

## 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](mailto: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

<b>Document Control</b>	
CP Status	Standard
CP Number	DCP 222
Date of submission	02/12/2014
Attachments	[See Guidance Note 1]
<b>Originator Details</b>	
Company Name	WPD
Originator Name	Simon Yeo
Category	<del>DG</del> / DNO / IDNO / <del>OTSO</del> / SUPPLIER / OTHER
Email Address	syeo@westernpower.co.uk
Phone Number	01179332349
<b>Change Proposal Details</b>	
CP Title	Non billing of excess Reactive Power charges
Impacted parties	Generators, DNOs, IDNOs and Suppliers
Impacted Clause(s)	Schedule 16
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 are part of schedule 16 are treated as a part 1 matter.
Related Change Proposals	n/a
<b>Change Proposal Intent</b>	
To allow Network operators to not charge reactive power charges to generators who operate, at the instruction of the network operator, with a power factor less than 0.95.	
<b>Business Justification and Market Benefits</b>	
As highlighted in the System Operability Framework issued by National Grid in September 2014, there is currently a rapidly emerging issue around falling var demand leading to high voltage levels on the National Electricity Transmission System operated by National Grid under low load conditions. Following recent Statement of Works Applications to National Grid under the CUSC we are adding connection conditions to generation connection offers to operate to help control reactive flows. These may result in generators being required to operate outside of the 0.95 power factor limit to help with this system wide voltage control issue. As such those generators would currently be charged an excess reactive power charge. This is unfair given that those generators would be doing so for wider system benefits of all customers. The removal of the excess reactive power charge would therefore be appropriate where a DNO requests a generator to operate outside of the 0.95 power factor limit.	
<b>Proposed Solution and Draft Legal Text</b>	
Take the current DCUSA document page 544, paragraph 146 table 7, and insert new tariffs with no	

reactive power charges being applied to them. Also, insert a new note 7, which says “Where a DNO has requested a generator to operate with a power factor of less than 0.95, excess reactive power charges will not be applicable.”

For clarity please see the relevant part of DCUSA below.

Table 1: Half-hourly metered generation tariffs				
Point Connection	Of	Unit Rate	Other Charges	Tariff Name
LV	One		Fixed and Reactive Power	LV Generation Intermittent
LVS				LV Sub Generation Intermittent
LV	Three	LV Generation Non-Intermittent		
LVS		LV Sub Generation Non-Intermittent		
HV	One	HV Generation Intermittent		
HV	Three	HV Generation Non-Intermittent		
LV	One	Fixed	LV Generation Intermittent no RP charge	
LVS			LV Sub Generation Intermittent no RP charge	
LV	Three		LV Generation Non-Intermittent no RP charge	
LVS			LV Sub Generation Non-Intermittent no RP charge	
HV	One		HV Generation Intermittent no RP charge	
HV	Three		HV Generation Non-Intermittent no RP charge	

Note 1: A single-rate tariff is applied to NHH settled generation, as there is no readily available and accurate information about the time at which units are delivered.

Note 2: Intermittent generation is defined as a generation plant where the energy source of the prime mover cannot be made available on demand, in accordance to the definitions in Engineering Recommendation P2/6. These include wind, tidal, wave, photovoltaic and small hydro. The operator has little control over operating times therefore, a single-rate tariff (based on a uniform probability of operations across the year) will be applied to intermittent generation.

Note 3: Non-intermittent generation is defined as a generation plant where the energy source of the prime mover can be made available on demand, in accordance to the definitions in Engineering Recommendation P2/6. The generator can choose when to operate, and bring more benefits to the network if it runs at times of high load. These include combined cycle gas turbine (CCGT), gas generators, landfill, sewage, biomass, biogas, energy crop, waste incineration and combined heat and power (CHP). A three-rate tariff will be applied to generation credits for half-hourly settled non-intermittent generation.

Note 4: LV Sub Generation applies to customers connected to the DNO Party's network at a voltage of less

than 1 kV at a substation with a primary voltage (the highest operating voltage present at the substation) of at least 1 kV and less than 22 kV, where the current transformer used for the customer's settlement metering is located at the substation.

Note 5: not used.

Note 6: Note 4 above for LV generation substation tariffs will be applied for new customers from 1 April 2010.

Note 7: Where a DNO has requested a generator to operate with a power factor of less than 0.95, excess reactive power charges will not be applicable.

#### **Proposed Implementation Date**

Implementation in the next release of DCUSA.

#### **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 checked="" type="checkbox"/>

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 wording within DCUSA does not create an inconsistency with the Distribution Licence, which would be in place at that time.

**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](http://www.dcusa.co.uk)

Ref	Data Field	Guidance
1	<b>Attachments</b>	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	<b>Part 1 / Part 2 Matter</b>	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	<b>Related Change Proposals</b>	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	<b>Proposed Solution and Draft Legal Text</b>	Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take

		<p>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>
<b>5</b>	<b>Proposed Implementation Date</b>	<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"> <li>• Submission of Company indicative tariffs is 31 December of each year.</li> <li>• Final tariffs are published on 1 April of each year.</li> </ul> <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 <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a>.</p>
<b>6</b>	<b>Consideration of Wider Industry Impacts</b>	<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>
<b>7</b>	<b>Environmental Impact</b>	<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 <a href="#">Ofgem Guidance</a>.</p>
<b>8</b>	<b>Confidentiality</b>	<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>
<b>9</b>	<b>DCUSA General Objectives</b>	<p>Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.</p>
<b>10</b>	<b>Detailed Rationale for DCUSA Objectives</b>	<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>

<b>11</b>	<b>DCUSA Charging Objectives</b>	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.
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