

**DCUSA DCP 294 CHANGE DECLARATION****VOTING END DATE:** 17 APRIL 2018

DCP 294	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
<b>CHANGE SOLUTION</b>	Accept	Accept	n/a	n/a	n/a
<b>IMPLEMENTATION DATE</b>	Accept	Accept	n/a	n/a	n/a
<b>RECOMMENDATION</b>	<p><b>Change Solution – Accept.</b> 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><b>Implementation Date – Accept.</b> 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>				
<b>PART ONE / PART TWO</b>	<b>Part One</b> – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
<b>DNO PARTIES</b>				
SP Distribution plc	Accept	Accept		

SP Manweb plc	Accept	Accept	Consider that there is a positive impact on General Objective 1 as the clause informs parties that discussions could take place where capacity is under-utilised.	
Eastern Power Networks plc	Accept	Accept	General Objective 2 as it would allow EDNOs to connect at their chosen voltage and point on the network, at a cost efficient price to the benefit of their end customers.	None
London Power Networks plc	Accept	Accept		
South Eastern Power Networks plc	Accept	Accept		
Electricity North West	Reject	Accept	<p>We do not believe this change will better facilitate the DCUSA Objectives if implemented.</p> <p>The change report suggests General Objectives 1, 3 and 4 will be better facilitated by this change.</p> <p>General Objective 1 – A clause has been included to encourage discussions between parties but there isn't anything to prevent such discussions taking place currently, so the introduction of this clause is 'Neutral' for this objective. Additionally, the suggested extension of the Development Phase from a three to a five year period is not necessary as a different period can be agreed, so results in a</p>	<p>We still believe that the original intent of this modification is valid however we do not believe that these changes meet the test against the relevant objective or meet the intent. We still consider that the Access Task Force or Open Networks project would be more likely to develop a solution that would support the intent.</p>

			<p>'Neutral' impact for this objective. It could be argued that an extension to a five year period is a backward step, resulting in a 'Negative' impact on this objective.</p> <p>General Objective 3 – As dialogue between parties can take place now, this change is not adding any value and as such the impact of this change on this objective is 'Neutral'.</p> <p>General Objective 4 – As this change does not add anything to the current arrangements the impact on this objective is 'Neutral'.</p>	
Southern Electric Power Distribution plc	Accept	Accept	<p>In our view, the Change Proposal better facilitates the DCUSA General Objectives 1, 3 and 4</p> <p>The Proposal promotes the maintenance and operation of efficient, coordinated and economical distribution networks as it is intended to release capacity on the networks and open up discussions regarding maximum capacity.</p> <p>The Proposal also makes the obligations imposed by the</p>	
Scottish Hydro Electric Power Distribution plc	Accept	Accept		

			<p>licences of the parties more transparent through opening a dialogue between LDNOs and DNOs regarding unutilised capacity.</p> <p>In addition, the Change Proposal promotes efficiency in the implementation of the DCUSA as it provides clarity for LDNOs on how to reduce their maximum capacity.</p> <p>The Proposal is neutral to 2 and 5 of the General Objectives</p> <p>The Proposed is neutral to the DCUSA Charging Objectives.</p>	
Western Power Distribution(East Midlands)	Reject	Reject	We do not believe the DCUSA Objectives are better facilitated by this change.	Whilst the change proposal has its merits and goes some way in acknowledging the need to develop an efficient, co-ordinated, and economical Distribution System, we don't believe it goes far enough to achieve any significant improvement in empowering network operators to recover capacity where it is not being utilised.
Western Power Distribution(West Midlands)	Reject	Reject		
Western Power Distribution(South Wales)	Reject	Reject		
Western Power Distribution(South West)	Reject	Reject		
Northern Powergrid (Northeast) Ltd	Accept	Accept		

