

## DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

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- 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 - CDCM
CP Number	DCP 108
Date of submission	13 September 2011
Attachments	
<b>Originator Details</b>	
Company Name	UK Power Networks
Originator Name	Jonathan Purdy
Category	DNO
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<b>Change Proposal Details</b>	
CP Title	Availability of the non-intermittent generator tariff
Impacted parties	DNO / IDNO / Supplier / Generator
Impacted Clause(s)	Schedule 16
Part 1 / Part 2 Matter	Part 1 (in accordance with the list of schedules in clause 9.9.5)
Related Change Proposals	None
<b>Change Proposal Intent</b>	
<p>At present the availability of the non-intermittent (three rate) generator tariffs are restricted by technology type.</p> <p>The <b>intent</b> of this DCP is to make the non-intermittent generator tariffs available to intermittent generators on request to the final DNO by the Supplier (or directly by the Generator if the Generator is the party to the DCUSA) subject to appropriate administrative arrangements.</p>	
<b>Business Justification and Market Benefits</b>	
<p>Whilst it is appropriate to make available a single rate generation tariff (based on a uniform probability of operations across the year) to intermittent generators (where the operator has little control over operating times), it is not appropriate to deny such operators access to the three rate tariff with the potential for materially greater generation credits (during red time band periods) if exports are coincident with the expected periods of high demand.</p> <p>This CP proposes to permit meter registrants (primarily suppliers) acting as the agent of the intermittent generator (and as the use of system counterparty to the final DNO) to selectively opt for the non-intermittent generator tariff for individually nominated intermittent generator MPANs from a future date and to revert back to the intermittent generator tariff in a similar manner.</p>	

Providing intermittent generators access to the higher DUoS credits at time of system peak in the non-intermittent tariff will provide an additional incentive for operators to have their generation available at these times. It is intended to be particularly appropriate for generators with some control over the time of their generation for example hydro generators with limited storage or true intermittent generators combined with a small capacity storage technology to give them an incentive to make generation available when it is of most benefit to the DNO.

**Proposed Solution and Draft Legal Text**

In DCUSA Schedule 16, paragraph 146, table 7 "Half-hourly metered generation tariffs" and paragraph 147 tables 8 "LDNO LV connection" & 9 "LDNO HV connection" define the make up of the half hourly metered Generation Intermittent (with one unit rate) and the Generation Non-Intermittent (with three units rates) tariffs.

Notes 2 and 3 to paragraph 146 describe the application of the two half-hourly generation tariffs according to whether the prime mover can be made available on demand (non-intermittent) or not (intermittent), in accordance to the definitions in Engineering Recommendation P2/6.

The relevant text is Notes 2 to paragraph 146:

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 as a default by the DNO to intermittent generation MPANs. The meter registrant may request, no more than once in any twelve month period, to change the tariff applied to a half-hourly metered intermittent generator MPAN between the point of connection applicable Generation Intermittent and Generation Non-Intermittent tariffs. The DNO will affect the change of tariff from the first day of the month following the meter registrant's request provided the request was made at least ten working days before the end of the month. If the request was made less than ten working days before the end of a month then the change will be effected from the 1<sup>st</sup> of the month after the month immediately following the request.

**Proposed Implementation Date**

April 2012 or the earliest date deemed appropriate by the Panel thereafter. As this CP does not affect either the CDCM Model or the prices charged its implementation does not require DNOs to revise prices and so it does not need to be restricted to a 1 April or 1 October implementation date.

**Impact on Other Codes**

Please tick the relevant boxes and provide any supporting information.

- BSC
- CUSC
- Grid Code
- MRA
- Other
- None

If other please specify

**Environmental Impact**

None

**Confidentiality**

None

**PART B – NOT APPLICABLE**

**PART C – MANDATORY FOR CHARGING METHODOLOGIES PROPOSALS**

**DCUSA CDCM Objectives**

Please tick the relevant boxes.

CDCM 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

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

**Rationale for better facilitation of the DCUSA Objectives identified above**

CDCM Objectives:

Against Charging Objective One (discharging obligations) this CP neither better meets nor hinders the objective.

Against Charging Objective Two (competition) this CP better meets the objective of facilitating

competition in the generation of electricity by making peak rate credits available to more generators; better facilitates the competition of supply by creating more opportunities for suppliers to differentiate their services whilst not restricting, distorting or preventing competition elsewhere.

Against Charging Objective Three (cost reflectivity) this CP better meets the objective because it would allow an intermittent generator that selected the three rate option to build up a record of availability for peaks which in could be recognised in a future P2/7 planning standard. Additionally on the three rate tariff the lower rates for other periods than the single rate average is more cost reflective than the single rate average charge.

Against Charging Objective Four (business development) this CP neither better meets nor hinders the objective.

General Objectives:

The general objective are not applicable to this Change Proposal as clause 3.1 states that "the objectives of this Agreement (such objectives being the **General Objectives**), EXCEPT in respect of the Charging Methodologies ...

If this CP were to be tested against the General Objectives then it would better facilitate Objective One (efficiently, coordinated and economic networks) and Objective Two (facilitating competition) for the reasons given above.

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

This CP is based upon MIG Issue 13 which was discussed at the August DCMF MIG. The MIG concluded that this idea should go forward as a DCUSA CP.