

DCP 341/342 COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential / Anonymous	Question 1: Do you understand the intent of the CPs?	Working Group Comments
E.ON	Non-confidential	Yes	
Haven Power	Non-confidential	Yes	
British Gas	Non-confidential	Yes	
npower	Non-confidential	Yes. We understand the intent of the change proposals which is to remove residual import charges to standalone storage only.	
Smartest Energy	Non-confidential	Yes	
UK Power Reserve Ltd	Non-confidential	<p>Yes, UK Power Reserve (UKPR) understands the intent of both CPs and agree with the aim of addressing the negative cost implications of double charging for storage facilities.</p> <p>Avoiding residual charges for demand where the intent is to export the energy taken back onto the system will allow eligible storage facilities to compete on a level playing field with other forms of embedded generation.</p>	
The Greenspan Agency Limited	Non-confidential	Yes.	
Electricity North West Limited	Non-confidential	Yes.	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	Yes. We understand, but do not agree with, the intent of the CP.	
SP Distribution/SP Manweb	Non-confidential	Yes we understand the CP.	

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UK Power Networks	Non-confidential	Yes.	
WPD	Non-confidential	Yes	

Company	Confidential / Anonymous	Question 2: Are you supportive of the principles that support these CPs, which is to level the playing field between storage and generation?	Working Group Comments
E.ON	Non-confidential	We agree with the principle that support these CPs, however we do not feel that the proposed solutions achieve the principles set out by limiting the solution to 'standalone' storage facilities.	
Haven Power	Non-confidential	Yes	
British Gas	Non-confidential	Yes	
npower	Non-confidential	We are supportive of the principles of these CPs to level the playing field between generation and storage.	
Smartest Energy	Non-confidential	Yes	
UK Power Reserve Ltd	Non-confidential	Yes, we are supportive of these CPs: as storage sites are going to be treated in the same manner as generation sites under the Grid and Distribution Codes, the Use of System (UoS) charging framework shall become more consistent and transparent.	
The Greenspan Agency Limited	Non-confidential	Yes	
Electricity North West Limited	Non-confidential	Yes. This change has been proposed in response to the views expressed by Ofgem in their 'Open letter on implications of charging reform on electricity storage'. This letter states that "industry-led modifications are critical to reaching a level playing field between storage (excluding any final demand) and generation", and	

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		<p>“storage, without co-located final demand, should be treated in the same way as generation”.</p> <p>The proposed changes are seeking to address the distortion that Ofgem has identified. Applying the change to standalone storage sites only is consistent with the view Ofgem have expressed.</p>	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	<p>We are supportive of a level playing field between storage and other forms of embedded generation. Such a level playing field exists under the current arrangements as both storage and other embedded generation pay residual in respect of their associated imports. If implemented, this change would introduce distortions into the market.</p> <p>We note the intent under Ofgem’s Targeted Charging Review (TCR) to apply residual charges to ‘final demand’ only. DCP 341/342 will realise that intent sooner for storage sites than for other embedded generation (a so-called ‘quick win’). This may be justified because of the relatively high residual charges that storage sites face due to their higher import requirements compared to other embedded generation. If this is the argument in support of the change, then Ofgem should be explicit in its intent to temporarily distort the level playing field in favour of storage sites, on the basis that such a distortion is justified by early implementation of the part of the intent of the TCR for storage.</p> <p>Ofgem has not properly defined ‘final demand’, nor provided the rationale for exempting it from residual charging.</p>	
SP Distribution/SP Manweb	Non-confidential	Yes we are supportive of the principles.	
UK Power Networks	Non-confidential	Yes	
WPD	Non-confidential	Yes	

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Company	Confidential / Anonymous	Question 3: Do you agree that these changes should only apply to 'standalone' storage facilities?	Working Group Comments
E.ON	Non-confidential	<p>We do not feel that standalone storage site should be the only type of storage site to benefit from this solution because:</p> <ol style="list-style-type: none"> 1. Most of the Electricity storage sites are built on a co-located basis, either with another type of generation (I.E CHP) or with imports for general consumption purposes. The primary benefit this offers to consumers is to use storage technology to smooth out by imports at times of lower demand & either self-consume stored energy or to output energy onto networks during peak times of use. In both scenarios' networks benefit. 2. We feel that by limiting these changes to standalone storage only the DUoS charging arrangements will promote standalone storage only over a mix of technologies connected to a single distribution connection point. 3. Under its current change proposal, we perceive that this will create an additional requirement for single use distribution connection points to standalone only storage sites, even if a site already has a connection for other purposes. This will add additional costs to consumers to who will part fund the cost the additional connections which could be avoided. In many cases an existing distribution connection point may adequately take the additional loads required to operate the storage facility on a co-located basis without the need for additional infrastructure investment. 4. Whilst we recognize the history of moving through the proposed changes in 2018 and a desire to remove interactions with Ofgem's Significant code Reviews (SCRs) we feel that limiting the change to standalone storage only may stifle further innovation in the market, for example Vehicle 2 Grid (V2G). 	
Haven Power	Non-confidential	Yes	

