

DCUSA Consultation	At what stage is this document in the process?
<h1 data-bbox="124 353 552 443">DCP 294</h1> <h2 data-bbox="124 488 1027 622">Capacity Management following acceptance of Connection Offer</h2> <p data-bbox="124 645 874 678"><i>Raised on the 01 March 2017 as a Standard Change</i></p>	<p data-bbox="1190 344 1353 412">01 – Change Proposal</p> <p data-bbox="1190 470 1417 504">02 – Consultation</p> <p data-bbox="1190 562 1353 629">03 – Change Report</p> <p data-bbox="1190 672 1353 739">04 – Change Declaration</p>
<p data-bbox="124 786 571 819"><b>Purpose of Change Proposal:</b></p> <p data-bbox="124 842 1369 1032">DCP 294 seeks to put arrangements in place that set out the principles under which the unutilised maximum capacity specified in connection offers or in bilateral connection agreements with IDNOs can be managed in an economic and efficient manner whilst protecting the legitimate requirements of parties requiring Capacity which was agreed in connection offers.</p> <p data-bbox="124 1055 1449 1133">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 294.</p>	
 	<p data-bbox="240 1155 1150 1189">The Workgroup recommends that this Change Proposal should:</p> <ul data-bbox="288 1193 679 1227" style="list-style-type: none"> <li>• proceed to Consultation</li> </ul> <p data-bbox="225 1256 1460 1335">Parties are invited to consider the questions set in section 9 and submit comments using the form attached as Attachment 1 to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> by <b>17 November 2017</b>.</p> <p data-bbox="225 1346 1278 1379">DCP 294 has been designated as a Part 1 Matter and a standard change.</p> <p data-bbox="225 1402 1353 1480">The Working Group will consider the consultation responses and determine the appropriate next steps for the progression of the Change Proposal (CP).</p>
	<p data-bbox="240 1514 767 1547">Impacted Parties: DNOs and IDNOs.</p>
	<p data-bbox="240 1626 507 1659">Impacted Clauses:</p> <p data-bbox="240 1682 719 1715">Section 2B of DCUSA: Clause 39</p> <p data-bbox="240 1738 1449 1816">Schedule 22 of DCUSA (the CCCM): Capacity Ramping clauses and an amendment to one of the definitions</p>

Contents		 Any questions?
1. Summary	3	Contact: Code Administrator
2 Governance	4	 DCUSA@electralink.co.uk
3 Why Change?	4	
4 Working Group Assessment	5	 02074323000
5 DCP 294 Proposed Legal Text	12	
6 Relevant Objectives	12	Proposer: Thomas Cadge
7 Impacts & Other Considerations	13	 thomas.cadge@bu-uk.co.uk
8 Implementation	14	
9 Consultation Questions	15	 01359 243308
Timetable		
The timetable for the progression of the CP is as follows:		
<b>Change Proposal timetable</b>		
<b>Change Proposal timetable:</b>		
Activity	Date	
Initial Assessment Report Approved by Panel	08 March 2017	
Consultation issued to Parties	27 October 2017	
Change Report issued to Panel	13 December 2017	
Change Report issued for Voting	22 December 2017	
Party Voting Ends	17 January 2018	
Change Declaration Issued to Parties	19 January 2018	
Authority Decision	23 February 2018	
Implementation	Next release after Authority approval	

## 1. Summary

### What?

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors and electricity Suppliers and large Generators. Parties to the DCUSA can raise Change Proposals (CPs) to amend the Agreement with the consent of other Parties and (where applicable) the Authority.
- 1.2 The proposer, in raising this change proposal (Attachment 3), is seeking to ensure that connecting customers are guaranteed the right to the capacity which is contained in their connection offer where it is appropriate. This change also seeks to ensure that in instances where capacity is not fully utilised in connection projects, or there is no contracted prospect of this capacity being utilised by the connecting customer, the network operator is able to ensure that this capacity is available for other connecting customers.

