




DCUSA Consultation		At what stage is this document in the process?
<h2>DCP 341/342</h2> <h3>Removal of residual charging for storage facilities in the CDCM/EDCM</h3> <p><i>Date raised: 31 January 2019</i></p> <p><i>Proposer Name: Tony McEntee</i></p> <p><i>Company Name: Electricity North West</i></p> <p><i>Company Category: DNO</i></p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
Purpose of Change Proposals: The intent of these Change Proposals is to amend the application of residual charging in respect of storage generators in the CDCM and EDCM.		
	This document is a Consultation issued to DCUSA Parties and any other interested Parties in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 341/342 'Removal of residual charging for storage facilities in the CDCM/EDCM'	
	The Working Group recommends that this Change Proposal should proceed to consultation.	
	Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 1 to dcusa@electralink.co.uk by TBC 24 June 2019	
	The Working Group will consider the consultation responses and determine the appropriate next steps for the progression of the Change Proposal (CP).	
	Impacted Parties: DNOs, IDNOs, Suppliers and DG Parties	
	Impacted Clauses: Schedule 16: Schedule 17 & 18:	

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Timetable

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Activity

Date

Initial Assessment Report Approved by Panel

20 February 2019

Consultation issued to Parties

03 June 2019

Change Report issued to Panel

10 July 2019

Change Report issued for Voting

19 July 2019

Party Voting Ends

09 August 2019

Change Declaration issued to Authority

13 August 2019

Authority Decision

17 September 2019

Implementation Date

01 April 2021

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Any questions?

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1 Summary

What?

- 1.1 The Proposer thinks changes are required to the Common Distribution Charging Methodology (CDCM) and the Extra High Voltage (EHV) Distribution Charging Methodology (EDCM) to ensure that storage facilities are not subject to residual charges for demand where the intent is to export the energy taken back onto the system.

Why?

- 1.2 Residual charges exist to ensure that distributors recover their allowed revenue. They generally recover sunk costs in respect of historical investments into network infrastructure for the purpose of serving demand customers. In July 2017, the Government and Ofgem published their Smart Systems and Flexibility Plan¹ where they identified a number of policy and regulatory barriers to the further deployment of storage. In order to address these, Ofgem identified a number of actions which included that storage facilities should not pay the 'demand residual' element of network charges at transmission and distribution level (page 11 of published document).
- 1.3 On 23 January 2019 Ofgem published an Open letter² on implications of charging reform on electricity storage. The letter set out the policy intent of Ofgem's charging reforms and included their view that industry-led modifications are critical to reaching a level playing field between storage (excluding any final demand) and generation. The charges within the scope of reform include:
- Distribution Use of System (DUoS) charges, in the DCUSA;
 - Transmission Network Use of System (TNUoS) charges, in the Connection and Use of System Code (CUSC); and
 - Balancing Services Use of System (BSUoS) Charges, in the CUSC.
- 1.4 In this letter it requested that modifications be brought forward to promptly address residual charging for storage in the CDCM and EDCM.

How?

FOR BOTH DCPs 341/342

- 1.5 By defining what is classed as a storage facility and then determining the eligibility criteria for those that have been identified by developing processes for the identification of such storage facilities (and their associated **Imports**).

Commented [DT1]: Do we want to add exports as well given what has been agreed in the legal text

¹ https://www.ofgem.gov.uk/system/files/docs/2017/07/upgrading_our_energy_system_-_smart_systems_and_flexibility_plan.pdf

² https://www.ofgem.gov.uk/system/files/docs/2019/01/storage_and_charging_reform_2201f.pdf



FOR DCP 341

- 1.6 By the introduction of three new tariffs that will be applied in respect of the demand (import) associated with eligible storage facilities which mirror the existing 'LV HH metered', 'LV Sub HH metered' and 'HV HH metered' tariffs but with no 'adder' applied to unit rates (i.e. with no residual element).

FOR DCP 342

- 1.7 By amending the calculations set out within Schedules 17 and 18 of DCUSA for 'Demand Scaling' to account for the proposal that storage facilities should not be subject to residual charges for demand where the intent is to export the energy taken back onto the system.

2 Governance

Justification for Part 1 Matter

- 2.1 DCPs 341/342 are considered as a Part 1 Matters as they will impact owners/operators of storage facilities, Suppliers and demand consumers to the extent that any revenue shortfall will be reflected as an increase to demand tariffs within both the CDCM and the EDCM.

Requested Next Steps

- 2.2 Following a review of the Consultation responses, the Working Group will work to agree the detail of the solution for DCPs 341/342 and if appropriate progress to the Change Report phase.

3 Why Change?

General Background

- 3.1 Prior to DCP 341 and DCP 342 being raised, there were two CPs which sought to remove residual charges from generators connected to the distribution network and would therefore capture electricity storage facilities. These CPs were:
- DCP319 - removal of residual charging for embedded generators in the CDCM, and
 - DCP321 - removal of residual charging for embedded generators in the EDCM.
- 3.2 On 09 October 2018, Ofgem issued a letter to the Proposer of DCPs 319 and 321, which detailed Ofgem's concerns with respect to the scope of the proposals overlapping with the Targeted Charging Review (TCR) Significant Code Review (SCR). Specifically, that the inclusion of generation in the intent of the CPs may result in Ofgem not approving the CPs or directing that the CPs be treated as falling within scope of the SCR, thus being rejected.



- 3.3 In light of the letter received from Ofgem and in accordance with Clause 11.29 of the DCUSA, on 12 October 2018, the Secretariat received notice that the Proposer was withdrawing their support for DCP 319 and DCP 321. No Party came forward to sponsor the CPs and both were officially withdrawn from the Change Control process. It was following these withdrawals that Ofgem published its open letter on implications of charging reform on electricity storage, in which it requested that modifications be brought forward to promptly address residual charging for storage in the CDCM and EDCM.
- 3.4 With respect to transmission charges, the letter noted that there are two proposed modifications currently progressing which seek to remove, respectively: the transmission residual charge for demand used by generation facilities (including storage where it acts as generation); and liability for balancing services charges for the same types of storage facilities. These modifications are:
- CMP280 - creation of a new generator TNUoS demand tariff which removes liability for TNUoS demand residual charges from generation and storage users, and
 - CMP281 - removal of BSUoS charges from energy taken from the National Grid system by storage facilities
- 3.5 As a consequence of the Ofgem letter, the intent of the modifications was amended to only apply to storage and not all generation inclusive of storage.
- 3.6 CMP280/CMP281 will apply to Transmission and Distribution connected storage facilities registered in CVA, and CMP280 Workgroup Alternative CUSC. Modification (WACM) and CMP281 original will also apply to ~~Transmission and~~ Distribution connected storage registered in SVA. This means that the changes resulting from DCP341/342 and CMP280/281 may apply to the same facilities across the DCUSA and the CUSC.