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		<p>We note the workgroups comments around the 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.</p> <p>However, we also agree with the workgroups conclusion that separating out intermediate demand (i.e. for storage purposes) and final demand (i.e. not for storage purposes) is not practical and out of scope of this change.</p> <p>We also expect this issue to be covered under the terms of the TCR SCR and acknowledge that these CPs are just dealing with standalone storage sites connected directly to the distribution network.</p>	
British Gas	Non-confidential	<p>We are more inclined to agree with the alternative interpretation of Ofgem's letter of 23rd January (i.e. residual charge exemptions should also apply to any 'intermediate' demand at co-located storage sites) and it would be useful if Ofgem could provide clarity in this regard.</p> <p>Nonetheless, we accept that the scope of this Change Proposal has been limited to standalone storage facilities.</p>	
npower	Non-confidential	<p>We agree that these changes should only be applied to standalone storage. It would be difficult to disaggregate storage import volumes for sites where there is also end use demand on the same metering system which could create inconsistencies.</p> <p>Also timeline of the change implementation of OFGEM's TCR quick wins would be delayed if the working group was to consider all combined use cases and methods for removing the residual element for the storage component only.</p> <p>We believe that there should be a more explicit explanation of what storage site demand means, and whether this includes 'parasitic' loads of the storage facility. i.e. lights, security systems etc.</p>	
Smartest Energy	Non-confidential	<p>Yes, although in the future we would hope that storage which is not standalone but which re-exports will be exempt in the future but we see the current impracticalities of doing this now.</p>	

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UK Power Reserve Ltd	Non-confidential	<p>Yes, the new set of charges and the new methodology should apply only to standalone storage facilities. The issue with mixed sites is that their demand component cannot be singled out at the point of metering, complicating the identification of what should be charged at the standard tariffs.</p> <p>This would make the solution in line with Ofgem position, whereby “[...] storage, without co-located final demand, should be treated in the same way as generation”</p>	
The Greenspan Agency Limited	Non-confidential	Yes.	
Electricity North West Limited	Non-confidential	<p>Yes. It is our view that it is clear from Ofgem’s views set out in their open letter that only standalone storage facilities should be included within the scope of this change.</p> <p>As the proposer of this change it was our intention that the scope of the change should be limited to standalone storage facilities. We would expect that any changes to address mixed sites could be progressed via the TCR and other future DCUSA change proposals if this was thought to be required.</p>	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	<p>As noted in response to question two, we do not support these changes being introduced as a ‘quick win’ at this stage.</p> <p>Hypothetically if we were to accept that the ‘quick win’ approach were appropriate, then we would be broadly supportive of the pragmatic solution suggested by the Working Group, of applying these changes to standalone, current transformer (CT) metered storage only. This will ensure the changes can be delivered on relatively short timescales, and so achieve the objective of early implementation ahead of a more comprehensive solution under the TCR.</p> <p>However, it is important to note the distortions that this will create. Most notable of these is that a site which co-locates storage with only other forms of generation (i.e. no other demand) will not be exempt from residual charges, despite all demand to that site being for the purpose of storage.</p>	

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SP Distribution/SP Manweb	Non-confidential	No we do not agree that these changes should only apply to 'standalone' storage facilities, for reasons outlined in 4.6 and 4.9 of the consultation document.	
UK Power Networks	Non-confidential	<p>We have a concern that the changes proposed only apply to 'standalone' storage facilities. We do not believe that it is possible to change the arrangements for a specific group of customers whilst not for others, as that in itself does not 'level the playing field between storage and generation' as stated in Q2 above.</p> <p>The term 'Standalone' relating to storage facilities needs to be clearly defined in the legal text, which it isn't at the current time.</p>	
WPD	Non-confidential	Yes, although further work should be done in the future to understand if this DCP should be applied to mixed storage/ generation sites in the future.	

Company	Confidential / Anonymous	Question 4: Do you agree with the Working Groups proposed approach for obtaining confirmation of the eligibility of a storage facility?	Working Group Comments
E.ON	Non-confidential	<p>We disagree with the working groups proposed approach for confirming eligibility of a storage facility because;</p> <ol style="list-style-type: none"> 1. We feel that the placing requirements on suppliers to both confirm and to forward manage the eligibility of standalone storage sites is inappropriate, this effectively places burdens on suppliers to understand and manage what a customer's site is consuming/generating for behind the boundary meter which is generally beyond the responsibilities of suppliers who own the responsibilities for metering systems only. 2. The proposed approach to provide eligibility guidance to suppliers via the LC 14 charging statements has the potential to create ambiguity in the eligibility criteria by geographical Distribution region & IDNO. Whilst we recognize that Ofgem's approval of LC 14's is a distribution licence requirement there is room 	

