

## DCP 287 modelling response cover sheet

1 March 2018, Reckon LLP

1. This document is the cover sheet to our response to a request for modelling services received on 8 February 2018.
2. Table 1 lists the items included in our response.

**Table 1 Response items**

File name	Description
DCP 287 modelling response cover sheet	This document.
Blank-EDCM2-dcp287-FCP+r7869	Blank FCP model implementing DCP 287.
Blank-EDCM2-dcp287-LRIC+r7870	Blank LRIC model implementing DCP 287.
DCP 287 EDCM FCP r7869 model document	Documentation for the updated FCP model.
DCP 287 EDCM LRIC r7870 model document	Documentation for the updated LRIC model.

3. We cannot comment on the draft legal text as such since we do not have any other basis to ascertain what the intended methodology might have been.
4. There are tensions between the draft legal text sent to us on 8 February 2018 (Attachment C of the modelling specification pack), subsequent versions of the draft legal text included in working group minutes, the statement in the change proposal that “the proposed solution is that the credits should be calculated in the same way as the equivalent demand costs are derived, but applied as a credit to eligible embedded generators”, and common sense. We have resolved each of these tensions in favour of the version of the draft legal text included in the modelling specification pack of 8 February 2018. Specifically:
  - (a) We have applied the direct, indirect and network rate contribution rates to annuitised figures even though this conflicts with common sense and is different from the way these items are charged to EDCM demand.
  - (b) We have included a hard-coded factor of 0.6 for indirect costs even though this figure has no visible means of support and there is no corresponding factor in the calculation of charges for EDCM demand.
  - (c) We have included the “proportion eligible for charge 1 credits” factor in the calculation of transmission exit credits even though it is not included in the most recent version of the working group’s draft legal text and it discriminates against no-F-factor generation exporting to the DNO’s system through an EDCM connection during super-red compared to similar generation exporting through a CDCM connection or embedded within a demand-dominated site.

- (d) We have not applied any loss adjustment factors to the calculation of transmission exit credits even though such factors would seem to make sense and are included in the calculations of the transmission exit elements of EDCM demand charges and CDCM generation credits.
- (e) We have made no attempt at preventing the double payment of transmission exit credits to generators that may support the distribution system through a contract to provide distribution system support in GSP outage scenarios.