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Change Proposal Background

- 3.7 Connections for distribution connected generation sites typically have the ability to export energy onto the distribution network or import energy from the distribution network. As a result, each generator has an export Meter Point Administration Number (MPAN) with an associated export capacity, and an import MPAN with an associated import capacity.
- 3.8 Distribution residual charges are recovered from demand customers. For customers charged in accordance with the CDCM, residual charging is applied as a unit charge (i.e. on a p/kWh basis). For customers charged in accordance with the EDCM, residual charging is applied as a capacity charge (i.e. on a p/kVA/day basis).
- 3.9 More traditional forms of embedded generation generally have small import volumes and import capacities, and so residual charging on the demand element is relatively small. Storage facilities have a much higher import volumes and import capacity (generally equal to their export capacity) and so residual charging on the demand element represents a significant charge.



3.10 This means that traditional forms of embedded generation are charged much lower demand residual charges as a result of their small import connections to the Distribution Network Operator (DNO) network compared to storage operators because of their much larger import connections to the DNO network. As a result, the Proposer thinks that storage would not be competing on a level playing field with other forms of embedded generation.

3.11 Any reduction in residual charges paid by storage facilities will be recovered from the remainder of CDCM/EDCM demand customers. The number of qualifying storage facilities is likely to be relatively low initially and hence the impact is expected to be minimal for customers overall.

CDCM SPECIFIC (DCP 341)

3.12 For generators with charges calculated in accordance with the CDCM, there is no direct link between the export and import MPANs. That is, the appropriate generation tariff is assigned to the export MPAN whilst the appropriate demand tariff is assigned to the import MPAN. Residual charges are payable in respect of the import MPAN only. For example, a half-hourly (HH) settled LV connected controllable generator will have an export MPAN on the 'LV Generation Non-Intermittent' tariff (which attracts no residual charges) and an import MPAN on the 'LV HH Metered' tariff (which does attract residual charges).³

3.13 As a result, CDCM embedded generators pay residual charges for import, with the level of residual charge paid varying dependent on the location of the embedded generator (i.e. within which DNO network the embedded generator is sited) and the size of the import (and specifically the unit volume imported since residual charging in the CDCM is applied exclusively to unit rates). Storage facilities will typically have much higher import volumes than other generation sites, and so make higher contributions to residual charges. The Proposer thinks that this means storage is not competing on a level playing field with other forms of embedded generation.

EDCM SPECIFIC (DCP 342)

3.14 Charges calculated in accordance with the EDCM are calculated for each site as a whole. For generation sites, both an import and export tariff is calculated. The export tariff for embedded generators does not attract any element of residual charging, whilst the associated import tariff attracts residual charging in the same way as the charges for a demand only customer.

3.15 As a result, EDCM embedded generators pay residual charges for import, with the level of residual charge paid varying dependent on:

- the size of the import (agreed capacity);
- the unit volume expected to be imported by the customer in the relevant DNO's peak super-red period (the forecast of which is used in the calculation of residual charges); and
- the level of residual revenue of the DNO licensee to whose network the generator is connected.

³ This paragraph uses current tariff names but will be changed upon the implementation of DCP 268 "



- 3.16 Storage facilities will typically have much higher import capacities than other generation sites, and so make higher contributions to residual charges. The Proposer thinks that this means storage is not competing on a level playing field with other forms of embedded generation.
- 3.17 As explained in paragraphs 1.2 and 1.3 above, these CPs have been raised as a result of the Smart Systems and Flexibility Plan published by the Government and Ofgem and in turn an Open letter on implications of charging reform on electricity storage published by Ofgem. The latter included Ofgem's view that industry-led modifications are critical to reaching a level playing field between storage (excluding any final demand) and generation. The Working Group are interested in the views of industry as to whether they understand the intent of these CPs alongside the principles used as a basis on which they've been raised.

Question 1 - Do you understand the intent of the CPs?

Question 2 – Are you supportive of the principles that sit behind the raising of these CPs, which is to level the playing field between storage (excluding any final demand) and generation and that these CPs have been based on?

4 Working Group Assessment

DCP 341/342 Joint Working Group Assessment

- 4.1 The DCUSA Panel established a Joint Working Group to assess DCPs 341/342. This Working Group consists of representatives from DNOs, Suppliers and Independent Distribution Network Operators as well as a representative of a storage operator and observers from Elexon and Ofgem. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk.
- 4.2 The Working Group developed this consultation document to gather information and feedback from market participants on the CPs.
- 4.3 Following the initial meetings of the Working Group, it was agreed that the proposed solutions set out in the CP forms for each of the CPs should be further developed. In undertaking this development, the Working Group split out three components of the CPs, being:
- The underlying rationale for exempting storage from residual charges;
 - The eligibility criteria which should be applied for the exemption from residual charges, and the definition and identification of storage facilities (and their Imports) which are eligible; and
 - The introduction of proposed new tariffs for the CDCM and the amendment to calculations for the EDCM (the solutions for DCP 341 and DCP 342).

- 4.4 For DCP341/342 the solution development needed to be expedited to ensure that, Ofgem's view with respect to industry led changes in this area being a 'quick win' is enacted in the timeliest manner possible. The Working Group note that any delay to the very tight timescale will likely result in DCPs 341/342 being pushed back to an implementation date of 01 April 2022 which starts to interact with the timelines for work flowing from the TCR SCR and RIIO-2. The reason for this is down to the fact that DNOs are required to provide notification of changes to UoS charges 15 months' ahead of when they will come into effect. To facilitate this process a further three-month period is built in prior to the 15-months to allow DNOs to set, test and have approved those charges.