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		<p>within charging statements to create variances against the eligibility requirements, which could create a need for suppliers to understand these variances and enact each LC 14 requirement.</p> <p>3. The proposed application process for gaining the new DUoS tariffs may increase the potential that delayed connections/energisation of storage sites may occur. In turn this could cause unnecessary problems on the end customer storage site when seeking supply contracts with energy suppliers. As a rule, the supplier-generator contracting process means a supplier will factor in DUoS costs based on the Line Loss factor Class (LLFC) that is visible in MPRS to make a pricing offer to the customer which is prior to registration.</p> <p>Therefore, we believe that resulting in 1 of 2 scenarios will occur:</p> <ul style="list-style-type: none"> i) the end consumer initially chooses to register with a supplier on a DUoS tariff with residual charging components factored in to energise to connection point, based on SMRS at the time. This is with a view that once the supplier-led eligibility application is approved by DNO's they move to a DUoS tariff without residual charging components. This could result in an additional requirement for suppliers to reopen contracts at a later point for the end user to gain the benefit for the revised DUoS tariff or the supplier may factor in some pricing risk if eligibility is not met, in either case this could result in a less efficient consumer outcome. It is also unclear if DNO's will backdate the DUoS tariff change to energisation/go live if eligibility criteria is met after energisation of the meter point. ii) The end user chooses not to contract with a supplier until the eligibility application is approved, this may create a dangerous cycle of inactivity as suppliers may not be able to, or choose not to support the eligibility application, particularly in the case new registrations as suppliers may not be registered in SMRS. At this point Suppliers may not be registered to the Mpan so may not have the right within industry, or a contractual relationship (as determined under the national terms of connection) to complete the eligibility application, as this will generally denote they have 	
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		<p>no contractual agreement with the end consumer. This may lead to prolonged lengths of time between registration between energisation causing delays in the energisation of a storage site by creating added complexity for the storage site user that could be avoided, that ultimately may affect the end consumers business case for investing in a storage capability.</p> <p>4. Existing connection arrangements outline that the DNO are required to ensure that the generation and the installation must comply with the ENAs Engineering Recommendation G99, in the case of export power Engineering Recommendation G100 provide requirements for the connection of Customer Export Limiting Schemes (ELS) that operate on the Distribution Systems of licensed Distribution Network Operators (DNOs). These engineering requirements are placed on DNO's to ensure the connection points, along with the what is connected to the distribution system meets the required standards. This also makes to the DNO much better placed to carry out eligibility checks due to the requirements to physically attend site for these reasons upfront.</p> <p>5. For these reasons we feel that the DNO is significantly better placed to carry out eligibility assessments, as the requirements to provide connections along with site assessments are required under existing industry code/engineering requirements. We feel the customer connections processes can be built upon to ensure that DNO's confirm eligibility themselves and in turn set the appropriate DUoS tariffs ahead of creating Mpans in SMRS, meaning that suppliers have the correct information to offer contracts to storage sites up front which in turn enables a smoother end customer journey.</p>	
Haven Power	Non-confidential	Yes	
British Gas	Non-confidential	There is no approach set out in the consultation document, other than to say that either the supplier (SVA) or the customer (CVA) will provide assurance to the DNO in a manner that could potentially be set out in the LC14 'Use of System Charging Statement'. We are concerned this may not lead to a common set of arrangements	

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		and would prefer the eligibility criteria to be incorporated into DCUSA as part of this change.	
npower	Non-confidential	We agree in principal with the working group on the proposed approach for confirming the eligibility of a storage facility, however we believe that there should be a more explicit explanation of what storage demand means, and whether this includes 'parasitic' loads of the storage facility. i.e. lights, security systems etc.	
Smartest Energy	Non-confidential	Yes	
UK Power Reserve Ltd	Non-confidential	<p>Yes, any entity receiving a benefit over other users need to prove eligibility. The Supplier route to confirm eligibility provides a straightforward means to lower barriers for providers that do not hold a licence. Such solution should be looked at in the interest of swift implementation of the CPs.</p> <p>Ultimately, Ofgem will have to provide the clarity necessary for a harmonious set of rules and licence conditions to favour certainty and consistency across DCUSA and CUSC.</p>	
The Greenspan Agency Limited	Non-confidential	<p>Not sure.</p> <p>Paragraph 4.18, the proposed definitions for Electricity Storage Facility under DCP341/342 include the following:</p> <p>"means a facility that: has an import MPAN and export MPAN with associated metering equipment which both only measure activities necessary for performing Electricity Storage" (my emphasis)</p> <p>I understand the concern that storage systems connected behind the meter can allow the host demand customer (e.g. factory) to avoid paying their contribution to the residual sunk costs of the network. However the proposed definition risks harming the competitiveness of energy storage projects that are co-located with electricity generation projects, such as wind and solar. Energy storage can be used to 'load shift' the energy generated by a co-located renewable energy project so</p>	

