

Part A: Generic

DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 303</h1> <h2>Provision of Electricity Market-share data to SMICoP Limited</h2> <p>Date raised: 24 April 2017</p> <p>Proposer Name: Jeremy Guard</p> <p>Company Name: First Utility Limited</p> <p>Company Category: Supplier</p>		<p>01 – Change Proposal</p> <p>02 – Consultation</p> <p>03 – Change Report</p> <p>04 – Change Declaration</p>
<p>Purpose of Change Proposal: This change seeks to include the provision of Electricity Market-share data to SMICoP Limited for funding calculation purposes which will be provided by the Secretariat of DCUSA Limited.</p>		
	<p>Governance:</p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> Treated as a Standard Change Treated as a Part 2 Matter Proceed to Change Report phase <p>The Panel will consider the proposer’s recommendation and determine the appropriate route.</p>	
	<p>Impacted Parties: DCUSA Secretariat</p>	
	<p>Impacted Clauses: Section 1B – Governance: Clause 8.9</p>	

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Indicative Timeline	
The Secretariat recommends the following timetable:	
Initial Assessment Report	25 April 2017
Change Report Approved by Panel	21 June 2017
Change Report issued for Voting	23 June 2017
Party Voting Closes	14 July 2017
Change Declaration Issued to Parties	18 July 2017

 **Any questions?**

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1 Summary

What?

This Change Proposal (CP) authorises and places an obligation on the DCUSA Code Administrator to provide electricity market-share information on a monthly basis to the SMICoP Administrator.

Why?

This is required so that the SMICoP Administrator can perform market-share based funding calculations instead of the current method of simply dividing the costs equally across all SMICoP members regardless of their size.

How?

The DCUSA Code Administrator shall provide, in a format to be determined and on a monthly basis, the electricity market-share information of all suppliers to the SMICoP Administrator.

2 Governance

Justification for Part 1 and Part 2 Matters

This CP should be considered as a Part 2 Matter as it does not meet any of the Clauses that justify it to be considered as a Part 1 Matter.

Requested Next Steps

This Change Proposal should:

- Proceed to Change Report

3 Why Change?

First Utility believes that the current SMICoP funding mechanism is disproportionate and does not follow the long-standing precedent (per SPAA, DCUSA, MRA) that code administration costs are allocated on a market-share basis.

Part B: Code Specific Details

4 Solution and Legal Text

The draft legal text has been provided and acts as Attachment 1 to this document.

Clause 8.9 already provides a mechanism for the receipt and provision of market-share information for other purposes. The legal text change builds on this mechanism and merely adds SMICoP Limited as a recipient of the information.

5 Code Specific Matters

Reference Documents

None

6 Relevant Objectives

DCUSA Charging Objectives	Identified impact
<input type="checkbox"/> 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	None

<input type="checkbox"/> 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) <input type="checkbox"/> 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	None
<input type="checkbox"/> 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	None
<input type="checkbox"/> 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
DCUSA General Objectives	Identified impact
<input checked="" type="checkbox"/> 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks This CP positively impacts this objective by facilitating the delivery of SMICOP and ensuring SMICOP is funded to respond to customer experience. SMICOP underpins the smart meter rollout and ensures that all customers have a positive experience of the smart metering installation, in turn facilitating the rollout of smart meters and helping to maximise the smart meter rollout. By maximising the smart meter rollout this CP will help to deliver the DNO and IDNO benefits associated with smart meters as identified in BEIS' smart metering impact assessment, which in turn will help the network planning and operation by providing more granular data to the DNOs.	Positive
<input checked="" type="checkbox"/> 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity This CP positively impacts this objective by facilitating the delivery of SMICOP and ensuring SMICOP is funded according to market share - the long standing precedent (per SPAA, DCUSA, MRA).	Positive

<input type="checkbox"/> 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	None
<input checked="" type="checkbox"/> 4 The promotion of efficiency in the implementation and administration of the DCUSA The DCUSA agreement and SMICOP are both administered by ElectraLink, with ElectraLink already receiving this information from the DNOs to facilitate DCUSA billing. It would appear significantly more efficient to allow ElectraLink to use this information for billing purposes, than sourcing this from another route to be provided to ElectraLink.	Positive
<input checked="" type="checkbox"/> 5 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. The EU 3 rd Package places a requirement on member states to rollout smart meters to 80% of electricity customers by 2020 if they identify a positive impact. GB completed their impact assessment in 2011 identifying a positive impact, with subsequent updates confirming the benefit of rolling out smart meters. In GB customers have the right to refuse a smart meter and so in order to meet the EU 3 rd Package requirements 80% of customers will have to accept an electricity smart meter. This will only be achieved if the customer experience of the smart meter installation is positive. SMICOP facilitates the customer experience and so facilitates the delivery of the EU 3 rd Package mandate. This CP seeks to ensure that SMICOP is fairly and adequately funded. Without this CP there is a risk that suppliers withdraw from SMICOP due to unfair funding mechanisms and so SMICOP is not maintained and so customer experience is threatened.	Positive

