

**DCUSA DCP 108 Consultation Responses – Collated Comments**

<b>Question One</b>	<b>Do you understand the intent of DCP 108 - Availability of the Non-Intermittent Generator Tariff?</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	Yes.
Electricity North West Ltd	Yes, we understand the intent of DCP 108
ENC	Yes
Renewable Energy Association	Yes
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	Yes
SP Manweb/SP Distribution	Yes, we understand the intent of DCP108.
Western Power	Yes
<b>Question Two</b>	<b>Are you supportive of the principles of DCP 108 including the implementation date? If not, do you believe there are alternative ways of meeting intent DCP 108? Provide Supporting comments.</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	Yes.

Electricity North West Ltd	<p>We do not fully agree with the principle of DCP108. We agree that where intermittent generation has some control over its output (such as storage) it would be more appropriate for them to be on a red/amber/green tariff. However, we don't agree with the principle of allowing customers and/or suppliers the choice of which tariff to apply. This leads to cherry picking and customers picking the tariff which is most advantageous to them regardless of which is more cost reflective. The underlying principle of the CDCM is that customers should be allocated to a tariff that most closely reflects the cost of supplying that customer and we feel that this change proposal undermines this principle.</p> <p>A more appropriate way of meeting the intent is to move all intermittent generation onto a red/amber/green tariff structure. This would incentivise all intermittent generation to export more in the red timeband. Although the majority of intermittent generation cannot control when they export, the red/amber/green tariff structure will provide an incentive to invest in equipment that will enable them to export in the red timeband.</p>
ENC	We believe that is important to incentivise generation at peak times however we are concerned that such arrangements should only be available to those generators who can commit on a regular basis to generate at peak times. If they cannot give such commitment then the intermittent generation does not bring any reduction in a need for reinforcement.
Renewable Energy Association	Yes
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	Yes – we support the DCP.
SP Manweb/SP Distribution	Yes we are supportive of the principles including the implementation date.
Western Power	We can understand the reasoning behind the change proposal but we are not sure if the principal of choice should be extended to non-intermittent generators being able to choose an intermittent tariff. That would be the main concern with the change proposal.
<b>Question Three</b>	<b>Do you agree that the Legal Text meets the intent of DCP 108? Provide supporting</b>

	comments.
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	Yes (as I wrote it its probably not appropriate for me to comment further).
Electricity North West	We agree that the legal text meets the intent of DCP108.
ENC	Yes
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	No – the text of the sentence which starts “The meter registrant may request...” is confusingly worded and needs to be redrafted for clarity. The next sentence should start with “The DNO will <u>effect</u> ...” correcting a typo error.
SP Manweb/SP Distribution	Yes we agree the Legal Text meets the intent.
Renewable Energy Association	Yes
Western Power	Yes
<b>Question Four</b>	<b>Do you agree that DCP108 better meets the DCUSA Charging Objectives? Please provide supporting comments along with your assessment against the objectives.</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	DCP108 <b>better</b> meets the DCUSA Charging Objectives.  Against Charging Objective One (discharging obligations) this CP neither better meets nor hinders the objective.  Against Charging Objective Two (competition) this CP <b>better</b> 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

	<p>competition elsewhere.</p> <p>Against Charging Objective Three (cost reflectivity) this CP <b>better</b> 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.</p> <p>Against Charging Objective Four (business development) this CP neither better meets nor hinders the objective.</p>
Electricity North West	<p>We do not agree that this proposal better meets the DCUSA objectives. It does not promote competition in the generation as it enables intermittent generators to pick the most advantageous tariffs rather than being placed on the most cost reflective tariff. It also discriminates against other non-intermittent generators who are unable to select which tariff they adopt.</p>
ENC	<p>It could be argued that DCP108 facilitates Objective 2 as the availability of different tariffs could encourage competition in generation.</p>
Renewable Energy Association	<p>Yes, for the reasons given in sections 4.1.1 and 4.1.2 of the consultation</p>
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	<p>Implementation of this Change Proposal would particularly improve the meeting of Charging Objective 2 in that it would further facilitate competition in the generation of electricity. A number of small scale hydro generation schemes have storage facilities and it is not appropriate to deny such generators access to the non-intermittent tariff by continued rigid application of a rather arbitrary definition.</p> <p>It may also improve the meeting of Charging Objective 1, in that there may arguably currently be an element of discrimination in restricting availability of tariffs depending on the level of generation export.</p>
SP Manweb/SP Distribution	<p>We agree that CDCM objectives 2 and 3 are better facilitated as detailed in the change proposal.</p>