Rationale for exempting storage facilities from residual charges

- 4.5 As set out in section three, storage facilities typically make higher residual contributions than other embedded generators, due to residual charging being proportional to demand usage (CDCM) or import capacity (EDCM). The Proposer thinks this that this means storage is not competing on a level playing field with other forms of embedded generation.
- 4.6 Some Working Group members do not agree with this view, asserting that residual charges should be higher for storage because it requires much higher import volumes and import capacity than other forms of embedded generation, and so uses more of the upstream network for demand and so should make a higher contribution to (for example) the sunk costs of the network. As a result, removing the residual charges from storage would in fact be creating a distortion between storage and other embedded generation by artificially reducing the costs associated with the import at a storage site.
- 4.7 As is set out within paragraph 1.2 above, in July 2017, the Government and Ofgem published their Smart Systems and Flexibility Plan which contains their rationale for exempting storage facilities from residual charges. The below extracts from the document highlights this rationale:

"As we move to a smarter, more flexible system, we need to ensure that the opportunities afforded by advancements in technology can be realised. The existing energy system was not designed with new forms of smart technologies in mind. These technological developments have in particular resulted in a number of policy and regulatory barriers to the further deployment of storage. In responses to the Call for Evidence, there was significant agreement between stakeholders over what needs to change and how these barriers to deployment can be removed. We want to see storage become a genuinely viable proposition in the energy system. We will take a number of actions to address undue regulatory and policy barriers to storage. In particular:

• Ofgem has already consulted on a proposed Targeted Charging Review (TCR), which will assess whether the current system of network residual charges should be reformed, given that it has the potential to distort incentives and lead to network costs being disproportionately recovered from some groups of network users. The consultation also set out Ofgem's views on charges for storage facilities to guide industry. These views are that storage facilities should not pay the 'demand residual' element of network charges at transmission and distribution level, and that storage providers should only pay one set of balancing system charges."

Reasons for only applying this change to 'standalone' storage facilities

- 4.8 As is set out in paragraph 1.3, on 23 January 2019 Ofgem published an Open letter on implications of charging reform on electricity storage and the Working Group has used this as a basis to formulate its solution for only exempting 'standalone' storage sites from residual charges. An extract from the Ofgem document on the subject are set out below:

We think that storage, without co-located final demand, should be treated in the same way as generation. Furthermore, we do not want storage to be disadvantaged in relation to other types of generation through paying balancing services charges for both imported and exported electricity, where BSUoS is considered a cost recovery charge. We think that code modifications are the best route to address these issues and are working to ensure that such storage is not unduly disadvantaged by these changes in charges. We also expect charging arrangements for storage not to create or exacerbate market distortions, for example on where storage connects to the network, or based on whether a facility operates under a generation licence or not.

- 4.9 However, some Working Group members have a different interpretation of what is classified as a storage site being that a storage site could well be located with final demand and still be exempt from the residual element of their charges. It is noted that to enact this interpretation, considerable work would be required due to the fact that it is currently difficult to separate out intermediate demand (i.e. for storage purposes) and final demand (i.e. not for storage purposes).

Notwithstanding that the above interpretation may be a valid one, the Working Group agree that it is out of scope of these CPs. The Working Group expect that this should be covered under the terms of the SCR and that these CPs are just dealing with standalone storage sites connected directly to the distribution network

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Question 3 – Do you agree that these changes should only apply to 'standalone' storage facilities?

Eligibility Criteria, Definition and identification of storage facilities

- 4.10 This intent of this change is only to apply to storage facilities with separate import and export metering and where the Import metering only measures Imports for the sole purpose of performing electricity storage, i.e. the Facility's Imports should not be used for any other purpose, e.g. final consumption. The Working Group considered how this intent could be achieved, if possible, using existing established industry definitions.
- 4.11 Ofgem set out proposed definitions in its 'Clarifying the regulatory framework for electricity storage: licensing consultation'⁴ issued on 2nd October 2017. These definitions form part of the proposed introduction of a new section to the standard conditions of the Electricity Generation Licence and are set out below:

⁴ <https://www.ofgem.gov.uk/publications-and-updates/clarifying-regulatory-framework-electricity-storage-licensing>



"Condition E1: Requirement to export"

1. The licensee shall not have self-consumption as the primary function when operating its storage facility.
2. If at any time the licensee knows or reasonably should know of any event or circumstance that has occurred or is likely to occur that may affect its ability to comply with paragraph 1, the licensee shall as soon as reasonably practicable notify the Authority in writing of the event or circumstance."

4.12 The Working Group noted that the solution developed by the workgroup developing the CUSC modifications is that a storage operator seeking exemption from residual charges would need to become a generation licensee. However, the Working Group believed that this approach may result in discrimination based on being a licence holder.

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4.13 However, the Working Group also considered that the use of those definitions may not be appropriate, noting that the changes to the generation licence have yet to be made. Further to this, by not requiring operators of storage facilities to go through the process of obtaining a Licence, reduces the burden placed on operators of storage facilities. Meaning the number of policy and regulatory barriers faced by operators of storage facilities reduced, which aligns to that which was set out in the 'Smart Systems and Flexibility Plan'.

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4.12 relationship to a licensee may cause an issue most distribution connected storage facilities will not be generation licensees.

4.13 The Working Group noted that there is view from within the group developing the CUSC modifications that a storage operator seeking exemption from residual charges would need to become a generation licensee. However, the Working Group believed that this approach may result in discrimination based on being a licence holder.

Commented [DT5]: Moved to paragraph 3.12 above

4.14 The Working Group noted that alongside 'Condition E1: Requirement to export' from Ofgem's 'Clarifying the regulatory framework for electricity storage: licensing consultation' there are also definitions contained in the same document. The definitions are set out below:

"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."

"electricity storage facility means a facility where Electricity Storage occurs."

4.15 The Working Group agreed that these definitions would might be suitable for the purposes of these CPs but noted that neither covers off how to determine if the import of a storage facility is only used for the operation of that facility and not some other onsite demand. The Working Group also considered that this definition would only apply to a single boundary connection with a single metering point and a single supplier but would not account for a scenario where there are effectively two connections, two boundary points, two metering points and potentially two suppliers.

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4.16 To resolve these fundamentally different scenarios, the Working Group considered a scenario where the same site, has for example a factory onsite and in addition also operates a storage facility onsite. The Working Group agreed that if each have distinct connections, e.g. the factory has distinct metering for its import and the storage facility has distinct metering for its export and its import then the storage facility should be classed as eligible. The Working Group note that where this is the case, it will mean that a storage facility may be geographically 'co-located' but not electrically 'co-located' and thus should be classed as eligible.

4.17 For completeness and as is further described in paragraph 4.31 below, the Working Group agreed that it will also be a requirement for a storage to only be metered with Current Transformer (CT) metering.