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		<p>that it is exported at a more useful time of day. The import MPAN associated with the site should still be exempt from the DUoS Demand Residual, TNUoS Demand Residual and BSUoS Demand charges, but as the “activities” would no longer solely be for Electricity Storage, co-located energy storage projects would not qualify.</p> <p>Can the working group propose alternative wording to address the above?</p>	
Electricity North West Limited	Non-confidential	<p>Yes.</p> <p>Under the ‘Supplier hub’ principle customers primary relationship is with their supplier, so we believe the proposed ‘Supplier certification’ arrangements are entirely appropriate.</p> <p>We also agree with the drafting of this in the legal text and agree that this would be further supported by the relevant DNO’s LC14 statement.</p> <p>This is a sensible approach given the Storage facility may or may not be operated by a licensed generator, and consequently the customer might benefit from the support of a supplier in ensuring they are correctly classified by the network operator.</p>	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	<p>Given use of system charges are levied on suppliers, it would be appropriate for a supplier to confirm the eligibility of its customers for these tariffs. The criteria which underpin this confirmation must be clear. We consider that points (a) and (b) of the definitions of ‘Electricity Storage Facility’ in the legal text achieve the necessary clarity.</p>	
SP Distribution/SP Manweb	Non-confidential	<p>Yes we agree with the Working Groups proposed approach for obtaining confirmation of the eligibility of a storage facility.</p>	
UK Power Networks	Non-confidential	<p>Yes.</p>	
WPD	Non-confidential	<p>Yes</p>	

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Company	Confidential / Anonymous	<p>Question 5: 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?</p> <p>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?</p>	Working Group Comments
E.ON	Non-confidential	<p>We do not believe that certification process should be aligned to CUSC modifications.</p> <ol style="list-style-type: none"> 1. The primary reason for this is because the CUSC modifications seek to only certify licenced storage sites which is reasonable given that connections to the transmission system are expected to have import/export capacities at 100MW+ licensable generation outputs. 2. DCUSA arrangements will be connections below 100MW generation output, therefore certification of a storage facility should be worked on licence exempt basis within the DCUSA and, if required through D.Code arrangements. 3. We agree that the scope of P383 could be expanded to account for all SVA storage sites, as we envisage that P383 solution could work in a similar fashion to how EII exemption & Capacity market allocations do currently. 4. However we envisage the P383 solution would only make allowances for TNUoS & BSUoS charges where SVA registered, we do not believe that the P383 solution offers a viable solution for DUoS purposes. 5. We believe that a much easier route for distributors & suppliers to identify storage sites is via LLFCs through DNO led eligibly assessments & certifications, these assessments would not be reflective in the CUSC as the particular TNUoS liabilities do not derive LLFCs, furthermore this may create a direct conflict 	

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		with the Targeted Charging Review (TCR) which asked how TNUoS could be lined to LLFCs in its consultation earlier this year.	
Haven Power	Non-confidential	<p>Yes, we believe the certification of storage should, for DCUSA purposes, be aligned to that which is being developed for the CUSC modifications.</p> <p>We also believe 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. Parties can raise an alternative solution within BSC Modification P383 or another BSC modification if necessary.</p>	
British Gas	Non-confidential	Aligned industry processes would be desirable as far as is practicable. For example, even if eligibility criteria differed between CUSC (TNUoS/BSUoS) and DCUSA (DUoS), a single director-declaration could be designed to capture the information required for all exemptions (rather than requiring multiple director-declarations).	
npower	Non-confidential	<p>We agree that certification of storage facilities in DCUSA should be aligned to the CUSC. This is a quick win which would further implement the Authority's policy intent to reduce the regulatory burden on the deployment of storage.</p> <p>Continuing with the reduction of the regulatory burden we also agree that P383 should be widened to include all SVA storage facilities and not just those that hold a generation licence.</p>	
Smartest Energy	Non-confidential	Yes and yes	
UK Power Reserve Ltd	Non-confidential	<p>Yes, UKPR supports consistency and alignment between the charging regimes of DCUSA and CUSC.</p> <p>To achieve a level playing field between SVA and CVA storage facilities and to avoid unintended discrimination, storage sites with SVA metering should be included.</p>	
The Greenspan Agency Limited	Non-confidential	All SVA storage facilities should be eligible for removal of charges for TNUoS Demand Residual, DUoS Demand Residual and Demand BSUoS, <u>irrespective of whether or not they hold a generation licence.</u>	