7 Impacts & Other Considerations

There are three other modifications related to this change, one affecting SPAA to provide equivalent data for gas, another affecting the SMICoP Limited articles of association and another affecting the SMICoP itself. Some level of co-ordination will be required, ensuring that the SPAA and DCUSA changes are effective before the SMICoP change comes into effect.

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

Not applicable.

Does this Change Proposal Impact Other Codes?

BSC

- CUSC
- Grid Code
- MRA
- SEC
- Other
- None

Consideration of Wider Industry Impacts

The issue was raised and discussed at the SMICoP Governance Board meeting held on 23rd February 2017, it was agreed at that meeting that this CP should be raised.

Confidentiality

None.

8 Implementation

Proposed Implementation Date

It is thought that this change should be implemented on the next DCUSA release following approval from Parties.

9 Recommendations

Part C: Guidance Notes for Completing the Form

Ref	Section	Guidance
1	Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	Governance	<p>A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.</p> <p>Part 1 Matter</p> <p>A change Proposal is considered a Part 1 Matter if it satisfies one or more of the following criteria:</p> <ul style="list-style-type: none"> a) it is likely to have a significant impact on the interests of electricity consumers; b) it is likely to have a significant impact on competition in one or more of: <ul style="list-style-type: none"> i. the generation of electricity; ii. the distribution of electricity;

		<ul style="list-style-type: none"> iii. the supply of electricity; and iv. any commercial activities connected with the generation, distribution or supply of electricity; <p>c) it is likely to discriminate in its effects between one Party (or class of Parties) and another Party (or class of Parties);</p> <ul style="list-style-type: none"> i. it is directly related to the safety or security of the Distribution Network; and ii. it concerns the governance or the change control arrangements applying to the DCUSA; and iii. it has been raised by the Authority or a DNO/IDNO Party pursuant to Clause 10.2.5, and/or the Authority has made one or more directions in relation to it in accordance with Clause 11.9A. <p>Part 2 Matter</p> <p>A CP is considered a Part 2 Matter if it is proposing to change any actual or potential provisions of the DCUSA which does not satisfy one or more of the criteria set out above.</p>
<p>3</p>	<p>Related Change Proposals</p>	<p>Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.</p>
<p>4</p>	<p>Proposed Solution and Draft Legal Text</p>	<p>Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions.</p> <p>The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting) which enacts the intent of the solution. The legal text will be reviewed by the Working Group (if convened) and is likely to be subject to legal review as part of its progress through the DCUSA change process.</p>

5	Proposed Implementation Date	<p>The Change can be implemented in February, June, and November of each year or as an extraordinary release. For Charging Methodology CPs, select an implementation date which takes into consideration the minimum notice periods for publishing tariffs. These are:</p> <ul style="list-style-type: none"> • 15 months, for DNOs acting within their Distribution Services Areas; or • 14 months, for IDNOs and DNOs acting outside their Distribution Services Area. <p>Please select an implementation date that provides sufficient time for the Change to be incorporated into the appropriate charging model and the DCUSA in order to be reflected in future tariffs.</p> <p>Contact the DCUSA helpdesk for any further information on the releases dcusa@electralink.co.uk.</p>
6	Impacts & Other Considerations	<p>Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.</p>
7	Environmental Impact	<p>Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see Ofgem Guidance.</p>
8	Confidentiality	<p>Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem</p>
9	DCUSA General Objectives	<p>Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.</p>
10	Detailed Rationale for DCUSA Objectives	<p>Provide detailed supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.</p>
11	DCUSA Charging Objectives	<p>Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.</p>
12	Defining 'Material' for Charging Methodology Changes	<p>In respect of proposals to vary one or more of the Charging Methodologies, such proposals shall be deemed to be "material" if they might reasonably be expected to have a significant impact on the tariffs calculated under one or more of the methodologies.</p>