Western Power	Yes, it allows generators to choose a tariff which may be beneficial to them; but considering the point made to the second question above.
<b>Question Five</b>	<b>Do you feel that by providing this type of tariff to intermittent generators provides more cost reflectivity to the CDCM model? Please provide supporting comments.</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	The three rate tariff is more cost reflective than the single rate tariff.
Electricity North West	No we do not agree that cost reflectivity will be increased as customers will choose the tariff that is most advantageous to them given their expected running regime.
ENC	It's possible that the benefit of providing this type of tariff to intermittent generators would be outweighed by the costs placed on distributors to facilitate the switching therefore not providing more cost reflectivity.
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	Yes.
SP Manweb/SP Distribution	Forecasting the volumes for intermittent and non-intermittent generators included within the CDCM model could be more difficult should generators be allowed to swap between tariffs regularly, which could impact on the cost reflectivity for these tariffs.
Renewable Energy Association	Yes, as a time varying credit gives the maximum credit to generators when their generation is of most benefit to the network, and least when it is of little / no benefit.
Western Power	Not clear that it impacts on cost reflectivity calculated within the model.

<b>Question Six</b>	<b>If DCP 108 is accepted and implemented, how do you think that there should be guidelines or restrictions associated with the movement between tariffs? This can include allowing intermittent generators only to be able to move tariffs once, once a year or any other timeframe that you feel is appropriate.</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	Yes. Intermittent Generators should be allowed to move between the tariffs at any time but no more than once in any 12 month period.
Electricity North West	The change modification should be amended to enable intermittent generators a one-off opportunity to change tariff. There is no rationale for allowing intermittent generators to change between tariffs on a regular basis.
ENC	Once per year as a minimum is acceptable.
Renewable Energy Association	A restriction to moving once per year as proposed would stop generators getting the best of both worlds by switching several times per year if the rates vary with season.
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	As the main reason for supporting this Change Proposal is the existence (or otherwise) of storage, which is normally a permanent feature of a generation scheme, an annual right to change seems excessive for the circumstances.  A more appropriate frequency of possible change is perhaps once in every five years. A "once-only" change rule is too restrictive.
SP Manweb/SP Distribution	There would need to be clear guidelines and restrictions to the number of times a generator can opt to switch tariff. We agree with the legal text which states that a change can be requested only once in any twelve month period.
Western Power	The movement from one tariff to another should be restricted; once a year seems appropriate.

<b>Question Seven</b>	<b>If DCP 108 is accepted and implemented, would there be any System and/or Regulatory Changes that will need to be made? What are the costs and timelines associated with these changes?</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	We are not aware of any system or regulatory changes that will need to be made.
Electricity North West	DNOs will need to amend the LLFC for the generator when they change tariff. A process will need to be set up for this to record when the change was made, but given the small number of generators that will be eligible to change we don't expect this to have a material cost associated with it.
ENC	Currently this type of change would be completed manually however if there were many switches we would need to consider making this an automated process.
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	We do not believe there are any particularly significant changes to be made.
SP Manweb/SP Distribution	We do not foresee any system changes required to capture a change of tariff.
Renewable Energy Association	We are not aware of any changes that would be required.
Western Power	A process to monitor the movement of generators across tariffs would be required and to ensure the correct LLF and tariff was being applied. A rule would need to be introduced to cover off what triggers the switch in tariffs. Internally controls may be required, in the absence of industry data flows, to ensure that movement across tariffs is properly controlled.
<b>Question Eight</b>	<b>Could it be considered unduly discriminatory to only provide optionality to one group</b>