### Why?

- 1.3 In making requests for a connection a person is required to set out the maximum capacity they require to be provided. In response to such requests the electricity distributor will set out the works that need to be undertaken and the charges that need to be paid in providing a connection capable of conveying electricity up to the maximum capacity requested.
- 1.4 It is the view of the proposer that the basis under which the maximum capacity is offered to the person requesting the connection and the rights that such person will have to such capacity on an enduring basis are often unclear in connection offers. In some circumstances, the maximum capacity requested by the customer and specified in a connection offer will be under-utilised once the connection works are complete (or not utilised at all if connection works are not carried out).
- 1.5 The proposer also suggests that there may be circumstances where a person may request a connection offer to secure capacity rights on a speculative basis, i.e. where the person may not have a firm commitment to use the capacity and may not be the owner or occupier of relevant premises or the authorised distributor of a relevant distribution system.
- 1.6 The proposer also states that, as part of their duty under the Electricity Act 1989, it is appropriate that distributors should seek to reclaim unutilised capacity for use by other customers where there is no clear demonstrable future use for such capacity. However, in

doing so the rights of customers who have legitimate future needs for capacity need to be protected.

- 1.7 In summary, the proposer suggests that the principles and processes that electricity distributors use to reclaim unutilised capacity should be clearly specified and transparent.

## How?

- 1.8 The proposer suggests that in order to address the defect there needs to be a consistent approach to the utilisation of capacity. The updated legal text sets out the rules and process for where distributors may request a connecting customer to relinquish capacity in the event of underutilisation.
- 1.9 The proposer also suggests that this is an ongoing issue between distributors and as such additional legal text is required to ensure that Maximum Import Capacity (MIC) and Maximum Export Capacity (MEC) provisions within bilateral connection agreements (or other documents where appropriate) can be altered to reflect the needs of the distribution businesses and their end customers.

## 2 Governance

### Justification for Part 1 Matter

- 2.1 This CP has been designated as a Part 1 Matter as the proposed change potentially impacts on both 9.4.1 and 9.4.2 of DCUSA.
  - 9.4.1 – it is likely to have a significant impact on the interests of electricity consumers; and
  - 9.4.2 - it is likely to have a significant impact on competition in distribution.
- 2.2 DCP 294 has been designated as a standard change.

### Requested Next Steps

- 2.3 Following a review of the Consultation responses, the Working Group will work to agree the detail of the solution for DCP294.

## 3 Why Change?

### Background of DCP 294

- 3.1 Where Independent Distribution Network Operators (IDNOs) request a connection from a Distribution Network Operators (DNOs) distribution system they will often be building out a new network to serve a development that comprises many premises. These developments may take months or years to complete so the maximum capacity required on the completion

of the new network will not be required at the initial energisation of the connection between the DNO's and IDNO's distribution systems.

- 3.2 Presently the provisions for managing the capacity during the build out of the new network and up to the completion of the network is covered by the "Capacity Ramping for LDNOs" provisions in Schedule 22 of the DCUSA – "the Common Connection Charging Methodology". The proposer's view is that this process is better managed through Section 2B of the DCUSA – "Distributor to Distributor Relationships" – and that the process for managing capacity at the connection between the IDNO's and DNO's network should be updated to be clear and transparent.
- 3.3 The proposer is of the view that Capacity Ramping was originally included in the Common Connection Charging Methodology to address issues caused by margin squeeze on IDNOs because of bulk supply tariffs. The Proposer also believes that since the introduction of portfolio billing these arrangements are no longer required for that purpose. DCP 114<sup>1</sup>/115<sup>2</sup> sought to introduce mechanisms to the National Terms of Connection (NTC) where distributors could manage capacities on connections to end customers. Since the connection between the DNO and the IDNO is not covered by the NTCs the arrangements put in place by DCP 114/115 does not cover those connections. DCP 294 seeks to put in place similar arrangements to manage instances where capacity is underutilised.
- 3.4 In some instances, the development that the connected IDNO is providing connections to will differ to that which was proposed initially and for which the IDNO and the DNO agreed a Bilateral Connection Agreement (BCA). When the development is fully completed the actual MIC or MEC may differ from the value that was agreed in the BCA. The proposer believes that, in order to prevent capacity on IDNO networks becoming sterile, there should be a consistent and transparent process for DNOs to request reductions in the MIC or MEC in the BCA where it considers appropriate. Section 2B of the DCUSA already contains provisions for instances where the downstream distributor exceeds the capacity stated in the BCA. It is not proposed that any changes are made to these provisions by DCP 294.

## 4 Working Group Assessment

### DCP 294 Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess DCP 294. This Working Group consists of DNO and IDNO representatives and an Ofgem observer. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – [www.dcusa.co.uk](http://www.dcusa.co.uk).
- 4.2 DCP 294 was raised by the Electricity Network Company and seeks to put arrangements in place that set out the principles under which the unutilised maximum capacity specified in

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<sup>1</sup> [DCP114 - NTC Amendments - Capacity Management \(Over Utilisation\)](#)

<sup>2</sup> [DCP115 - NTC Amendments - Capacity Management \(Under Utilisation\)](#)

connection offers or in bilateral connection agreements with IDNOs can be managed in an economic and efficient manner whilst protecting the legitimate requirements of parties requiring capacity which was agreed in connection offers.