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Electricity North West Limited	Non-confidential	<p>We believe that alignment should be achieved to the extent it is possible, but there are differences between CUSC and DCUSA that will not make full alignment possible.</p> <p>Primarily, it would not be appropriate to discriminate under DCUSA between parties holding a generation licence, and those parties that are legitimately operating storage facilities that do not require a licence.</p> <p>We are therefore content that the approach taken by the working group is valid.</p> <p>Decisions regarding the scope of P383 should be taken by the group developing that change, but we do not believe it is necessary to ensure the two separate changes are strictly aligned. We would expect that any party that qualifies for exemption from residual charges under P383 would also qualify under DCP341/2 if connected to a distribution network, according to the current proposed approaches of both changes.</p>	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	<p>No.</p> <p>Regulatory alignment is desirable where possible. But certain arrangements may be practical for a small number of large connectees (as is the case on the transmission network), and those arrangements may be inappropriate when considering a large number of smaller connectees on the distribution networks.</p>	
SP Distribution/SP Manweb	Non-confidential	<p>Yes we agree with industry alignment, however the implementation date would need to be pushed back to April 2022, this will potentially outweigh the benefit of the alignment.</p>	
UK Power Networks	Non-confidential	<p>At the current time under the SCR, changes are being considered across the networks to remove barriers and encourage better and easier access for parties who wish to connect to the network(s). As a result it would seem vitally important that any changes which are proposed now under the open governance arrangements, are joined up across the different arrangements (DCUSA and CUSC) to ensure that further differences are not introduced.</p>	

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		As a result the scope of BSC modification P383 may need to be reviewed to ensure that all types of customer are addressed as a result of this change.	
WPD	Non-confidential		

Company	Confidential / Anonymous	Question 6: 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.	Working Group Comments
E.ON	Non-confidential	<p>We Do not believe that DCP 341 is reflective of the governments/Ofgem's policy to remove regulatory barriers.</p> <p>As outlined in response to question 3 the proposed solution creates additional barriers to a storages sites ability to move through the regulatory requirements to enter the SVA market, primarily by placing the obligation on suppliers to assess elilgibity.</p>	
Haven Power	Non-confidential	Yes	
British Gas	Non-confidential	It is a step in the right direction, although as mentioned in our response to Q3, we believe that Ofgem's intent is that residual charge exemptions should also apply to any 'intermediate' demand at co-located storage sites.	
npower	Non-confidential	We believe that the solution is reflective of the Authority's policy to reduce regulatory barriers for further deployment of storage. Our rational for this is that the change does not require the storage site to hold a Generation License or require director-signed declarations.	
Smartest Energy	Non-confidential	Yes	
UK Power Reserve Ltd	Non-confidential	Yes, as this CP will reduce the (unnecessary) operating costs of storage capability, so that they are treated the same as other network support facilities.	

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The Greenspan Agency Limited	Non-confidential	Yes.	
Electricity North West Limited	Non-confidential	<p>Yes.</p> <p>It is the clearly stated view of Ofgem that applying residual charges to storage facilities without final demand is acting as a barrier to the deployment of storage.</p> <p>We believe that the proposed change addresses this in regards to standalone storage facilities and that this is a reasonable approach given Ofgem's stated desire for "faster reform", and note that Ofgem have retained the option to of addressing storage changes through the TCR if they decide further reform is necessary.</p>	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	<p>No.</p> <p>Firstly, Ofgem's policy intent is not clear, with contradictory positions being adopted in different publications.</p> <p>In its open letter of 23rd January 2019¹, Ofgem stated:</p> <p style="padding-left: 40px;"><i>We think that storage should only face one set of residual network charges, and that those should be applied in a manner consistent with generation.</i></p> <p>This is already the case – both storage and other embedded generation face one set of residual charges in respect of imports.</p> <p>However, Ofgem's policy under the TCR is that residual charges should apply to 'final demand' only. We assume that demand for storage and demand for the operation of a generator is not 'final demand' (this is an assumption as 'final demand' has not yet been clearly defined). Hence, Ofgem's policy under the TCR contradicts this extract from its open letter.</p> <p>Secondly, as stated in response to question two, we have not yet seen justification for applying residual charges to 'final demand' only. We continue to hold the view that all demand should attract residual charges. If residual charging is a 'barrier' to</p>	

¹ https://www.ofgem.gov.uk/system/files/docs/2019/01/storage_and_charging_reform_2201f.pdf

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		the deployment of storage then it is an economic barrier, not a regulatory barrier. To selectively remove such economic barriers is akin to a backdoor subsidy. If Government wishes to subsidise storage then it should do so explicitly, not through distortions in use of system charges.	
SP Distribution/SP Manweb	Non-confidential	Yes we agree that proposed solution is reflective of the Government/Ofgem's policy intent.	
UK Power Networks	Non-confidential	Yes, this change does reduce regulatory barriers for storage operators, but as a result creates a differential between storage and other generators.	
WPD	Non-confidential	Yes	

Company	Confidential / Anonymous	Question 7: 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.	Working Group Comments
E.ON	Non-confidential	<p>We agree that with the Working Groups solution storage tariffs will only be applicable to storage facilities that are metered with current transformer (CT) metering.</p> <ol style="list-style-type: none"> 1. For a storage site to gain the benefits that proposed solution may offers, the existing charging arrangements denote that a storage site must be registered into Measurement classes C or E to be assigned site specific DUoS tariff both of which meet the CT metering definitions. 2. CT meters registered as HH also create a requirement for connection agreements to be agreed between the end consumer & the DNO, which sets the Maximum Import Capacity (MIC) between the end consumer & the DNO, which the DNO will make available to the consumer to offtake from the distribution network once in place.. 	

