

Part A: Generic

DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 291:</h1> <h2>Application of Generation Credits to EDCM Customers</h2> <p>Date raised: 10 February 2017</p> <p>Proposer Name: Simon Yeo</p> <p>Company Name: Western Power Distribution</p> <p>Company Category: DNO</p>		<p>01 – Change Proposal</p> <p>02 – Consultation</p> <p>03 – Change Report</p> <p>04 – Change Declaration</p>
<p>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.</p>		
	<p>Governance:</p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> Part 1 Matter Treated as a Standard Change Proceed to a Working Group <p>The Panel will consider the proposer’s recommendation and determine the appropriate route.</p>	
	<p>Impacted Parties: Distributed Generation, Suppliers and Customers</p>	
	<p>Impacted Clauses: Schedule 17 and 18 (EDCM)</p>	

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Indicative Timeline		 02074323000
The Secretariat recommends the following timetable:		Proposer: Simon Yeo
Initial Assessment Report	15 February 2017	 syeo@westernpower.co.uk
Consultation Issued to Industry Participants	TBC	 0117 933 2349
Change Report Approved by Panel	18 October 2017	
Change Report issued for Voting	20 October 2017	
Party Voting Closes	10 November 2017	
Change Declaration Issued to Authority	14 November 2017	
Authority Decision	19 December 2017	

1 Summary

What?

This change proposal seeks to address a MIG issue raised in November 2016 which identified differences in the application of generation credits to generators.

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.

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.

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.

This change proposal would allow credits to be paid to all generators who export onto the distribution network regardless of generation type.

Why?

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?

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 and Part 2 Matter

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

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?

This change proposal would provide visibility to EDCM generators over whether they have the potential to receive a credit for kWh units exported.

Part B: Code Specific Details

4 Solution and Legal Text

The solution is; 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

Legal Text

The existing legal text within Schedule 17 section 6.3 and schedule 18 section 6.5 is as follows;

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:

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

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:

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

Where:

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

5 Code Specific Matters

Reference Documents

N/A

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 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) <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	Positive
<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
<p>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.</p>	
DCUSA General Objectives	Identified impact
<input type="checkbox"/> 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	None
<input 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	None
<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 type="checkbox"/> 4 The promotion of efficiency in the implementation and administration of the DCUSA	None
<input 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.	None

7 Impacts & Other Considerations

None

Does this Change Proposal Impact Other Codes?

No

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

Consideration of Wider Industry Impacts

This issue has been discussed at the January 2017 MIG.

Confidentiality

This change proposal is not confidential.

8 Implementation

This change does not need to be implemented for new Connectees at the start of a new charging year.

Proposed Implementation Date

Proposed Implementation date of 1 April 2019.

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>

		<p>a) it is likely to have a significant impact on the interests of electricity consumers;</p> <p>b) it is likely to have a significant impact on competition in one or more of:</p> <ul style="list-style-type: none"> i. the generation of electricity; ii. the distribution of electricity; 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>