## **Intent**

4.3 The Working Group discussed the intent of the change proposal and indicated a number of areas of concern, these being;

- Impacted parties;
- connection offers; and
- underutilised maximum capacity.

## **Impacted parties'**

4.4 The intent of this CP is specific to IDNOs only whereas the information provided in the CP and contained in the suggested legal text opened this up to all customers. The proposer acknowledged that this was the case, however it was the intention to include customers and as such this was an omission. Both the Working Group and the proposer agreed that the intent could not be amended to include references to customers since this would be outside of the guidelines provided within the terms of reference of the Working Group. It was the view of the Working Group that such instances of underutilisation of capacity is already addressed in the NTC for customers in any event.

4.5 However, it was acknowledged that where a reference to IDNOs was used, this should also include DNOs operating out of area. This is because the suggested legal text within Schedule 22 associated with capacity ramping and within section 2B of DCUSA impact both parties. Capacity ramping affecting Licensed Distributor Network Operators (LDNOs) which covers both IDNOs and DNOs operating out of area as defined in the electricity distribution licence 13A,15 under the definition of LDNO Distribution System and contained within Schedule 16 of DCUSA. Section 2B covers distributor to distributor relationships, and specific to this change proposal, capacity management. For ease of reference throughout the rest of this consultation document a reference to both IDNOs and DNOs operating out of area will be collectively referred to as a downstream distributor.

## **Connection Offers**

4.6 The Working Group then considered the reference to Connection Offers. It was agreed that since customers are now out of scope, any such reference to a connection offer is an offer made to a downstream distributor. It was also agreed that paragraph 1.5 covering speculative developments would also not need to be considered further by this change proposal.

- 4.7 The proposer was of the view that a reference to connection offers will still need to be referred to since a BCA is not always put in place between the Host Distributor and the downstream distributor so any reference to the agreed maximum capacity would be lost.
- 4.8 It was highlighted that within section 2B of DCUSA, paragraph 38.1 provides the downstream distributor with the right to request a BCA and that the Host distributor has to comply with such a request. It was therefore felt that the BCA, which would include a reference to the agreed maximum capacity, is the only document that needs to be referred to within this change proposal and not both.
- 4.9 The Working Group and the proposer agreed that references to connection offers need not be made based on the above.

### **Unutilised Maximum Capacity**

- 4.10 The Working Group were comfortable with the change being specific to unutilised maximum capacity, however the proposer was also considering introducing paragraphs related to overutilized maximum capacity. It was brought to the attention of the proposer that DCUSA, within section 2B, already caters for overutilized maximum capacity and that this change should therefore only consider unutilised maximum capacity as per the intent of the change proposal. The proposer accepted this position.
- 4.11 The Working Group also agreed that the rights covered under the Electricity Act and those contained within any bilateral connection agreements will be unchanged, though the terms under DCUSA will be in line with the legal text amendments.

### **Summary of Intent**

- 4.12 Based on the above the intent of this change proposal is now

DCP 294 seeks to put arrangements in place that set out the principles under which the unutilised maximum capacity specified in BCAs with downstream distributors can be managed in an economic and efficient manner whilst still protecting the legitimate requirements of the downstream distributors.

### **Q1: Do you understand the intent of DCP 294?**

- 4.13 The Working Group then discussed the proposer's principles of this change proposal, they were summarised as:
- Where capacity is not fully utilised in connection projects or there is no contracted prospect of this capacity being utilised by the downstream distributor, the Host distributor is able to ensure that this capacity is available for other connecting customers; and

