



DCUSA DCP 313 'Eligibility Criteria for EDCM Generation Credits' Change declaration

Voting end date: 12 April 2019

DCP 313	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
CHANGE SOLUTION	Accept	n/a	Accept	n/a	n/a
IMPLEMENTATION DATE	Accept	n/a	Accept	n/a	n/a
RECOMMENDATION	<p>Change Solution – Accept.</p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was more than 50% in all Categories.</p> <p>Implementation Date – Accept.</p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was more than 50% in all Categories.</p>				
PART ONE / PART TWO	Part One – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				
Western Power Distribution (East Midlands) plc	Accept	Accept	WPD agree with the working group that this change would have a positive impact on Charging Objectives 2, 4 and 6 and with their reasons.	
Western Power Distribution (West Midlands) plc	Accept	Accept		
Western Power Distribution (South Wales) plc	Accept	Accept		
Western Power Distribution (South West) plc	Accept	Accept		
Electricity North West Limited	Reject	Accept	It is our view that the proposed change would have an adverse impact on DCUSA objective 2 because the introduction of non-binary f-factor based eligibility for credits to some classes of generator, but not for others, could potentially adversely affect competition in the generation market. Under the proposed solution, two generators with equal f-factors and equal calculated charge 1 credits could receive different levels of super-red credits. This could occur because under the proposed change non-binary f-factors only apply to sites with a mix of intermittent and non-intermittent generation.	<p>Cost savings on networks can only be realised if networks can take account of the impact of generation according to the engineering standards they are required to operate to.</p> <p>Under the existing methodology for EDCM generators this is reflected by limiting the payment of charge 1 credits to those generators that have a non-zero f-factor. Hence, any generator that provides support to the network is eligible for the full charge 1 credit (if there is a charge 1 credit based on the location). Under the proposed solution this would no longer be the case.</p> <p>The stated intent of the change is to address concerns around transparency and consistency of application of the f-</p>

			<p>We also believe this change would have an adverse impact on the DCUSA Charging Objective 3 as it would result in some EDCM generators that do not provide support to networks under P2/6 ETR130 receiving charge 1 credits, while also potentially limiting the payment of credits to generators that do provide support to networks.</p>	<p>factor calculation. We do not believe that the proposed change adequately addresses these issues. For intermittent generators or mixed generation sites the f-factor calculation is still required, and any perceived transparency and consistency of application issues will continue.</p>
Northern Powergrid (Northeast) Ltd	Accept	Accept	<p>In the round, this change better facilitates the DCUSA objectives. Our view is largely unchanged from that presented in the change proposal, being that this overall positive impact consists of a strong positive impact against Charging Objective two, partially offset by a slightly negative impact against Charging Objective three. We note the Working Group's conclusion that Charging Objectives four and six are also better facilitated. We agree with this conclusion for Charging Objective six, but not Charging Objective four.</p> <p>Charging Objective two is better facilitated by providing greater transparency to EDCM embedded generators of the likely charges/credits they will face, enabling them to more easily</p>	<p>Not at this time.</p>
Northern Powergrid (Yorkshire) plc	Accept	Accept		

			<p>predict their charges before deciding where to site plant.</p> <p>Charging Objective three is not as well facilitated as there is the possibility that EDCM embedded generators which are deemed not to support the network by the DNO could be awarded credits.</p> <p>This change has no impact on Charging Objective four. The 'standard approach' described in the change report is the subject of changes proposed to Engineering Recommendation P2/7, which is not impacted by this change.</p> <p>Charging Objective six is better facilitated by the simplification which this change provides, enabling generators to more easily predict the charges they will face across all DNO regions.</p>	
SP Distribution plc	Accept	Accept	We believe that:	None
SP Manweb plc	Accept	Accept	<p>Charging Objective one is better met given the increase in transparency for generator eligibility.</p> <p>Charging Objective four is better met given the clarity of eligibility for generation credits for more informed decision making for service deliverables.</p> <p>Charging Objective Six is better met as all DNOs will be consistent in applying generation credits aiding efficient implementation.</p>	

Eastern Power Networks	Accept	Accept	Charging Objective Two is better facilitated by this change proposal as it provides greater transparency and so enables generators to better predict the likely charges that they will face. Charging Objective Four is better facilitated by this change proposal as it would support DNOs with a clear and standard approach for determining eligible technologies. Charging Objective Six is better facilitated by this change proposal as a harmonised approach in defining the eligibility criteria across the DNO areas will guarantee a more efficient implementation of the generation credits.	
London Power Networks	Accept	Accept		
South Eastern Power Networks	Accept	Accept		
IDNO PARTIES				
n/a				
SUPPLIER PARTIES				
MVV Environment Services Limited	Accept	Accept		
UK Power Reserve Ltd	Accept	Accept	UKPR agrees that DCP 313 better facilitates DCUSA Objectives 2, 4, and 6 (see detailed reasons below). We do not agree with the statement that this mod has a negative impact on Principle n. 3 as it is unlikely that non-intermittent embedded generators eligible for credits would not support the	UKPR supports Option 1A, as it represents an evolution of the original arrangements. As this issue was already under discussion in DCP 291, we would urge a swift implementation of this modification proposal as transparency and consistent application of how to determine the eligibility of EDCM embedded generators is well overdue. Option 1A guarantees a consistent

