

## Proposed Legal Text

### Schedule 17

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#### **6b GENERATION CREDITS**

6.3 Generation credits are determined as the sum of the individual credits calculated in paragraphs 6.4, 6.5 and 6.6 as follows:

[p/kWh super-red export rate] = ARCC + OEACC + ATECC

Where:

ARCC = Avoided Reinforcement Cost Credit as determined in 6.4

OEACC = Other Expenditure Avoided Cost Credit as determined in 6.5

ATECC = Avoided Transmission Exit Charge Credit as determined in 6.6

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6.43 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:

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

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.

The super-red generation rate is not applied to Connectees with zero Chargeable Export Capacity.

6.5 An additional credit is applied to embedded generation reflecting Avoided Other Expenditure for the DNO, which is calculated as follows:

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$$\text{OEACC} = \text{ARCC} * (\text{DOCR} + 0.6 * \text{INCR} + \text{NRCR})$$

Where:

DOCR = Direct operating costs contribution rate (per cent) as calculated in 16.4

INCR = Indirect costs contribution rate (per cent) as calculated in 16.5

NRCR = Network rates contribution rate (per cent) as calculated in 16.3

6.6 Transmission exit charges are applied to export as a credit. The credit is expressed as a negative charge rate in p/kWh and is calculated as follows:

$$\text{ATECC} = -100 * \text{NGET charge} / (\text{CDCM system maximum load} + \text{total EDCM peak time consumption}) * ([\text{Chargeable export capacity}] / [\text{Maximum export capacity}]) / [\text{number of hours in the super-red time band}]$$

NGET charge is the DNO Party's forecast annual expenditure on transmission connection point charges in £.

CDCM system maximum load is the forecast system simultaneous maximum load from CDCM Connectees (in kW) from CDCM table 2506.

Total EDCM peak time consumption (in kW) calculated by multiplying the Maximum Import Capacity of each Connectee by the forecast peak-time kW divided by forecast maximum kVA of that Connectee (adjusted for losses to transmission and, if necessary, for Connectees connected for part of the Charging Year) and aggregating across all EDCM Customer demand.

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## Schedule 18

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### 6b GENERATION CREDITS

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6.5 Generation credits are determined as the sum of the individual credits calculated in paragraphs 6.6, 6.7 and 6.8 as follows:

$$[\text{p/kWh super-red export rate}] = \text{ARCC} + \text{OEACC} + \text{ATECC}$$

Where:

ARCC = Avoided Reinforcement Cost Credit as determined in 6.6

OEACC = Other Expenditure Avoided Cost Credit as determined in 6.7

ATECC = Avoided Transmission Exit Charge Credit as determined in 6.8

1.16.6 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:

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

Where:

The proportion eligible for charge 1 credits is zero if the F factor that is assigned to the Connectee as described in the LRIC methodology is equal to zero, and 1 otherwise.

The super-red export rate is not applied to Connectees with zero Chargeable Export Capacity.

6.7 An additional credit is applied to embedded generation reflecting Avoided Other Expenditure for the DNO, which is calculated as follows:

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$$\text{OEACC} = \text{ARCC} * (\text{DOCR} + 0.6 * \text{INCR} + \text{NRCR})$$

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Where:

DOCR = Direct operating costs contribution rate (per cent) as calculated in 16.4

INCR = Indirect costs contribution rate (per cent) as calculated in 16.5

NRCR = Network rates contribution rate (per cent) as calculated in 16.3

6.8 Transmission exit charges are applied to export as a credit. The credit is expressed as a negative charge rate in p/kWh and is calculated as follows:

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$$\text{ATECC} = -100 * \text{NGET charge} / (\text{CDCM system maximum load} + \text{total EDCM peak time consumption}) * ([\text{Chargeable export capacity}] / [\text{Maximum export capacity}]) / [\text{number of hours in the super-red time band}]$$

NGET charge is the DNO Party's forecast annual expenditure on transmission connection point charges in £.

CDCM system maximum load is the forecast system simultaneous maximum load from CDCM Connectees (in kW) from CDCM table 2506.

Total EDCM peak time consumption (in kW) calculated by multiplying the Maximum Import Capacity of each Connectee by the forecast peak-time kW divided by forecast maximum kVA of that Connectee (adjusted for losses to transmission and, if necessary, for Connectees connected for part of the Charging Year) and aggregating across all EDCM Customer demand.