- If a downstream distributor reduces the Maximum Capacity, the basis on which the charge for providing the original connection should be reviewed.
- 4.14 The first principle introduced a discussion on the legal interpretation of the Electricity Act and advice that was provided to a number of DCUSA changes and the Energy Networks Association in relation to maximum capacity. The Working Group's conclusion on the legal advice is that the connectee has enduring rights to retain the maximum capacity as long as the connection is required and the Host Distributor must maintain such a connection unless the connection is no longer required or the connectee agrees to a reduction.
- 4.15 The Working Group therefore agreed that the principle needs to be amended to introduce appropriate arrangements for managing unutilised maximum capacity on similar grounds to that introduced by DCP115. DCP115 addresses the issue of under-use of capacity. It clarifies the rights for the Distributor to take appropriate action in cases where the customer does not use some or all of the MIC or MEC reserved for its connection.
- 4.16 On the second principle, the Working Group agreed that both the Host distributor and the downstream distributor will have designed and built their network based on the maximum capacity requested at that time and based on the connection offer.
- 4.17 The Working Group therefore concluded that the principle should be clarified and relate to where unutilised capacity has been agreed to be made available to the Host distributor (i.e. an agreed reduction in capacity with the downstream distributor) and a new customer takes advantage of this then the second comer rules associated with the relevant Electricity (Connection Charges) Regulations may apply.
- 4.18 Based on this amended principle the Working Group agreed that there was no need to change DCUSA since distributors must comply with the relevant Electricity (Connection Charges).

## Q2: Do you agree with the amended principles of DCP 294?

- 4.19 The Working Group reviewed the proposed changes to DCUSA and would like comments on the following areas:
- The approach to be adopted for unutilised capacity;
  - Capacity Ramping; and
  - Treatment of customer contributions.

### Unutilised Maximum Capacity

- 4.20 In understanding the process to be adopted when requesting a reduction in maximum capacity, the Working Group reviewed section 2B of DCUSA and DCP115. DCUSA only

considers over utilisation of capacity (Para 39.9 to 39.12) and is silent on underutilisation. DCP115 introduced changes to the NTC on underutilisation (Attachment 4).

4.21 The Authority stated within their decision document regarding the approval of DCP115:

“DCP115 addresses the issue of under-use of capacity. It clarifies the rights for the DNO to take appropriate action in cases where the customer does not use some or all of the MIC or MEC reserved for its connection.

The rights differ for cases of energised sites or de-energised sites.

- For sites that have been de-energised for six months or more, the proposed solution reflects that DNOs may disconnect the site. This requires the DNO to follow a defined procedure to inform the customer that it considers that the connection is no longer required, and an opportunity for the customer to dispute that view.
- For energised sites, where import or export is consistently much lower than MIC or MEC, the DNO will be entitled to make a proposal to the customer for a reduction in MIC or MEC. This approach protects the rights of customers to retain MIC or MEC at sites where it is temporarily not being used, for example during build-up or re-development or for capacity used to provide back-up supplies. No reduction in MIC or MEC would come into force, and no rights to capacity would be lost, without the customer’s explicit agreement”

4.22 The proposer is suggesting that only the section covering energised sites is considered within this change proposal, and builds on this by also ensuring that any phased introduction of capacity is also considered by the Host distributor when reviewing the maximum capacity and is reflected in any request made to the downstream distributor to reduce the maximum capacity.

4.23 The Working Group agreed that a similar approach is probably already in place with downstream distributors although not explicitly covered in DCUSA. This is in place to enable the efficient operation of the distribution network. The Working Group agreed that this common approach may be beneficial to aid clarity and industry consistency of the process to be followed on managing underutilisation of maximum capacity.

4.24 In developing the change proposal, the Working Group would like feedback from parties on the process introduced by DCP115 relating to the conditions (75% of agreed capacity, 12 months of consistent underuse of capacity, 1 month for the DNO to make the notification) that must be met in order for a Distributor to propose a variation to reduce the agreed capacity and whether, based on experience over the last two years and the fact that the change consulted on here will affect Host distributor to downstream distributor connections rather than NTC signatories, these are set at the right values (paragraph 39.12A refers)?

- 4.25 DCP115 also introduced a paragraph relating to escalating the issue to the Authority. This is reflected in this change proposal. The legal text (39.12E) states that parties may bring disputes on capacity reductions to Ofgem for determination under section 23 of the Electricity Act 1989. The Working Group would like parties to consider whether this is appropriate or indeed available to parties since such a provision only covers disputes relating to s16-21 of the Act.