4.18 The Working Group concluded that amending using these definitions together with appropriate wording would satisfy both scenarios and as such agreed to the following definitions:

FOR BOTH

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

FOR DCP 341

Electricity Storage means a facility that:

Facility

- (a) has an import MPAN and export MPAN with associated metering equipment which both only measure activities necessary for performing Electricity Storage;
- (b) all metering equipment referred to in point (a) above is CT metering; and
- (c) is subject to Supplier certification that the facility meets the above criteria and provides confirmation of this to the DNO/IDNO Party.

FOR DCP 342

Electricity Storage means a facility that if, registered in an MPAS Registration System:

Facility

- (a) has an import MPAN and export MPAN with associated metering equipment which both only measure activities necessary for performing Electricity Storage;
 - (b) all metering equipment referred to in point (a) above is CT metering; and
 - (c) is subject to Supplier certification that the facility meets the above criteria and provides confirmation of this to the DNO/IDNO Party;
- or; if registered in CMRS.

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Commented [DT8]: confirm

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Commented [DT11]: Added the agreed definitions post meeting as was agreed during the meeting

- (d) has an import MSID and export MSID with associated metering equipment which both only measure activities necessary for performing Electricity Storage;
- (a)(e) all metering equipment referred to in point (a) above is CT metering; and
- (f) is subject to customer certification that the facility meets the above criteria with the agreement of the DNO/IDNO Party

~~4.15 as 'electricity storage facility whose sole function is electricity storage' in the legal text would ensure only storage facilities with no other onsite demand would be eligible. For completeness and as is further described in paragraph 4.28 below, it will also be a requirement for a storage facility that meets the above criteria to be metered with Current Transformer (CT) metering.~~

~~4.16 Further to this, the Working Groups approach reduces the burden placed on operators of storage facilities by not requiring them to go through the process of obtaining a Licence. Meaning the number of policy and regulatory barriers faced by operators of storage facilities reduced, which aligns to that which was set out in the 'Smart Systems and Flexibility Plan'.~~

~~4.17~~ 4.19 The Working Group discussed how a Distributor DNOs could ascertain whether a site meets that definition, and what assurances a Distributor DNOs would require before applying the exemption. The group considered a number of options, including:

- Based on the connection agreement between the Distributor DNO and the storage operator;
- Certified by the customer; or
- Certified by the registered supplier.

~~4.20~~ The Working Group agreed that the most appropriate solution would be for the Supplier to provide assurance to the Distributor DNO that a site meets the requirements to be charged as a storage facility. The Working Group noted that they have not clarified how a Supplier would provide such assurance and it was agreed by the Working Group that the requirements could be set out in the DNOs LC14 'Use of System Charging Statement'. Within their individual LC14 'Use of System Charging Statements' the DNOs would describe the parameters by which it would expect a Supplier to use in certifying that a storage facility is eligible and how to provide assurance to the DNO of this. The Working Group concluded that this approach is appropriate given the fact that the LC14 'Use of System Charging Statements' have to be approved by Ofgem.

~~4.18~~ 4.21 For storage facilities with Metering Systems registered for Central Volume Allocation (CVA) purposes under the BSC in the Central Meter Registration Service (CMRS), the Working Group agreed that the customer, with the agreement of the Distributor DNO, will be required to provide confirmation that it meets the requirements for exemption.

Commented [DT12]: Moved to a paragraph above post meeting as it seemed to be more appropriate in that location

Commented [DT13]: Incorporated into paragraph 3.13 above during meeting and so deleted here also during meeting

Commented [JL14]: Consideration given to whether any references to DNO should be Distributor

Commented [DT15R14]: Updated during meeting to reflect the agreed approach which covers both DNOs and IDNOs

Commented [DT16]: Amended para post meeting around the use of the LC14 statement to further describe the certification by the Supplier as agreed by the Working Group

4.194.22 The Working Groups approach reduces the burden placed on operators of storage facilities by not requiring them to go through the process of arranging a director-signed declaration and the approvals it may require. Meaning the number of policy and regulatory barriers faced by operators of storage facilities is reduced, which aligns to that which was set out in the 'Smart Systems and Flexibility Plan'.

4.204.23 The Working Group noted that within the development of the CUSC modifications, in order to have its metered volumes excluded from the calculation of TNUoS and BSUoS charges, a Supplier Volume Allocation (SVA) registered storage facility operator must send its Supplier(s) a director-signed declaration. The declaration will demonstrate that the storage facility meets criteria that will be defined under CMP280 and CMP281 and set out in the CUSC. Whilst the CUSC criteria have not been finalised, the current thinking around primary requirements are that an SVA Storage Facility:

- is operated by a generation licence holder;
- has 'electricity storage' as its primary function; and
- is metered by HH SVA Metering Systems which do not measure any other activity except for electricity storage.

4.214.24 To facilitate this process, a BSC Modification Proposal P383 '*Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281*' has been raised. The stated intent of P383 is as follows:

This Modification is intended to enable the aggregation of specific Metering Systems' metered data for network charging purposes, i.e. to support the operation of CUSC Modification Proposals CMP280 and CMP281. This Modification would primarily enable the BSC Panel and BSCCo to perform assurance activities in relation to the aggregation of storage facilities' Metering Systems' metered data and make clear how Suppliers, Half Hourly Data Aggregators (HHDAs) and the Supplier Volume Allocation Agent (SVAA) participate in the aggregation and reporting of this data.

4.224.25 ~~P383 is at a similar stage - only in the early stages of development as DCPs 341/342, with the intention that the P383 workgroup will be issue it out for consultation in early June 2019.~~

~~but as~~ it stands the proposed process will require the Supplier to send the declaration to the Supplier Volume Allocation Agent (SVAA) who would be required to check that any declaration is completed properly and that it is valid i.e. that it satisfies the criteria that will be set out in the CUSC in accordance with CMP280 and CMP281. Following this, it is proposed that assurance measures are established that cover the specific processes necessary for aggregating and reporting storage facilities' imports for use in the calculation of network charges. Currently it is envisaged that the SVAA would keep declarations made by Suppliers under review and periodically check related metered volumes for declared storage facilities, follow up any anomalies with Suppliers and escalate issues, via BSCCo, to the BSC Panel who may decide to exclude Metering Systems from the aggregated volumes reported to the NETSO.