	<b>of customers – intermittent generators? This will be the only set of customers that have the option of a different tariff; do you agree that this is compliant with the CDCM methodology?</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	This will be discriminatory but not in our opinion unduly discriminatory.
Electricity North West	We believe that this could be considered discriminatory as the intermittent generators will be picking the tariff based on their expected income under each tariff. This option will not be open to non-intermittent generators.
ENC	There is a potential to be discriminatory to other generators, if one type of intermittent generators are allowed to switch over another.  We make no comment on the compliance with the CDCM methodology
Renewable Energy Association	Most customers / generators have optionality in their supply tariff which then automatically feeds into their DUoS tariff. We do not think that it would be discriminatory to allow intermittent generators a choice of DuoS tariff and indeed would not oppose other parties having the ability to select between cost reflective DuoS tariffs.
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	In practice, we do not believe that any undue discrimination would arise through implementation of this Change Proposal and no issues arise with the CDCM methodology.
SP Manweb/SP Distribution	We do not believe it is unduly discriminatory to only provide the option to change tariffs for intermittent generators.
Western Power	N/a
<b>Question Nine</b>	<b>Will this incentivise intermittent generators to generate more in the red time band? If this is the case, what type of generation would be able to react to this type of</b>



	<b>price signal?</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	I would expect it to incentivise intermittent generators to be AVAILABLE to generate in the red periods, whether they are actually able to generate will be dependant on the intermittent availability of the underlying energy source.
Electricity North West	This will incentivise intermittent generation to generate more in the red time band but only those sites with any storage which can be used efficiently will be able to react to the price signal.
ENC	As we are not a generator we would not be able to answer on their behalf. As for price signals this would be wholly dependent on whether suppliers choose to follow suit reflecting this change in their charges.
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	Small scale hydro generators with storage will be able to react to this pricing signal and a number have requested access to the non-intermittent tariff.
SP Manweb/SP Distribution	For those generators who have some control over the time of their generation, there will be an incentive for them to generate during the super-red time band if they choose to swap to the non-intermittent tariff. This price signal is unlikely to be effective for those with little control over generating times.
Renewable Energy Association	It would certainly provide an incentive to generate more during red time bands. To react generators would obviously need some ability to control their output which is likely to be the case for generators classified as intermittent if they either had some intrinsic energy storage (for example small hydro with a small dammed reservoir) or had installed some auxiliary storage device so as to have some control over the timing of their output.
Western Power	Intermittent generators cannot control when it is generating, so probably couldn't control if it is generating in the red period but it could control when it is off – i.e. by switching the generator off.
<b>Question 10</b>	<b>Should the single rate tariff be abolished and all generators are on a</b>

	<b>red/amber/green tariff?</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	This has merit but is outside of the scope of this modification.
Electricity North West	We believe that this would be a better solution than giving generators a choice of tariff. The red/amber/green tariffs are priced to reflect the benefit to the DNO of the generator exporting in those time periods. This principle is appropriate for intermittent as well as non-intermittent generation and would incentivise intermittent generation to invest in storage facilities to gain the benefit of the higher rates.
ENC	Conceptually this makes sense as the need for the original change proposal suggests that the definition of which generator can be on which tariff appears to be flawed, if there is a genuine need for this change. Having a single multi rate tariff would in essence solve this issue. However making this change could be rather challenging itself in terms of business system & process changes and obviously would bring costs which may be greater than the benefits received from tariff switching.
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	No – the intermittent tariff remains appropriate to a number of other technologies (e.g. wind) and this Change Proposal potentially removes an anomaly in the existing rules for small scale hydro with storage.
SP Manweb/SP Distribution	It would appear unfair to remove the single rate for those who have no control over their generation times. It would also provide less predictability of charges for those customers.
Renewable Energy Association	Whilst there is an argument for this in terms of simplicity, the single rate tariff option for intermittent generation does provide a simple to understand and budget for tariff for intermittent generators. Providing it reflects the probability of them generating in different time bands it is also cost reflective.
Western Power	No
<b>Question 11</b>	<b>For Generators: If this type of tariff was available to you would you take advantage</b>

	of it?
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	Not Applicable.
Electricity North West	N/A
ENC	N/A
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	N/A
SP Manweb/SP Distribution	N/A
Renewable Energy Association	We will leave it to our members and other generators to respond to this. It should be noted that whilst currently there may be few for example wind generators with auxiliary storage, a change as suggested under this DPC may encourage the fitting of such devices.
Western Power	N/A
<b>Question 12</b>	<b>Please provide any other comments or general views on DCP 104.</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	None.
Electricity North West	N/A
ENC	The change proposal needs to set out how the generator will change out from one tariff to another.
Scottish Hydro Power Distribution plc and Southern	N/A