**Q3: What are your thoughts on underutilisation of capacity?**

**Q4: DCP115 introduced a process relating to the conditions that must be met for a Distributor to propose a variation to reduce the agreed capacity. Based on experience over the last two years since its introduction, are the parameters contained in paragraph 39.12A set at the right values especially since they would be applicable to Distributor to Distributor connections?**

**Q5: Do you agree that Parties may be able to refer any disputes to the Authority for determination under section 23 of the Electricity Act 1989?**

## Capacity Ramping

- 4.26 Capacity Ramping relates to the increase in the requirement for capacity throughout the development stage of a connection scheme. The maximum capacity is agreed as part of the connection offer and staged incremental increases up to the maximum capacity are agreed. Its introduction was to protect downstream distributors from the full impact of use of system charges associated with maximum capacity at the time that such charges were applied at the boundary of connection and charged for from the time of energisation even though at that stage in the development the maximum capacity would not be envisaged.
- 4.27 With the advent of portfolio billing, there is an argument that such referencing to capacity management is no longer required within Schedule 22 which covers the Common Connection Charging Methodology (CCCM). This is supported by the distribution licence definition of Charging Methodology
- “Charging Methodology means a complete and documented explanation, presented in a coherent and consistent manner, of the methods, principles, and assumptions that apply:
- (a) in relation to Use of System, for determining the licensee’s Use of System Charges; and
- (b) in relation to connections, for determining the licensee’s Connection Charges,
- as approved by the Authority by virtue of the provisions of standard conditions 13, 13A, 13B and 22A (as the case may be),”
- 4.28 The proposer is suggesting changes that move two of the paragraphs from Schedule 22 and place them into Section 2B of DCUSA (para 39.9A and 39.9B of the proposed legal text which refer to phased MIC and MEC) and then links them to the additional paragraphs covering

underutilisation of capacity. In addition to this there is an amendment to the definition of Development Phase.

- 4.29 The proposer believes that the provisions for capacity ramping which currently sit in the CCCM should more appropriately be considered in Section 2B of the DCUSA as they relate to the ongoing relationship between the two distributors at that connection point. The scope of the CCCM is limited to the calculation of connection charges. Certain paragraphs of the existing capacity ramping section in the CCCM pertain to the calculation of the connection charges and these have been retained in the CCCM.
- 4.30 The Working Group raised concerns over the amended definition of Development Phase. It was felt that the removal of the time frame (3 years) to one that was agreed between both parties may make it less clear where the checkpoints are from a consistency perspective across the industry.
- 4.31 The Working Group are seeking views on capacity ramping and the amendment to the definition.

**Q6: What is your view on capacity ramping?**

**Q7: The Working Group are seeking industry views on removing paragraphs 1.52 and 1.53 from the CCCM and adding paragraphs 39.9A and B to Section 2B of DCUSA?**

**Q8: Do you foresee any issues resulting from the fact that, if included in DCUSA, any proposed modifications to these paragraphs will be required to be made with reference to the applicable DCUSA objectives for changes to DCUSA, while if they remain in the CCCM, any changes are required to be made with reference to the set of relevant objectives associated with changes to charging methodologies?**

## **Treatment of Customer contributions**

- 4.32 The Working Group considered if a reduction of the agreed MIC or MEC within the BCA during the Development Phase (defined by in the CCCM) should trigger a recalculation of the initial connection charge. For clarification, this is referring to instances post connection i.e. they have accepted an offer and connected and then change their mind. It isn't seeking comments if someone changes their mind pre-acceptance. The discussion also considered whether the capacity used for the calculation of the Cost Apportionment factors for reinforcement should be revised in line with the reduction of the MIC or MEC.
- 4.33 The Working Group concluded that a reduction in MIC or MEC would not trigger a recalculation of the connection charge but are seeking views as to whether there are instances when a reduction in MIC/MEC should cause the connection charge to be recalculated.

**Q9: Do you consider that there are instances where a reduction in Maximum Import Capacity or Maximum Export Capacity should cause the Connection Charge to be recalculated? Please provide examples**

## 5 DCP 294 Proposed Legal Text

- 5.1 The legal text has been updated during the assessment stage. Section 2B of the main body of the DCUSA sets out the process for distributors to follow to manage unutilised capacity and capacity ramping.
- 5.2 The updated legal text for Schedule 22 of the DCUSA amends the capacity ramping section by deleting two paragraphs now covered under section 2B of the main body of DCUSA, and contains a change to the definition of Development Phase.
- 5.3 The proposed legal text for DCP 294 can be found as Attachment 2.