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		<p>3. We feel by limiting the solution to CT metering also creates the opportunity for the DNO's to capture eligibility through making an amendment to connection agreement to capture this information with the end consumers directly, which further supports the case for the DNO being responsible for eligibility as detailed in response to question 4.</p> <p>4. We do not feel that WC metering or those within Measurement Classes A,F & G should be included, primarily because the DNOs will not be able to see the benefits the storage site offers to the network due to aggregated DUoS billing & an inability to see the Mpan level consumption data.</p>	
Haven Power	Non-confidential	Yes, the complexity of developing a solution which works for WC metering is not warranted especially given the limited number of storage facilities with WC metering.	
British Gas	Non-confidential	In principle, we do not agree that metering type should affect whether a customer faces residual charges. However, we accept this is a pragmatic solution to enable a 'quick win' for the majority of storage sites.	
npower	Non-confidential	We agree with the working group that in the interests of expediency the current change should only apply to CT metered sites. However we also believe that further analysis should be carried out to quantify the number of existing WC metered storage sites and depending on a cost benefit analysis whether a subsequent change should be raised to include WC metering.	
Smartest Energy	Non-confidential	Yes	
UK Power Reserve Ltd	Non-confidential	Yes, as this is consistent with the requirements of the relevant charging models.	
The Greenspan Agency Limited	Non-confidential	Don't know.	
Electricity North West Limited	Non-confidential	Yes. While we think it would be more desirable to include both WC and CT metering in the solution, on balance we agree with the working groups proposed solution.	

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		<p>We don't think there are any business models based around standalone WC-metered storage sites. To our knowledge all storage at WC-metered sites is designed to support co-located demand, or both co-located demand and generation.</p> <p>The complexity that including WC-metered sites would entail is therefore unnecessary as there is no viable WC-metered storage market that is subject to distortions.</p>	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	See response to question 3.	
SP Distribution/SP Manweb	Non-confidential	Yes we agree that storage tariffs should only apply to CT metered storage facilities.	
UK Power Networks	Non-confidential	Yes, we would agree with the view of the working group that the majority (if not all) storage customers would have CT metering installed, and agree that to introduce equivalent tariffs for WC metered sites would delay the implementation of any change to the arrangements beyond April 2021. This is as a result of the complexity of the changes required, potentially for no customers to need to use the arrangements.	
WPD	Non-confidential	Yes	

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Company	Confidential / Anonymous	Question 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.	Working Group Comments
E.ON	Non-confidential	<p>We do not believe that DCP 342 is reflective of the governments/Ofgem's policy to remove barriers, as outlined in response to question 3 the proposed solution creates additional barriers to a storages sites by placing the obligation on suppliers to assess eligibility.</p> <p>We feel that the option for consumer/DNO eligibility assessment under the CVA market should be progressed under both DCP 341 & both the SVA & CVA routes to market under DCP 342.</p>	
Haven Power	Non-confidential	Yes	
British Gas	Non-confidential	It is a step in the right direction, although as mentioned in our response to Q3, we believe that Ofgem's intent is that residual charge exemptions should also apply to any 'intermediate' demand at co-located storage sites.	
npower	Non-confidential	We believe that the solution is reflective of the Authority's policy to reduce regulatory barriers for further deployment of storage. Our rational for this is that the change does not require the storage site to hold a Generation License or require director-signed declarations.	
Smartest Energy	Non-confidential	Yes	
UK Power Reserve Ltd	Non-confidential	As response to Q6.	
The Greenspan Agency Limited	Non-confidential	Yes.	
Electricity North West Limited	Non-confidential	<p>Yes.</p> <p>Our reasoning is as per our response to Q6.</p>	
Northern Powergrid on behalf of Northern Powergrid (Northeast)	Non-confidential	See response to question 6.	