Northern Powergrid (Yorkshire) plc	Accept	Accept	<p>DCUSA General Objectives 1 and 4 are marginally better facilitated by this proposal.</p> <p>General Objective One – Including a clause to open up discussions to release capacity may benefit other parts of the network.</p> <p>General Objective four - Provides clarity on the right of both Parties to vary the BCA.</p>	<p>Whereas we have raised the following points during the group discussion and in response to the consultation we highlight the following points for Ofgem’s consideration:</p> <ol style="list-style-type: none"> <li>1. IDNOs can currently secure capacity through the BCAs indefinitely for developments connected to their networks. Clause 39.3.1 already requires DNOs to “ensure the Maximum Import Capacity and the Maximum Export Capacity is available to the User at all times”. As IDNOs pick up no DUoS cost signal for any spare capacity (the difference between the reserved amount at the DNO/IDNO boundary and the take up on a particular IDNO site) there is no incentive to release capacity.</li> <li>2. We see no need for ramped capacity now that portfolio billing has been fully implemented (capacity charges do not apply at the boundary under current charging arrangements).</li> <li>3. The one element of this change proposal that we view as acceptable is the change of the “Development Phase” definition from a three to a five year period as this would be in line with our internal policy, i.e. a</li> </ol>
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				<p>five-year period, unless otherwise agreed with us.</p> <p>4. When Ofgem has concluded its work on access and forward looking charges It may be that further change is needed in this area, for example in respect of cost signals or an efficient means of recycling any spare capacity for use by other customers. Such arrangements would need to be sufficiently consistent for developments connected to both IDNOs or DNOs.</p> <p>5. Lastly, Ofgem's "Decision on IDNO/DNO boundary equipment and which parties should fund this equipment" dated 2 March 2010 means that the IDNO/DNO boundary is unlikely to be metered, therefore, a DNO will not know that capacity is being utilised/ underutilised in respect of the agreed capacity since there is no demand data available at the DNO/IDNO interface. Therefore a DNO may need customer level data for a particular site from the IDNO in order to initiate a conversation to potentially reduce the IDNOs</p>
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				capacity (to release capacity for other customers).
<b>IDNO PARTIES</b>				
ESP Electricity Ltd	Accept	Accept	<p><b>General Objective One</b> Where a party proposes a change to MIC or MEC, the introduction of the proposed change places a clear and specific obligation on both parties to negotiate such a change in good faith. Assuming this leads to an increase in the number of reductions to MIC or MEC to better reflect the LDNO network's capacity requirements, upstream DNOs will be better able to operate an efficient and economical Distribution Network.</p> <p><b>General Objective Three</b> ESPE agrees that by ensuring open dialogue (in good faith) between a host LDNO and downstream LDNO, DCP294 will promote the efficient discharge of both parties' licence obligations.</p>	
Leep Electricity Networks Limited	Accept	Accept	1,	
The Electricity Network Company Limited	Accept	Accept	We believe that this change proposal better facilitates General Objective One, General Objective Four, Charging	None

			<p>Objective One and Charging Objective Four. Our reasoning for this broadly supports the view in the change report but we have elaborated further below for clarity.</p> <p><b>General Objective One</b> – This change proposal will better facilitate discussions between distributor parties on the necessary capacity requirements at the point of connection between those two distributor parties. We note that the purpose of this change proposal is broadly to implement similar arrangements as were considered in DCP 115 (NTC Amendments – Under Utilisation). This change proposal, as with DCP 115, does not oblige parties to relinquish capacity contained in a bilateral connection agreement but it does facilitate the discussion in the same way that DCP 115 did with customers to whom the national terms of connection apply. Ofgem’s “Unlocking the capacity of the electricity networks – associated document” notes that, since May 2016 (the paper being published in February 2017), four of the six DNO groups had requested capacity reductions from customers whose capacity had not</p>	
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		<p>exceed 75% of their agreed capacity (as per DCP 115 arrangements) and that this had resulted in 29MW of demand capacity and 13MVA of generations capacity being released. We believe that this demonstrates how the facility through governance arrangements and connection agreements (BCAs in this case) provides the ability to enable distributors to better manage their distribution networks, as well as better developing their networks in an economical, efficient and co-ordinated manner.</p> <p><b>General Objective Four</b> – We believe that in the change report the wording of General Objective Four is misstated. The correct wording, as contained in DCUSA clause 3.1.4 is “the promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.” The second half of this objective, “the arrangements under it,” is pertinent because we consider that Bilateral Connection Agreements are, generally, considered arrangements under DCUSA given that a template BCA is provided in schedule to DCUSA. This requires parties to enter into a</p>	
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			<p>Bilateral Connection Agreements (clause 38.1) where requested to do by another distributor. This change proposal seeks to ensure that communication channels to administer the BCA (in respect of the agreed capacity) are opened in a clear, consistent and transparent manner. Therefore, we believe that this change promotes efficiency in the implementation and administration of agreements under DCUSA.</p> <p><b>Charging Objective One</b> – We believe that the changes which have been proposed to the definition of the development phase will provide DNO parties with greater clarity on the capacity required, during the development phase over a greater period of time. This allows DNO parties to plan their distribution system and the development of their distribution system accordingly. This is in line with the DNO parties' obligations to manage and maintain an economical, efficient and co-ordinated distribution system in accordance with s9 of the Electricity Act.</p> <p><b>Charging Objective Four</b> – The introduction of the development phase</p>	
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			and the definition of a three-year period therein was considered at the point of the creation of the common connection charging methodology. A period of three years may, at that time, have been reasonable. However, we believe that the proposed period is no longer applicable to the types of requests that DNO parties will receive and, therefore, takes into account developments in the DNO parties' distribution systems.	
<b>SUPPLIER PARTIES</b>				
N/A				
<b>DISTRIBUTED GENERATOR PARTIES</b>				
N/A				
<b>GAS SUPPLIER PARTIES</b>				
N/A				