





DCUSA Consultation		At what stage is this document in the process?
<h2>DCP 291</h2> <h3>Application of Generation Credits to EDCM Customers</h3> <p><i>Raised on the 10 February 2017 as a Standard Change</i></p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
Purpose of Change Proposal: The intent of this Change Proposal is to apply EDCM generation credits to all generators whether intermittent or non-intermittent, on the basis that a LRIC/FCP charge 1 exists.		
	The Workgroup recommends that this Change Proposal should: proceed to Consultation	
	Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 1 to dcusa@electralink.co.uk by xx xxxx 2017 . DCP 289 has been designated as a Part 1 Matter and an urgent change. The Working Group will consider the consultation responses and determine the appropriate next steps for the progression of the Change Proposal (CP).	
	Impacted Parties: Distributed Generation, Suppliers and Customers	
	Impacted Clauses: Schedule 17 and 18 (EDCM)	

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Timetable

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Change Proposal timetable:

Activity	Date
Initial Assessment Report Approved by Panel	15 February 2017
Consultation issued to Parties	TBC
Change Report issued to Panel	18 October 2017
Change Report issued for Voting	20 October 2017
Party Voting Ends	10 November 2017
Change Declaration Issued to Parties	14 November 2017
Authority Decision	19 December 2017
Implementation	18 October 2017

 Any questions?

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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 This Change Proposal (CP) seeks to address a MIG issue raised in November 2016 which identified differences in the application of generation credits to generators.
- 1.3 This change proposal would also seek to remove an inconsistency between the CDCM and EDCM in the application of generation credits to intermittent and non intermittent generators. Within the CDCM all generators are eligible for credits on their export kWh, albeit currently intermittent generators receive the same credit pence per unit throughout the day and non intermittent generators receive credits in the RED AMBER GREEN time bands. Within the EDCM only

generators with an F factor greater than zero (as determined under P2/6 or ETR130) have the potential to receive a credit if a charge 1 under FCP or LRIC is determined.

- 1.4 Further to this DCP268 "DUoS Charging Using HH Settlement Data" seeks to charge credits for all generators in the CDCM on a RED AMBER GREEN time band basis.
- 1.5 This lack of consistency, clarity and transparency of whether a generator will receive a credit across the two charging methodologies, does not assist generators when identifying where and how they should locate plant.
- 1.6 This change proposal would allow credits to be paid to all generators who export onto the distribution network regardless of generation type.

Why?

- 1.7 This would enable all EDCM generators to receive a credit on its measured export output within the super red time band. From that perspective it would provide greater transparency to customers when connecting.

How?

- 1.8 This is a relatively simple change to implement. Within the EDCM model there is an input field "Proportion eligible for charge 1 credits". This would be set to 1 for all generators regardless of type.

2 Governance

Justification for Part 1 Matter

- 2.1 This Change Proposal (CP) is considered a Part 1 Matter as it affects the level of charges for embedded generation and therefore impacts on competition for embedded generation as specified under 9.4.2 (A).

Requested Next Steps

- 2.2 This Change Proposal should:
 - Be treated as a Part 1 Matter
 - Be treated as a Standard Change
 - Proceed to a Working Group




3 Why Change?

Background of DCP 291

3.1

4 Working Group Assessment

DCP 291 Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess DCP 291. This Working Group consists of DNO and Supplier 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.
- 4.2 DCP 291 was raised by Western Power Distribution and seeks to apply EDCM generation credits to all generators whether intermittent or non-intermittent, on the basis that a LRIC/FCP charge 1 exists.
- 4.3 
- 4.4 
- 4.5 
- 4.6 This consultation document has been developed to gather information and feedback from market participants on this proposed change.

Commented [DF1]: To be completed by the WG

5 Legal Text

DCP 291 Proposed Legal Text

- 5.1 *Charge 1 is applied to export charges as a credit. The credit is expressed as a negative charge rate in p/kWh and is applied in respect of active power units exported during the DNO Party's*



super-red time band. The credit rate is set to zero for Connectees who are assigned an F Factor of zero. The credit rate is calculated as follows:

$$[p/kWh \text{ super-red export rate}] = -100 * [\text{Proportion eligible for charge 1 credits}] * ([\text{network charge 1 } \pounds/kVA/\text{year}] + [\text{parent charge 1 } \pounds/kVA/\text{year}] + [\text{grandparent charge 1 } \pounds/kVA/\text{year}]) * ([\text{Chargeable export capacity}] / [\text{Maximum export capacity}]) / [\text{number of hours in the super-red time band}]$$

Where:

The proportion eligible for charge 1 credits is zero if the F factor that is assigned to the Connectee as described in the FCP methodology is equal to zero, and 1 otherwise. section will be used to produce the legal text that changes the Code.

This will need to change to the following;

Charge 1 is applied to export charges as a credit. The credit is expressed as a negative charge rate in p/kWh and is applied in respect of active power units exported during the DNO Party's super-red time band. The credit rate is set to one for all generation Connectees. The credit rate is calculated as follows:

$$[p/kWh \text{ super-red export rate}] = -100 * [\text{Proportion eligible for charge 1 credits}] * ([\text{network charge 1 } \pounds/kVA/\text{year}] + [\text{parent charge 1 } \pounds/kVA/\text{year}] + [\text{grandparent charge 1 } \pounds/kVA/\text{year}]) * ([\text{Chargeable export capacity}] / [\text{Maximum export capacity}]) / [\text{number of hours in the super-red time band}]$$

Where:

The proportion eligible for charge 1 credits is given the value of one for all generators Connectees.

The DCP 289A draft legal text acts as Attachment 3.

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. The full list of objectives is documented in the CP form provided as Attachment 4.
- 6.2 The proposer of DCP 291 considers that the DCUSA Objective 4 is better facilitated by DCP 291. The reasoning against this objective is set out in the table below:

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 checked="" 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)	Positive
<input checked="" 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	
<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
The DCUSA Charging Objectives 2 and 3 will be better facilitated by the Change Proposal as it treats generation in a more consistent manner between both CDCM and EDCM. This Change Proposal will also provide greater transparency to generators when connecting.	

- 6.3 The proposer of DCP 291 considers that the DCUSA Objectives 2 and 3 are better facilitated by DCP 291.

7 Impacts & Other Considerations

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

- 7.1 No

Consumer Impact

- 7.2 DCP 291 does not impact consumers.

Environmental Impacts

- 7.3 In accordance with DCUSA Clause 11.14.6, the proposer assessed whether there would be a material impact on greenhouse gas emissions if DCP 291 were implemented. The proposer did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

Engagement with the Authority

7.4 Ofgem has been fully engaged throughout the development of DCP 291 as an observer on the Working Group.

8 Implementation

8.1 The proposed implementation date for DCP 291 is 1 April 2019.

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 291?
2	Are you supportive of the principles of DCP 291?
3	Do you have any comments on the draft legal text?
4	Do you have any comments on the proposed legal text for DCP 291?
5	<p>Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments.</p> <ol style="list-style-type: none"> 1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks 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 3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences 4. The promotion of efficiency in the implementation and administration of this Agreement 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.
6	Are you aware of any wider industry developments that may impact upon or be impacted by this CP?
7	Are you supportive of the proposed implementation date of 01 April 2019?

8	Do you have any other comments on DCP 291?
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9.2 Responses should be submitted using Attachment 1 to dcusa@electralink.co.uk no later than, **xx xxxx 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 291 Consultation Response Form
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