Commented [DT17]: Amended during meeting



4.234.26 DCP 341/342 Working Group discussed the potential to align approaches across industry, and noted that the CMP280 and CMP281 workgroup recognised (as did the Proposer of P383) that these modifications are likely to be 'stepping stones' toward an enduring solution for all generators as will be set out in Ofgem's final decisions on its TCR SCR and on changes to the generation licence standard conditions (intended to clarify the role of storage within the licensing arrangements), and for DCP 341/342 the RIIO-ED2 framework is another consideration.

4.244.27 There is general agreement that alignment would be beneficial for industry generally, however if achieving it means that the implementation date is pushed back to 01 April 2022, then the negative impact of doing so may outweigh the benefit of not doing it. Specifically, there is an argument around the fact that these CPs are focussed on DUoS charges and the inclusion of what could be seen as an initial set of eligibility criteria is needed. However, the definition and eligibility criteria do impact on DUoS charges and could be considered to be more of an ancillary process. This means that they could be amended at a later point and would not require the 15-months' notice to become effective. This means that if it is felt that alignment is desired in the future, then it can simply be updated in the future.

4.254.28 The Working Group is interested in industry views related to the potential alignment with the CUSC modifications, specifically the requirement for the operator of a storage facility to send its Supplier(s) a director-signed declaration and subsequent verification and assurance measures being developed via the BSC Modification.

Question 34 – Do you agree with the Working Groups proposed approach for obtaining confirmation of the eligibility of a storage facility?

Question 45 – Do you believe that the certification of storage facilities should, for DCUSA purposes, be aligned to that which is being developed for the CUSC modifications?

And if so, do you believe that the scope of the BSC Modification P383 should be widened for the purposes of the DCUSA to account for the approach taken by the Working Group to include all SVA storage facilities not just those that hold a licence?

DCP 341 Solution

4.264.29 The Working Group's solution is to introduce three new tariffs for CDCM customers which will be applied in respect of the demand element of storage facilities, and mirror the existing LV HH metered, LV Sub HH metered and HV HH metered tariffs but with no 'adder' applied to unit rates (i.e. with no residual element). The name of new tariffs to be introduced are:

- LV Site Specific Storage Import;
- LV Sub Site Specific Storage Import; and
- HV Site Specific Storage Import



4.274.30 These have been given the naming convention of the tariffs proposed under the solution for DCP268 'DUoS Charging Using HH Settlement Data' which has recently been approved by Ofgem for implementation in April 2021. DCP 268 changed the title of LV HH metered to LV Site Specific, LV Sub HH metered to LV Sub Site Specific and HV HH Metered to HH Site Specific and so the naming convention for the three new tariffs introduced by DCP 341 has utilised these updated naming conventions.

4.284.31 During the development of its solution, the Working Group agreed that the storage tariffs will only be applicable to storage facilities that are metered with current transformer (CT) metering. It was agreed that a solution requiring the introduction of tariffs applicable to whole current (WC) metered sites would add significant complexity. In reaching this conclusion the Working Group expect there would be a very limited number of WC metered storage facilities in existence which are not co-located with other demand, and that the probability of WC metered storage facility meeting the eligibility requirements for such a tariff would be small.

4.294.32 The Working Groups approach captures what it believes to be the bulk of storage facilities at the expense of a few (if any) so that the vast majority will enjoy access to the exemption. The complexity of designing a solution that encompasses WC would mean pushing back the implementation date to 01 April 2022.

4.304.33 The Working Group is seeking industry views as to whether this approach is appropriate and fair.

4.314.34 Under the DCP 341 approach, the CDCM model will require amendment to enable DNOs to be able to update their forecast volumes for the three newly introduced tariffs. The remainder of the inputs and tariff calculations will mirror those used for the existing tariffs on which the new tariffs are based.

Question 65 – Do you believe that the proposed solution for DCP 341 is reflective of the Governments/Ofgem's policy intent to reduce regulatory barriers to the further deployment of storage? Please provide your rationale.

Question 76 - Do you agree with the Working Groups solution that storage tariffs will only be applicable to storage facilities that are metered with current transformer (CT) metering? Please provide your rationale.

DCP 342 Solution

4.324.35 The EDCM methodologies will be amended so that the calculations for 'Demand Scaling' account for the proposal that storage facilities are not subject to residual charges for demand. The Working Group has made the changes to set the residual charges for eligible storage facilities to zero, with adjustments made to the residual charging rates for the remainder of customers to ensure there is no revenue shortfall as a result.

Question 78 - Do you believe that the proposed solution for DCP 342 is reflective of the Governments/Ofgem's policy intent to reduce regulatory barriers to the further deployment of storage? Please provide your rationale.

5 Code Specific Matters

Consideration of Industry Codes

5.1 The Working Group discussed how these CPs crossover with a number of ongoing modifications across industry, noting that there are some directly related to these CPs and some others designed to facilitate possible enduring solutions. In developing these CPs, the Working Group has, where possible, maintained consistency with the other ongoing modifications. Specifically, the Working Group has considered the following industry code modifications:

- CMP281 'Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities'
- CMP280 'Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users'
- P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'
- P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point'

Commented [DT18]: P379

5.2 Given the above, the Secretariat convened a meeting of the relevant code administrators to facilitate a discussion that took place on 03 May 2019. It was noted that the discussion centred around the potential for a cross-code solution with respect to exempting storage facilities from residual charges. Attendees included representatives from National Grid as the ESO with knowledge or involvement in the CUSC modifications, Elexon as the Code Administrator for the BSC and as the Proposer of the CMP280 Workgroup Alternative Modification and ElectraLink as the Code Administrator for DCUSA. A high-level overview of the topics covered is set out below:

- furthering the collective understanding of each modification and considering progress to date:
- the expected timelines to produce final reports and proposed implementation dates:
- views/thoughts as to whether there is a solution that provides consistency in the legal requirements (e.g. common definitions, principles and outcomes) and where appropriate the use of common processes and systems:
- how achieving alignment/consistency might interact with the timescales for development:
- what contingency arrangements might be needed to facilitate alignment/consistency:

5.3 There was a suggestion that to align the CUSC and DCUSA modifications would be a good win for industry and for Code Administrators/Managers. For alignment to be achieved, it was recognised that the main two discrepancies between the CUSC and DCUSA proposals would need to be addressed. These main discrepancies are set out below:



- The approach taken by the DCP341/342 Working Group that storage tariffs will only be applicable to storage facilities that are metered with current transformer (CT) metering is a limitation that has not been built into solutions for CMP280/281. [The Working Group's rationale is set out more detail in paragraph 4.31 above.](#)

Commented [DT19]: Double check para referencing

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- The approach taken by the CMP280/281 Workgroup that a storage operator seeking exemption from residual charges would need to become a generation licensee is a limitation that has not been built into solutions for DCP341/342.

