

DCP294 Proposed legal text changes

Section 2B - DISTRIBUTOR TO DISTRIBUTOR/OTSO RELATIONSHIP

Maximum Import Capacity and Maximum Export Capacity

39.9 The Maximum Import Capacity and Maximum Export Capacity shall be specified in the relevant Bilateral Connection Agreement and the User shall use its reasonable endeavours to ensure that the electricity imported and exported does not exceed the Maximum Import Capacity and the Maximum Export Capacity (respectively).

39.9A Where the User's utilisation of the Maximum Import Capacity or Maximum Export Capacity is expected to increase over time the Bilateral Connection Agreement shall include a phased Maximum Import Capacity and/or Maximum Export Capacity requirement. Such phasing shall be consistent with the Company's connection charging methodology in force at the time.

39.9B Where the Bilateral Connection Agreement includes a phased Maximum Import Capacity requirement or a phased Maximum Export Capacity requirement the Company may undertake a review annually on the anniversary of the Energisation of the Connection Point. Where, as a result of such a review, the Company wishes to propose an amendment to the agreed Maximum Import Capacity or Maximum Export Capacity in the Bilateral Connection Agreement it shall do so in accordance with Clauses 39.12A to 39.12F

39.10 The Company shall only be obliged to export or import electricity up to the Maximum Import Capacity and Maximum Export Capacity as specified in the relevant Bilateral Connection Agreement. Where the User exceeds the Maximum Import Capacity or the Maximum Export Capacity, it shall be a breach of the relevant Bilateral Connection Agreement, but not of this Agreement.

39.11 Where the User's import of electricity exceeds the Maximum Import Capacity or the User's export of electricity exceeds the Maximum Export Capacity (each an "Event"), the User shall:

39.11.1 upon being notified by the Company, take reasonable actions to reduce the import or export of electricity to within the limits specified in the relevant Bilateral Connection

- 39.11.2 if appropriate propose a variation to the relevant Bilateral Connection Agreement; and/or
 - 39.11.3 if appropriate, submit a Modification Application to the Company in accordance with the provisions of Clause 52.
- 39.12 Following the occurrence of an Event (as defined in Clause 39.11), the Company shall be entitled to:
 - 39.12.1 charge the User any additional Use of System Charges for Use of Distribution System that is in excess of the Maximum Import Capacity or Maximum Export Capacity in accordance with the Company's Relevant Charging Statement;
 - 39.12.2 exercise any rights it may have under Clause 41; and/or
 - 39.12.3 exercise any rights it may have under the relevant Bilateral Connection Agreement.

Reductions in Maximum Import Capacity and Maximum Export Capacity

- 39.12A If the import of electricity from and/or export of electricity to the Company's Distribution system through a Connection Point does not, at any time during any period of 12 consecutive months, exceed 75% of the Maximum Import Capacity and/or of the Maximum Export Capacity (respectively), then the Company may (at any time during the following month, and having due regard to all the circumstances) notify the User that the Company proposes to vary the Bilateral Connection Agreement in relation to that Connection Point.
- 39.12B Where the Company makes a notification in pursuance to Clause 39.12A it shall be made in writing to the User and shall set out:
 - 31.12B.1 the proposed reduction to the Maximum Import Capacity and/or Maximum Export Capacity (being not less than the import of electricity and/or the export of electricity through the Connection Point at any time during such 12-month period as set out in Clause 39.12A);
 - 31.12B.2 the Company's reasoning for proposing a variation to the Maximum Import Capacity and/or the Maximum Export Capacity; and
 - 31.12B.3 any Modification required to be made in accordance with Clause 52.

- 39.12C Where the Bilateral Connection Agreement includes a phased requirement in accordance with Clause 39.9A then any proposal to modify the Bilateral Connection Agreement made pursuant to Clause 39.12A shall take into account the future phasing requirements as set out in the Bilateral Connection Agreement.
- 39.12D Where the Company makes a notification to the User in pursuance to Clause 39.12A the User shall, as soon as reasonably practicable (and in any case within 30 days of receipt of the notification) confirm that it agrees with amendments to the Bilateral Connection Agreement or, where it deems necessary, object to the amendments being made to the Maximum Import Capacity and/or Maximum Export Capacity in the Bilateral Connection Agreement.
- 39.12E Where the Company makes a notification pursuant to Clause 39.12A both the Company and the User shall negotiate in good faith such a variation, but where it is not agreed section 23 of the Act may entitle either party to refer the matter to the Authority.
- 39.12F For the avoidance of doubt any variation proposed under Clause 39.12A shall not take effect unless agreed by the User in accordance with 39.12D or so determined by the Authority in accordance with 39.12E.

Changes to DCUSA Schedule 22 - Common Connection Charging Methodology

Capacity Ramping for LDNOs

1.51 For an LDNO the Required Capacity (expressed in kVA) is the Maximum Capacity to be provided at the boundary between the LDNO's distribution network and our Distribution System. This value will be agreed with us and stated in the Bilateral Connection Agreement for the relevant embedded network.

~~1.52 When a connection is provided to an LDNO the take-up of capacity may grow over a period of time as the site develops and individual customers are connected. In such circumstances the Bilateral Connection Agreement shall include a phased Required Capacity based on the Development Phase Not Used~~

~~1.53 During the Development Phase a review may be undertaken annually on the anniversary of the Energisation of the embedded network. Any unused capacity identified in such review may be released for use by other customers and Maximum Capacity reduced to an agreed level within the Bilateral Connection Agreement. Not used~~

1.54 The Required Capacity agreed with us as being required at the end of the Development Phase shall be used to determine the Required Capacity for determination of the Cost Apportionment Factors where applicable.

1.55 Should additional capacity subsequently be required, the LDNO may incur additional Connection Charges for any Reinforcement based on the increase in capacity.

Definitions

At present *Development Phase* is defined as:

"the three year period, unless otherwise agreed with us, commencing on the date of Energisation of an embedded network over which the development is constructed"

It is proposed that this is changed to mean

“the period agreed with us over which the development is constructed; such period to be consistent with period that can be reasonably expected for a development commensurate with its size and nature to take to build out and reach maturity.”