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Ltd and Northern Powergrid (Yorkshire) plc			
SP Distribution/SP Manweb	Non-confidential	Yes we believe that the proposed solution is reflective of the Governments/Ofgem's policy intent.	
UK Power Networks	Non-confidential	Yes, this change does reduce regulatory barriers for storage operators, but as a result creates a differential between storage and other generators.	
WPD	Non-confidential	Yes	

Company	Confidential / Anonymous	Question 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	Working Group Comments
E.ON	Non-confidential	We agree that the relevant charging objectives would be met under the current solution.	
Haven Power	Non-confidential	We agree that DCUSA charging objectives 1 to 4 are better facilitated for the reasons outlined in the consultation document.	
British Gas	Non-confidential	We believe charging objectives 1,2 and 4 are better facilitated for the reasons set out in the consultation document. We believe the change is neutral against charging objective 3, since the aggregate amount being recovered by residual charges is unchanged.	
npower	Non-confidential	We have no comment.	

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Smartest Energy	Non-confidential	Yes	
UK Power Reserve Ltd	Non-confidential	<p>Yes. UKPR agrees with the WG assessment that these CPs facilitate DCUSA Charging Objectives 1, 2, 3, 4.</p> <p>These CPs facilitate competition, reducing barriers to entry for storage sites by aligning their operating cost base with existing generation sites.</p>	
The Greenspan Agency Limited	Non-confidential	Yes.	
Electricity North West Limited	Non-confidential	<p>We believe that the proposed change would better facilitate DCUSA charging objectives 1, 2, 3 and 4 – our reasoning is a set out in the consultation document (reproduced below). We believe there would be no impact on DCUSA charging objective 5 and 6.</p> <p>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.</p> <p>Charging Objective Two: This CP will ensure that storage 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.</p> <p>Charging Objective Three: This CP will increase the cost-reflectivity of tariffs for storage facilities by ensuring they are not exposed to residual charges.</p> <p>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.</p>	
Northern Powergrid on behalf of Northern	Non-confidential	This change will have a negative impact on the DCUSA Charging Objectives.	

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Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc		<p>Charging Objective two will be negatively impacted. By removing residual charging from standalone storage only, this change will create a distortion between standalone storage and other embedded generation.</p> <p>Charging Objective one will be negatively impacted. The application of residual charging to 'final demand' only has not yet been justified. As a result, we consider any change which moves the burden of residual charging from demand which is not 'final demand' onto 'final demand' (which DCP 341/342 will do) will reduce cost-reflectivity.</p> <p>If the justification for the application of residual charges to 'final demand' were provided, the negative impact on Charging Objective two would remain but there would be an argument for an offsetting positive impact on Charging Objective three.</p>	
SP Distribution/SP Manweb	Non-confidential	Yes we agree with charging objectives detailed in the consultation document.	
UK Power Networks	Non-confidential	<p>Although we believe that the changes proposed better facilitate charging objective one, as a result of the changes which are being proposed align to those which Ofgem are keen to be taken forward.</p> <p>We do believe that charging objectives two and three will be negatively impacted as a result of these changes, in that a storage customer will be treated differently (for their import connection) by not paying any residual to that of any other generator, who would continue to pay residual charges under the changes proposed.</p>	
WPD	Non-confidential	WPD agree with the working group that objectives 1,2, 3 and 4 are positively effected	

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Company	Confidential / Anonymous	Question 10: Are you supportive of the proposed implementation date of 01 April 2021?	Working Group Comments
E.ON	Non-confidential	<p>We do not agree we the proposed implementation date, because:</p> <ol style="list-style-type: none"> 1. we feel that limiting the scope of these changes to storage only sites create a disincentive for co-located generation investments, which we believe would be an unintended consequence of these change proposals. 2. We feel that the working group could account for Co-located storage sites by taking into BSC modifications being worked through which may act as key enablers for this workgroup's considerations, question 13 outlines our thinking in this regard. 3. The workgroup would need further time & cross code interactions to facilitate co-located storage arrangements. To align with the requirement for DNOs to provide 15 months' notice of changes to Use of System charges we feel that an April 2022 implementation date would be more practical to facilitate a more rounded solution for this change proposal. 	
Haven Power	Non-confidential	Yes	
British Gas	Non-confidential	Yes	
npower	Non-confidential	We are comfortable with the proposed implementation date of April 2021. As there are so few of these sites at the current time we believe that this would not have a material impact on forecasts for 21/22 tariffs which have already been priced to customers.	
Smartest Energy	Non-confidential	Yes	
UK Power Reserve Ltd	Non-confidential	Yes. Implementation should be as soon as possible.	
The Greenspan Agency Limited	Non-confidential	Yes	

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Electricity North West Limited	Non-confidential	Yes, we can see no implementation issues with this change and this date would enable the next published set of DUoS charges to eliminate the identified distortion.	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	No. We do not support these changes being introduced as a 'quick win' at this stage given the supporting principles are yet to be properly established and could yet change.	
SP Distribution/SP Manweb	Non-confidential	Yes we are supportive of the proposed implementation date.	
UK Power Networks	Non-confidential	Yes.	
WPD	Non-confidential	Yes	