5.4 During their deliberations on the solutions for DCP 341/342 and in the context of potentially aligning approaches across industry, the DCP 341/342 Working Group noted that the CMP280 and CMP281 workgroup recognised (as did the Proposer of P383) that these modifications are likely to be 'stepping stones' toward an enduring solution for all generators as will be set out in Ofgem's final decisions on its TCR SCR and on changes to the generation licence standard conditions (intended to clarify the role of storage within the licensing arrangements), and the RIIO-ED2 framework.

5.5 In principle there is agreement that alignment would be beneficial for industry generally, however if achieving it means Ofgem's view that these CPs are a 'quick win' is eroded then industry will not have fulfilled the function that Ofgem expected. [The Working Group's rationale is set out more detail in paragraph 4.27 above.](#)

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6 Relevant Objectives

Assessment Against the DCUSA Objectives

- 6.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives. The full list of objectives is documented in the DCUSA.
- 6.2 The Proposer considers that the following DCUSA Objectives are better facilitated by DCPs 341/342.

DCUSA Charging Objectives	Identified impact
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	Positive
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)	Positive



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	Positive
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	Positive
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.	None
6. that compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	None

- 6.3 The rationale provided by the Proposer set out in the CP form, provided as Attachment ~~X2~~ is detailed below.
- 6.4 **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 HV and LV 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.
- 6.5 **Charging Objective Two:** This CP will ensure that storage facilities connected at HV and LV 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.
- 6.6 **Charging Objective Three:** This CP will increase the cost-reflectivity of tariffs for storage facilities by ensuring they are not exposed to residual charges.
- 6.7 **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.

Question ~~98~~ – Do you consider that DCP 341 and DCP 342 better facilitates the DCUSA Charging Objectives?

If so, please detail which of the Charging Objectives you believe are better facilitated and provide supporting reasons.

If not, please provide supporting reasons

7 Impacts & Other Considerations

Significant Code Review Impacts



TCR SCR Interaction

- 7.1 This CP has a significant crossover with the Targeted Charging Review (TCR) Significant Code Review (SCR) which is currently being progressed by Ofgem. Ofgem has indicated that it views this CP as a 'quick win' which can be progressed in isolation whilst the TCR looks at the issue of residual charging more fundamentally.
- 7.2 The Working Group noted that Ofgem released a 'minded to' consultation on 28 November 2018 and which closed on 04 February 2019 and the Working Group has undertaken the development of these CPs with this in mind.

Electricity Network Access and Forward-Looking Charging Review SCR Interaction

- 7.3 Following Ofgem's consultation issued on 23 July 2018, it was noted that on 18 December 2018 Ofgem published its decision to launch an SCR entitled 'Electricity Network Access and Forward-looking Charging Review' (the 'Access SCR'). The documentation with that decision included the scope and form of the review.
- 7.4 The scope of the Access SCR explicitly excludes residual charging, which is the subject of the TCR. However, the Access SCR may have a material impact on the level of residual charging, and so does interact with these CPs. The Working Group does not consider this interaction to be sufficiently material to halt the progress of these CPs.

Managing Legal Text Interactions

- 7.5 The Terms of Reference for each DCUSA Working Group contain instructions on how they are to prepare legal text, specifically that:
1. The legal text should be cross checked against all approved but still to be implemented CPs to ensure that any CP takes into consideration changes to the same DCUSA paragraph and produces a final version of that paragraph; and
 2. The proposed legal text changes are track changed against the most recently published charging methodology pre-release.
- 7.6 The way in which the Working Group have taken account of the legal text interactions between DCP 341 and DCP 268 is detailed in Section 9 below.

Model Impacts



FOR DCP 341

7.7 The Working Group considered that Parties would benefit from being able to understand the impact that this CP has on the models and so requested the DCUSA modelling consultant to provide updated versions of the CDCM, ARP and EDCMs. The DCP 341 Modelling documentation acts as Attachment 3X. The CDCM model has been modified to include three new tariffs (LV, LV Sub, and HV HH Metered Storage Import), which mirror the paired cost reflective tariffs but don't then add the residual fixed adder to unit rate. This has required additional rows and columns to be added throughout the model, as well as significant changes in the calculations on the "Pseudo-load coefficients" and "Revenue matching" sheets. An amended ARP has been provided, which is in line with the amendments made to the CDCM and the EDCMs have also been amended to account for the introduction of the new CDCM tariffs into the LDNO discounting calculations.

Commented [DT23]: confirm

7.8 DNO Working Group members have successfully populated the DCP 341 CDCM model and replicated the expected resulting outputs from this modified model.

Commented [DT24]: Awaiting final confirmation of this (UKPN/WPD)

FOR DCP 342

7.9 The Working Group considered that Parties would benefit from being able to understand the impact that this CP has on the models and so requested the DCUSA modelling consultant to provide updated versions of the EDCMs. The DCP 342 Modelling documentation acts as Attachment X-4. The EDCM models have been modified to include additional calculations into the import capacity calculation to remove the application of storage charges for import capacity related to storage.

Commented [DT25]: confirm

7.10 DNO Working Group members have successfully populated the DCP 342 EDCM models and replicated the expected resulting outputs from this modified model.

Commented [DT26]: Awaiting final confirmation of this (UKPN/WPD)

Impact Assessment

FOR DCP 341

7.11 The Working Group requested the DCUSA modelling consultant to carry out an impact assessment using proxy data for forecast volumes in place of actual forecast volumes data for storage sites as it was noted that this is not something that is readily available. The proxy volumes data was provided to the modelling consultant via a spreadsheet that included a revised 2020/21 volume forecast for each DNO licensee with estimated units for the storage tariffs. In providing this data, the Working Group used the following assumptions:

- 5% of HH metered exported units at each voltage (i.e. 5% of the sum of the volumes associated with the intermittent, non-intermittent, intermittent no RP charge and non-intermittent no RP charge tariffs at each voltage) are exported by storage. The total import volumes associated with the new storage import tariffs is set to the same level, i.e. assuming 1:1 import to export ratio for storage.
- Total volumes have been split across the red/amber/green time bands in the same proportion as the HH metered import tariff at that voltage.