			<p>network. They would also contribute to delay network reinforcement.</p> <p>Reasons for: Objective n. 2: as the change report rightly says, the CP provides better transparency and so enables generators to better predict the likely charges that they will face.</p> <p>Objective n. 4: in the context of the transition from DNOs to DSOs, this modification would support network operators to meet the developments in their business. In their role as proactive parties on using and dispatching flexibility services, DSOs would benefit from a clear and standard approach when determining the eligible technologies.</p> <p>Objective n. 6: a harmonised approach in defining the eligibility criteria across DNOs will guarantee a more efficient implementation.</p>	<p>solution for all non-intermittent embedded generators, and would deliver the intent of DCP 313, which is to improve transparency by uniformly applying the current arrangements across all DNOs. EDCM embedded generators are calling for certainty around credit eligibility based on being non-intermittent or intermittent, therefore avoiding a sudden change in the expectations based on a subjective assessment and application of the F factor. We therefore support a separation of eligibility criteria for non-intermittent EDCM embedded generators from the site-specific assessment carried out to determine the F Factor.</p> <p>With regards to mixed sites, a non-binary approach represents a good solution for a more reflective eligibility for credits of the part of the technology that is non-intermittent.</p> <p>It is also important to ensure future technologies are not unfairly treated or presented with barriers to entry (as it would have been the case with the discarded Option 2B), requiring a CP every time a new technology is added to the F factor list or whenever P2/6 and ETR 130 are updated to ensure that technology was not unfairly advantaged or disadvantaged.</p> <p>Option 1A removes unnecessary layers of complexity, uncertainty, and unfair playing field in determining the eligibility criteria.</p>
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Wilton Energy Limited	Accept	Accept	<p>Wilton Energy agrees that DCP 313 better facilitates DCUSA Objectives 2, 4, and 6 (see reasons below).</p> <p>We do not agree with the statement that this mod has a negative impact on Principle n. 3 as it is unlikely that non-intermittent embedded generators eligible for credits would not support the network. They would also contribute to delay network reinforcement.</p> <p>Reasons for:</p> <p>Objective n. 2: as the change report rightly says, the CP provides better transparency and so enables generators to better predict the likely charges that they will face.</p> <p>Objective n. 4: in the context of the transition from DNOs to DSOs, this modification would support network operators to meet the developments in their business. In their role as proactive parties on using and dispatching flexibility services, DSOs would benefit from a clear and standard approach when determining the eligible technologies.</p> <p>Objective n. 6: a harmonised approach in defining the eligibility</p>	<p>Wilton Energy supports Option 1A, as it represents an evolution of the original arrangements. As this issue was already under discussion in DCP 291, we would urge a swift implementation of this modification proposal as transparency and consistent application of how to determine the eligibility of EDCM embedded generators is well overdue. Option 1A guarantees a consistent solution for all non-intermittent embedded generators, and would deliver the intent of DCP 313, which is to improve transparency by uniformly applying the current arrangements across all DNOs. EDCM embedded generators are calling for certainty around credit eligibility based on being non-intermittent or intermittent, therefore avoiding a sudden change in the expectations based on a subjective assessment and application of the F factor. We therefore support a separation of eligibility criteria for non-intermittent EDCM embedded generators from the site-specific assessment carried out to determine the F Factor.</p> <p>With regards to mixed sites, a non-binary approach represents a good solution for a more reflective eligibility for credits of the part of the technology that is non-intermittent.</p> <p>It is also important to ensure future technologies are not unfairly treated or presented with barriers to entry (as it would have been the case should Option</p>
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			criteria across DNOs will guarantee a more efficient implementation.	2B were progressed), requiring a CP every time a new technology is added to the F factor list or whenever P2/6 and ETR 130 are updated to ensure that technology was not unfairly advantaged or disadvantaged. Option 1A removes unnecessary layers of complexity, uncertainty, and unfair playing field in determining the eligibility criteria.
DISTRIBUTED GENERATOR PARTIES				
n/a				
GAS SUPPLIER PARTIES				
n/a				

Other Industry Comments

COMPANY	COMMENTS
Flexible Generation Group	<p>This change will enhance competition by requiring all DNOs to treat generators in the same manner in line with DCUSA Objectives 1, 2 and 3 (both wider and charging objectives). It is vital for competition in generation that the location of plant does not create additional issues within the energy market and all of the DNOs are developing their markets in a similar manner.</p> <p>While not all FGG members are DCUSA signatories, they are all supportive of this change and we wanted to register that support.</p>