Electric Power Distribution plc	
SP Manweb/SP Distribution	No other comments.
Renewable Energy Association	<p>We support the proposal because it allows all degrees of intermittency to be catered for without having to make a judgement centrally about how to define how intermittent particular plant types or generator / storage combinations are.</p> <p>Under the current arrangements how would a connection with several types of generation behind it be treated? The proposal saves DNOs having to worry about this leaving the choice of the most appropriate / advantageous tariff to the generator or supplier.</p>
Western Power	N/A

**\*The following two questions are outside of the intent and therefore the scope of the DCP 108 Working Group. These alternative methods, if employed, would require a withdrawal of the current CP, and an alternate CP raised. However, the Working Group thought it would be prudent to gather as much information about all variants of possible ways to resolve the issue identified by DCP 108.**

<b>Question One</b>	<b>*If Intermittent Generators were to have a three rate tariff (whether optional or not) should it be the same tariff, or one that is specifically designed for intermittent generators (this has not been designed, and is outside the immediate scope of this working group)?</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	<b>N/A</b>
Electricity North West	We think it would be appropriate to use the same three rate tariff that is currently applied to non-intermittent generation. If intermittent generation regularly generates in the red time band then they should get the full benefit of this. This would also provide the appropriate pricing signal to encourage intermittent generation to invest in storage to enable them to transfer their export into the red timeband to the benefit of all customers.
ENC	We believe adding an extra specific tariff for this type of generation would put extra costs on DNO's & IDNO's and we believe this would outweigh any benefit. There shouldn't be a separate intermittent multi rate tariff.

Renewable Energy Association	It should be the standard non intermittent tariff as all generation generating at the same time has equal value to the network and calculating a special tariff would be difficult as it would involve having to make assumptions about the types of generator or generator / storage device combination that would opt for the tariff.
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	We do not support this option.
SP Manweb/SP Distribution	N/A

Western Power	For better cost reflectivity it would probably be better if a three rate intermittent tariff was determined by looking at characteristics specific to that customer grouping.
<b>Question Two</b>	<b>*An alternative CP – An alternative CP – to amend the definition of “intermittent generation” to state that it is classified as non-intermittent if there’s an element of storage associated with the generation. Please list any issues that may arise from changing this definition as detailed above.</b>
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc & UK Power Networks (IDNO) Ltd.	Definitions should remain in P2/6 (or its replacement) rather than being duplicated in DCUSA.
Electricity North West	We agree that this would be a more efficient way of achieving the intent of this change modification without providing customers with the option of choosing tariffs. We accept that there may be difficulties in defining the term storage but amending the definition of non-intermittent generation would address the underlying issues that currently exist with this change proposal.
ENC	We agree that it is possible that the definition/classification of intermittent generation may require amendment if there is a genuine need for this change. We are currently unaware of any issues that may arise as a result.
Renewable Energy Association	The purpose of the proposed modification is to avoid having to do this. It is difficult to predict now what different storage / generator combinations may emerge over time and having a special tariff could ultimately lead to the need for a specific tariff for each combination. Having the option as proposed by the DCP also allows connections with several generator types behind them to select a tariff rather than needing to be categorised centrally to determine the

	appropriate tariff.
Scottish Hydro Power Distribution plc and Southern Electric Power Distribution plc	<b>We would potentially support this as a possible alternative means to resolve the anomaly referred to above for small hydro schemes with storage. However, the DNO will not normally know whether or not there is any storage. Therefore, the default tariff for small hydro should remain as the intermittent tariff unless the generator declares in writing that they have storage and request the non-intermittent tariff.</b>
SP Manweb/SP Distribution	N/A
Western Power	N/A