- 5% of generation customer counts are assumed to relate to storage, i.e. the MPAN count for new tariffs has been set to 5% of the total generation MPAN count at that voltage.
- Storage sites have import capacity and excess reactive units set to the average of HH metered demand customers at that voltage. They have no excess capacity.
- There are no storage sites connected to LDNO networks.

7.12 The Working Group noted that the DCP 341 tariff impact assessment provided by the DCUSA modelling consultant was as expected but that the changes in annual charge show some unexpected results, with some of the half hourly metered tariffs showing decreases in £/customer despite increases in unit rates. It was noted that this issue has been seen previously and is related to changes in volumes between the two scenarios meaning kWh/customer has changed sufficiently to skew the £/customer impact. The impact assessment provided by the DCUSA modelling consultant acts as Attachment 5 to this consultation.

Commented [DT30]: Added/updated post meeting to reflect the Working Groups agreed approach

7.13 The Working Group highlight that this feature is explained well in the documentation provided by the DCUSA modelling consultant, but to avoid the need to explain it in the consultation document the Working Group made a modification to the impact assessment to use a constant kWh/customer applied to the old tariffs and new tariffs to come up with the impact £/customer impact assessment. The Working Group's version of the impact assessment can be found as Attachment 6.

Commented [DT27]: confirm

7.14 For fixed charges, capacity, charges, exceeded capacity charges, and reactive power charges, there is no change in any tariffs. Since the only changes are in the application of residuals, with cost-reflective charges not changing by design, this is expected.

7.15 The following table summarises the impact of DCP 341 on core all-the-way tariffs (excluding the LPN licence area). The complete dataset by licensee and including all tariffs can be found at Attachment 6 (reference to worksheet could be added).

Commented [DT28]: Potentially add reference to worksheet within spreadsheet

Tariff	Min	Average	Max
Domestic Unrestricted	0.0%	0.1%	0.5%
Small Non Domestic Unrestricted	0.0%	0.1%	0.5%
LV HH Metered	0.0%	0.1%	0.5%
LV UMS (Pseudo HH Metered)	0.0%	0.1%	0.4%
LV HH Metered Storage Import	-43.7%	-28.3%	-2.4%

7.16 In LPN there is negative scaling, which means that the estimate of relevant revenues exceeds the forecast of allowed revenue and this difference is called a surplus. As is set out in paragraph 94 of Schedule 16, if the procedure for calculating the amount by which the unit rates are to be scaled would result in negative value for any tariff component, then that tariff component is set to zero, and the unit charge adder figure is modified to the extent necessary to match forecast and target revenue.

7.17 This means that for the LPN licence area, the storage import unit rates actually increase, since the negative residual was actually reducing their tariffs. In some cases, they reduce by less than the total residual – this happens when the previous unit rate was 0 p/kWh⁵. As a result, there are some very minor reductions in the unit rates of the other demand tariffs (no more than 0.1%) due to the fact that more revenue is now being recovered from the storage customers, leading to a fall in the residual revenue that needs to be recovered.

7.18 The Working Group note that this means it would be unlikely that an eligible storage facility would request to be placed on one of the new storage tariffs as they would end up having the residual element of their charges applied. The Working Group expect that an eligible storage facility would make use of the existing LV HH Metered tariff, which as a result of the negative scaling, means that the residual element of their charges would not be applied.

7.19 The following table summarises the impact of DCP 341 on core all-the-way tariffs (including the LPN licence area). The complete dataset by licensee and including all tariffs can be found at Attachment 6 (reference to worksheet could be added).

Tariff	Min	Average	Max
Domestic Unrestricted	0.0%	0.1%	0.5%
Small Non Domestic Unrestricted	0.0%	0.1%	0.5%
LV HH Metered	0.0%	0.1%	0.5%
LV UMS (Pseudo HH Metered)	0.0%	0.1%	0.4%
LV HH Metered Storage Import	-43.7%	-25.4%	12.9%

Commented [DT29]: Potentially add reference to worksheet within spreadsheet

FOR DCP 342

7.20 Following receipt of the updated models, the DNOs undertook an impact assessment of the likely impacts associated with DCP 342 on EDCM tariffs. The results are set out within Attachment 7. For tariffs...s...

Commented [DT31]: Additional text still required once collated impact assessment data is available

⁵ This shows up as a percentage change of zero in the workbook, however, this is due to a "divide by zero" error when comparing the new tariff (which is greater than zero) with the previous zero tariff.



Impact on all EDCM customers of DCP 342

[illegible]

Commented [DT32]: Table to be populated once collated impact assessment data is available



Environmental Impacts

~~7.127.21~~ In accordance with DCUSA Clause 11.14.6, the Working Group assessed whether there would be a material impact on greenhouse gas emissions if DCPs 341/342 were implemented. The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

Engagement with the Authority

~~7.137.22~~ Ofgem has been fully engaged throughout the development of the CPs as an observer of the Working Group.

8 Implementation

- 8.1 It is proposed that these CPs should be implemented as soon as possible and in line with the requirement for DNOs to provide 15 months' notice of changes to Use of System charges, the earliest implementation date is 01 April 2021.

Question ~~109~~ – Are you supportive of the proposed implementation date of 01 April 2021?

9 Legal Text

FOR DCP 341

- 9.1 The legal text for DCP 341 is provided as Attachment ~~xx8~~.
- 9.2 The legal text sets out the introduction of a new set of tariffs for CDCM customers which will be applied in respect of the demand element of storage facilities, and mirror the existing LV HH metered, LV Sub HH metered and HV HH metered tariffs but with no 'adder' applied to unit rates (i.e. with no residual element). The name of new tariffs to be introduced are:
- LV Site Specific Storage Import;
 - LV Sub Site Specific Storage Import; and
 - HV Site Specific Storage Import
- 9.3 In order to ensure that the tariffs calculated for the new tariffs align with the existing demand tariffs on which they are based, it will be necessary to aggregate data for the new tariffs with the existing tariffs on which they are based for the majority of the tariff calculations. This ensures that the calculations for the three pairs of tariffs remain aligned for each step of the CDCM with only the application of residual charges differing.

