from Electricity Storage and import for or directly relating to Electricity Storage

(and not export from another source or import for another activity);

(b) all metering equipment referred to in point (a) above is CT metering; and

~~(a)~~(c) is subject to certification from a Supplier Party that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party;

or, if registered in CMRS:

(a) has an import Metering System and export Metering System which only measure export from Electricity Storage and import for or directly relating to Electricity Storage (and not export from another source or import for another activity);

(b) all metering equipment referred to in point (a) above is CT metering; and

(c) is subject to certification from the customer that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party.

**Amend the introductory paragraph below 'Introduction' at the beginning of Schedule 18 as follows:**

This Schedule 18, version [TBC]10.0, is to be used for the calculation of Use of System Charges which will become effective from, [TBC]01 April 2018 and remain effective until superseded by a revised version.

**Amend paragraph 1.3 of Schedule 18 as follows:**

- 1.3 In order to comply with this methodology statement when setting distribution Use of System Charges the DNO Parties referred to above will populate the EDCM model version [TBC]1.204 when issued by the Panel in accordance with Clause 14.5.3.

**Amend paragraph 18.18 of Schedule 18 as follows:**

- 18.18 A single asset based residual revenue charging rate is calculated for all EDCM Connectees. This is calculated as follows:

Residual revenue charging rate (per cent) =  $0.8 * (\text{EDCM demand revenue target} - \text{EDCM NR and DOC capacity contribution} - \text{Aggregate indirect cost contribution} - \text{SU recovery} - \text{LRIC recovery}) / (\text{Total adjusted site-specific shared assets} - \text{Total adjusted site-specific shared assets for storage sites})$ .

Where:

EDCM NR and DOC capacity contribution is the sum of the import capacity based network rates and direct costs contribution from each EDCM Connectee.

Aggregate indirect cost contribution is the sum of the import capacity based and import sole use asset based indirect cost contribution from each EDCM Connectee.

LRIC recovery is the forecast notional recovery from the application of LRIC demand charges (before any rounding) to all EDCM Connectees.

SU recovery is the forecast notional recovery from the application of import fixed charges (before any rounding) for sole use assets relating to EDCM Connectees.

Total adjusted site-specific shared assets is the aggregate value (in £) of all adjusted site-specific shared assets for EDCM (Load) Connectees.

Total adjusted site-specific shared assets for storage sites is the aggregate value (in £) of all adjusted site-specific shared assets for EDCM Connectees that are Eligible Electricity Storage Facilities.

**Amend paragraph 18.19 of Schedule 18 as follows:**

- 18.19 The asset based charging rate for residual revenue is converted into a p/kVA/day import capacity based residual revenue charge for each EDCM Connectee which is not an Eligible Electricity Storage Facility.

Asset based residual revenue charges in p/kVA/day =  $(100 / \text{DC}) * \text{TNAa} * \text{Residual revenue rate}$

Where:

DC is the number of days in the Charging Year.

TNA is the total site-specific assets (£/kVA) for that EDCM Connectee.

Residual revenue rate is the residual revenue charging rate in per cent

**Insert a new paragraph 18.19A in Schedule 18 as follows:**

18.19A The asset based residual revenue charge for each EDCM Connectee which is an Eligible Electricity Storage Facility shall be zero.

**Amend paragraph 18.20 of Schedule 18 as follows:**

18.20 A fixed adder in p/kVA/day for the remaining 20 per cent of residual revenue is calculated as follows:

~~Single fixed~~ Fixed adder in p/kVA/day =  $100 / DC * 0.2 * (\text{EDCM demand revenue target} - \text{EDCM NR and DOC capacity contribution} - \text{Aggregate indirect cost contribution} - \text{SU recovery} - \text{FCP/LRIC recovery}) / (\text{Volume for scaling} - \text{Volume for scaling for storage sites})$ .

Where:

DC is the number of days in the Charging Year.

EDCM demand target is the EDCM demand revenue target calculated as described in the previous section.

EDCM NR and DOC capacity contribution is the sum of the import capacity based direct costs contribution from each EDCM Connectee (from annex 3).

Aggregate indirect cost contribution is the sum of the import capacity based and import sole use asset based indirect cost contribution from each EDCM Connectee.

SU recovery is the forecast notional recovery from the application of ~~import demand~~ fixed charges (before any rounding) for sole use assets relating to EDCM Connectees.

LRIC recovery is the forecast notional recovery from the application of LRIC ~~demand~~ charges (before any rounding) to all EDCM Connectees only.

Volume for scaling is calculated as the sum of  $(0.5 + \text{coincidence factor}) * \text{import capacity}$  for all EDCM Connectees.

Volume for scaling for storage sites is calculated as the sum of (0.5 + coincidence factor)\* import capacity for each EDCM Connectee that is an Eligible Electricity Storage Facility.

Coincidence factor is calculated as the forecast peak-time consumption in kW divided by maximum capacity in kVA of that Connectee (based on historical data) multiplied by (1 - (Hours in super-red for which not a customer/Annual hours in super-red))\*(Days in year/(Days in year - Days for which not a customer))

Import capacity is the Maximum Import Capacity (adjusted if the Connectee is connected for part of the Charging Year) in kVA for that EDCM Connectee.

**Amend paragraph 18.21 of Schedule 18 as follows:**

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Import capacity based fixed adder in p/kVA/day = Fixed adder \* (0.5 + coincidence factor)

Where:

Fixed adder is the Distribution System-wide p/kVA/day fixed adder calculated as described in the previous paragraph.

Coincidence factor is calculated as the forecast peak-time consumption in kW divided by Maximum Import Capacity in kVA of that Connectee (based on historical data) multiplied by (1 - (Hours in super-red for which not a customer/Annual hours in super-red))\*(Days in year/(Days in year - Days for which not a customer)).

**Insert a new paragraph 18.21A in Schedule 18 as follows:**

18.21A The fixed adder for each EDCM Connectee that is an Eligible Electricity Storage Facility shall be zero.



**Insert new definitions in Section 3 of ‘Annex 1 – Implementation Guide’ in Schedule 18 as follows:**

Electricity Storage is the conversion of electrical energy into a form of energy, which can be stored, the storing of that energy, and the subsequent reconversion of that energy back into electrical energy.

Eligible Electricity Storage Facility means a facility at which Electricity Storage occurs, and if registered in an MPAS Registration System:

(a) has an export MPAN and an import MPAN with associated metering equipment which only measure export from Electricity Storage and import for or directly relating to Electricity Storage (and not export from another source or import for another activity);

(b) all metering equipment referred to in point (a) above is CT metering; and

~~(b)~~(c) is subject to certification from a Supplier Party that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party;

or, if registered in CMRS:

(a) has an import Metering System and export Metering System which only measure export from Electricity Storage and import for or directly relating to Electricity Storage (and not export from another source or import for another activity);

~~(a)~~(b) all metering equipment referred to in point (a) above is CT metering; and

(c) is subject to certification from the customer that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party.