**Q10: Do you have any comments on the proposed legal text? If yes, please provide suggested amendments.**

## 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 meets the DCUSA Objectives. There are five General DCUSA Objectives and six Charging Objectives.
- 6.2 The proposer has indicated that General Objectives 1, 2 and 3 are better facilitated by this change, as well as Charging Objectives 1, 2, 3 and 4. The Working Group seeks the industry's thoughts on which DCUSA Charging or General Objectives are better facilitated.
- 6.3 Please note that dependent upon whether changes to DCUSA impact Schedule 22 or Section 2B or both will determine whether the charging objectives, the general objectives or both the general and the charging objectives need to be considered as part for this change proposal.

#### DCUSA General Objectives

**General Objective 1** – The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated and economical Distribution Networks

**General Objective 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

**General Objective 3** – The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences

**General Objective 4** – The promotion of efficiency in the implementation and administration of the DCUSA

**General Objective 5** – Compliance with the Regulation on Cross-Border in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators

### DCUSA Charging Objectives

**Charging Objective 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

**Charging Objective 2** – that compliance by each DNO Party with the Charging Methodologies 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)

**Charging Objective 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

**Charging Objective 4** – that, so far as 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

**Charging Objective 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

**Charging Objective 6** – that compliance with the Charging Methodologies promotes efficiency in its own implementation and administration

**Q11: Which of the General and Charging Objectives better facilitate DCUSA by the inclusion of this Change Proposal? Please provide your rationale.**

## 7 Impacts & Other Considerations

- 7.1 There have been a number of initiatives undertaken on the issue of capacity management in addition to those mentioned earlier such as;

- Ofgem's [Unlocking the capacity of the electricity networks: overview](#);
- milestones in connection offers for larger connections; and
- DNO's commitments to stakeholders.

**Q12: Do any of these initiatives impact this CP? Please provide your rationale.**

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

7.2 N/A

### Consumer Impacts

7.3 N/A

### Environmental Impacts

7.4 In accordance with DCUSA Clause 11.14.6, the proposer assessed whether there would be a material impact on greenhouse gas emissions if DCP 294 were implemented. The proposer did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

### Engagement with the Authority

7.5 Ofgem has been fully engaged throughout the development of DCP 294 as an observer on the Working Group.

**Q13: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?**

**Q14: Are there any alternative solutions or unintended consequences that should be considered by the Working Group?**

## 8 Implementation

8.1 The proposed implementation date for DCP 294 is the first release after the Authority decision. Respondents are invited to consider whether they require any lead time to comply with this change.

**Q15: Do you have any comments on the implementation date including consideration on any potential lead time required to put in place processes in advance of its implementation?**

## 9 Consultation Questions

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

Number	Questions
1	Do you understand the intent of DCP 294?
2	Do you agree with the amended principles of DCP 294?
3	What are your thoughts on underutilisation of capacity?
4	DCP115 introduced a process relating to the conditions that must be met for a Distributor to propose a variation to reduce the agreed capacity. Based on experience over the last two years since its introduction, are the parameters contained in paragraph 39.12A set at the right values especially since they would be applicable to Distributor to Distributor connections?
5	Do you agree that Parties may be able to refer any disputes to the Authority for determination under section 23 of the Electricity Act 1989?
6	What is your view on capacity ramping?
7	The Working Group are seeking industry views on removing paragraphs 1.52 and 1.53 from the CCCM and adding paragraphs 39.9A and B to Section 2B of DCUSA?
8	Do you foresee any issues resulting from the fact that, if included in DCUSA, any proposed modifications to these paragraphs will be required to be made with reference to the applicable DCUSA Objectives for changes to DCUSA, while if they remain in the CCCM, any changes are required to be made with reference to the set of relevant objectives associated with changes to charging methodologies?
9	Do you consider that there are instances where a reduction in Maximum Import Capacity or Maximum Export Capacity should cause the Connection Charge to be recalculated? Please provide examples
10	Do you have any comments on the proposed legal text? If yes, please provide suggested amendments.
11	Which of the General and Charging Objectives better facilitate DCUSA by the inclusion of this Change Proposal? Please provide your rationale.
12	Do any of these initiatives impact this CP? Please provide your rationale.
13	Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

14	Are there any alternative solutions or unintended consequences that should be considered by the Working Group?
15	Do you have any comments on the implementation date including consideration on any potential lead time required to put in place processes in advance of its implementation?

9.2 Responses should be submitted using Attachment 1 to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) no later than **17 November 2017**.

9.3 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.

## Attachments

- Attachment 1 – DCP 294 Consultation Response Form
- Attachment 2 – DCP 294 Draft Legal Text
- Attachment 3 – DCP 294 Change Proposal
- Attachment 4 – DCP115 legal text