- 9.4 The legal text drafting also introduces a new note under Table 5 set out under paragraph 141 which sets out that the Storage Import tariffs will only be applicable to Electricity Storage Facilities. How DNOs could ascertain whether a storage facility meets the definitions-eligibility criteria that would allow them to apply one of the new tariffs has been clarified in the definition for Electricity Storage Facility, which is detailed further in paragraph 4.18 above. The solution and thus the legal text means that it would be for the Supplier to provide assurance to the DNO that a storage facility meets the requirements to be assigned to one of the new tariffs.
- 9.5 With respect to DCP 341, the baseline text to which changes should be made against is the 01 April 2020 pre-release version of the DCUSA which was issued in October 2018. However, following the Authority's decision to approve DCP 268 'DUOS Charging using HH Settlement data' on 08 April 2019, the Working Group were required to consider the amendments being made by DCP 268. It was noted that a number of amendments in this change impact a number of paragraphs amended by DCP 268. This change therefore considers those approved paragraphs that this change is seeking to amend. It is also noted that if DCP 341 is approved then both DCP 268 and DCP 341 will be implemented in the same DCUSA release on 01 April 2021.
- 9.6 DCP 268 changed the title of LV HH metered to LV Site Specific likewise LV Sub HH metered to LV Sub Site Specific and HV HH Metered to HH Site Specific and so the naming convention for the three new tariffs introduced by DCP 341 has utilised these updated names conventions.
- 9.7 On specific paragraphs where the legal text for DCP 341 overlaps with that of DCP 268 the Working Group have indicated with a comment that this is the case and detailed the final legal text which will be used when DCP 268 and DCP 341 are combined.

Commented [DT33]: Amended post meeting to include the fact that the definition for an Electricity Storage Facility now contains the eligibility criteria and not under table 5 under paragraph 141.

Commented [DT34]: Deleted post meeting as it seemed superfluous

Question 110 – Do you have any comments on the draft legal text for DCP 341?

FOR DCP 342

- 9.8 The legal text for DCP 342 is provided as Attachment ~~xx~~9.
- 9.9 The legal text amends the calculations for 'Demand Scaling' in both Schedules 17 and 18, to account for the proposal that storage facilities are not subject to residual charges for demand where the intent is to export the energy taken back onto the system. The Working Group has made the changes to the application of the asset based residual charging rate (paragraph 18.19) and the conversion of the fixed adder for remaining residual revenue into capacity charges (paragraph 18.21) so that both only apply to sites which are not eligible storage facilities. Two new paragraphs, 18.19A and 18.21A, have been introduced to state that for eligible sites, the charges resulting from those calculations will be zero. Two corresponding changes to the calculations of the asset based residual charging rate (paragraphs 18.18) and fixed adder for remaining residual revenue (paragraph 18.20) have been made to ensure that there is no revenue shortfall created by the removal of residual charging from storage sites.



9.10 The legal text also introduces two new definitions a new paragraph 8.2A into both Schedules, which sets out how DNOs could ascertain whether a storage facility meets the definitions that would allow them to apply the exemption. The solution and thus the legal text means that the onus falls on the Supplier to provide assurance to the DNO that the storage facility meets the requirements for exemption where the Metering Systems for that storage facility are registered in an MPAS Registration System for Supplier Volume Allocation (SVA) purposes under the BSC. For storage facilities with Metering Systems registered for Central Volume Allocation (CVA) purposes under the BSC in the Central Meter Registration Service (CMRS), the onus will be on the customer to provide confirmation that the storage facility meets the requirements for exemption.

Commented [DT35]: Amended post meeting to state that the eligibility criteria are now set out in the definition for an Electricity Storage Facility not in 8.2 which has been deleted

Question 124 – Do you have any comments on the draft legal text for DCP 342?

10 Consultation Questions

10.1 The Working Group is seeking industry views on the following consultation questions:

No.	Questions
1	<u>Do you understand the intent of the CPs?</u>
2	<u>Are you supportive of the principles that sit behind the raising of these CPs, which is to level the playing field between storage (excluding any final demand) and generation and that these CPs have been based on?</u>
3	<u>Do you agree that these changes should only apply to 'standalone' storage facilities?</u>
4	<u>Do you agree with the Working Groups proposed approach for obtaining confirmation of the eligibility of a storage facility?</u>
5	<u>Do you believe that the certification of storage facilities should, for DCUSA purposes, be aligned to that which is being developed for the CUSC modifications?</u> <u>And if so, do you believe that the scope of the BSC Modification P383 should be widened for the purposes of the DCUSA to account for the approach taken by the Working Group to include all SVA storage facilities not just those that hold a licence?</u>
6	<u>Do you believe that the proposed solution for DCP 341 is reflective of the Governments/Ofgem's policy intent to reduce regulatory barriers to the further deployment of storage? Please provide your rationale.</u>
7	<u>Do you agree with the Working Groups solution that storage tariffs will only be applicable to storage facilities that are metered with current transformer (CT) metering? Please provide your rationale.</u>

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8	Do you believe that the proposed solution for DCP 342 is reflective of the Governments/Ofgem's policy intent to reduce regulatory barriers to the further deployment of storage? Please provide your rationale.
9	Do you consider that DCP 341 and DCP 342 better facilitates the DCUSA Charging Objectives? If so, please detail which of the Charging Objectives you believe are better facilitated and provide supporting reasons. If not, please provide supporting reasons
10	Are you supportive of the proposed implementation date of 01 April 2021?
11	Do you have any comments on the draft legal text for DCP 341?
12	Do you have any comments on the draft legal text for DCP 342?
13	Are you aware of any wider industry developments that may impact upon or be impacted by this CP?
14	Do you have any other comments on either or both DCP 341 and DCP 342?

10.2 Responses should be submitted using Attachment ~~xx-1~~ to dcusa@electralink.co.uk no later than, [close of play on 24 June 2019](#)~~DATE~~.

10.3 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

11 Attachments

- [Attachment 1 – DCP ~~XXX-341-342~~ Consultation Response Form](#)
- [Attachment 2 – DCP ~~XXX-341~~ and DCP 342 Change Proposal Forms](#)
- [Attachment 3 – DCP 341 Modelling Documentation](#)~~xx~~
- [Attachment 4 – DCP 342 Modelling Documentation](#)~~xx~~
- [Attachment 5 – DCP 341 CEPA/TNEI Impact Assessment](#)
- [Attachment 6 – DCP 341 Working Group Impact Assessment](#)
- [Attachment 7 – DCP 342 Working Group Impact Assessment](#)
- [Attachment 8 – DCP 341 Draft Legal Text](#)
- [Attachment 9 – DCP 342 Draft Legal Text](#)

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