Company	Confidential / Anonymous	Question 11: Do you have any comments on the draft legal text for DCP 341?	Working Group Comments
E.ON	Non-confidential	No Comments	
Haven Power	Non-confidential	No	
British Gas	Non-confidential	No	
npower	Non-confidential	We have no comment of the draft legal text.	
Smartest Energy	Non-confidential	No	
UK Power Reserve Ltd	Non-confidential	No	

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The Greenspan Agency Limited	Non-confidential	No	
Electricity North West Limited	Non-confidential	None	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	No	
SP Distribution/SP Manweb	Non-confidential	No comments.	
UK Power Networks	Non-confidential	Only as mentioned in the response to Q3 that the term 'Standalone' relating to storage facilities needs to be clearly defined in the legal text.	
WPD	Non-confidential	No	

Company	Confidential / Anonymous	Question 12: Do you have any comments on the draft legal text for DCP 342?	Working Group Comments
E.ON	Non-confidential	No Comments	
Haven Power	Non-confidential	No	
British Gas	Non-confidential	No	
npower	Non-confidential	We have no comment of the draft legal text.	
Smartest Energy	Non-confidential	No	

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UK Power Reserve Ltd	Non-confidential	No	
The Greenspan Agency Limited	Non-confidential	No,	
Electricity North West Limited	Non-confidential	None	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	No	
SP Distribution/SP Manweb	Non-confidential	No comments.	
UK Power Networks	Non-confidential	No.	
WPD	Non-confidential	No	

Company	Confidential / Anonymous	Question 13: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
E.ON	Non-confidential	<p>We feel that the following 2 BSC modifications could also act as enablers to facilitate co-located storage if expanded.</p> <ol style="list-style-type: none"> 1. P375 Settlement of Secondary BM Units using metering behind the site Boundary Point. It proposes to introduce meters installed at the generation asset not registered for settlement services to be used within TERRE & the Balancing Mechanism. The latest update suggests that this may form the basis of a new metering Code of Practice that will enable metering at a generation 	

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		<p>asset (as opposed to the DNO/customer boundary point) to be used within the settlement processes.</p> <p>2. P379 Enabling consumers to buy and sell electricity from/to multiple providers through Meter Splitting. This aims to amend market rules to develop non-traditional business models, innovation & enable peer to peer trading arrangements. Whilst the P379 solution is in its infancy, the solution could enable meter splitting that enables energy from storage sites to be separated from other forms of energy consumed where co-located storage sites exist.</p>	
Haven Power	Non-confidential	No	
British Gas	Non-confidential	Not in addition to those already flagged in the consultation	
npower	Non-confidential	We are aware that this may interact with the TCR/SCR but also note the direction from the Authority that these changes should be implanted as a quick win as part of the TCR/SCR ongoing work streams.	
Smartest Energy	Non-confidential	No	
UK Power Reserve Ltd	Non-confidential	Other than Ofgem Charging Review, the CUSC, and BSC modification proposals, which were acknowledged by the WG discussions, we don't think there is any other work stream that would impact these CPs or be impacted by them.	
The Greenspan Agency Limited	Non-confidential	No.	
Electricity North West Limited	Non-confidential	None beyond those already identified by the working group, including the Ofgem TCR.	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	As noted throughout our response, this change heavily interacts with the TCR. We note that DCP 341/342 have been brought forward outside of the TCR at Ofgem's request. Whilst this may be appropriate to achieve 'quick wins' in some areas, we do not think Ofgem has articulated the issue to be resolved sufficiently well for industry to be in a position to develop 'quick wins'. Without further clarity from	

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		Ofgem, we risk developing 'quick wins' which are contrary to, and so potentially reversed by, the final outcome of the TCR.	
SP Distribution/SP Manweb	Non-confidential	We are not aware of any wider industry developments that may impact upon or be impacted by this CP.	
UK Power Networks	Non-confidential	These changes could have been picked up as part of the TCR and as a result all types of customers could have been fully considered. However as this has not happened as a result of progressing this separately, it is important that any changes from the TCR align to the solution being proposed from DCP341/342.	
WPD	Non-confidential	The TCR may have an effect	

Company	Confidential / Anonymous	Question 14: Do you have any other comments on either or both DCP 341 and DCP 342?	Working Group Comments
E.ON	Non-confidential	No further comments.	
Haven Power	Non-confidential	No	
British Gas	Non-confidential	No	
npower	Non-confidential	We have no additional comments.	
Smartest Energy	Non-confidential	No	
UK Power Reserve Ltd	Non-confidential	No	
The Greenspan Agency Limited	Non-confidential	No.	
Electricity North West Limited	Non-confidential	No.	

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Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	Not at this time.	
SP Distribution/SP Manweb	Non-confidential	No comments.	
UK Power Networks	Non-confidential	No.	
WPD	Non-confidential	No	