

## DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

PART A – Mandatory for all Change Proposals

PART B – Mandatory for Non Charging Methodologies Proposals

PART C – Mandatory for Charging Methodologies Proposals

PART D – Guidance Notes

### PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard
CP Number	DCP 204
Date of submission	27 February 2014
Attachments	Draft legal text
Originator Details	
Company Name	Scottish Hydro Electric Power Distribution plc
Originator Name	David Brogden
Category	DNO
Email Address	dave.brogden@sse.com
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Change Proposal Details	
CP Title	Smart Metering Related Amendments to Schedule 8
Impacted parties	Suppliers, DNOs, IDNOs
Impacted Clause(s)	Schedule 8
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	None
Change Proposal Intent	
<p>The intent of this Change Proposal (CP) is to amend DCUSA Schedule 8 to reflect the migration of load switching technologies deployed by Suppliers in customer premises from established devices, such as radio teleswitches (RTS) and timeswitches, to smart metering technologies. The legacy switching devices will become redundant following the completion of the smart metering roll out.</p> <p>Schedule 8 relates to Demand Control measures which can be initiated by Distributors to preserve security of supply and integrity of their networks and/or to avoid or minimise network investment. For network operators, the ability to manage load switching arrangements is central to the effectiveness of this Schedule.</p> <p>The CP seeks to replicate the existing functionality afforded by existing metering systems (around tariff time switching and load switching) to network operators in a Smart Metering regime and also seeks to clarify and/or simplify aspects of the Schedule.</p>	
Business Justification and Market Benefits	
<p>Schedule 8 of the DCUSA relates to Demand Control and contains a framework of obligations and procedures under which Distributors may, in certain circumstances, notify Suppliers that actions are</p>	

required to avoid risks to the security of supply in particular geographic/network areas and/or to avoid or defer network investment, through the alteration of load switching operations in customer premises.

Typically, the loads which are switched are variations of space and water heating storage systems and these are switched by either a timeswitch or RTS in the customer premises. In some network areas, RTS switching is the predominant switching technology.

Whilst provision and setting of timeswitches (normally to fixed patterns) is undertaken by meter operators acting for Suppliers, the switching services of RTS are provided by DNOs on an outsourced basis for Suppliers and they operate a broad range of 'fixed' and 'dynamic' switching patterns to align with current and legacy tariffs. It is estimated that there are currently around 3 million timeswitches and 2 million RTS installations in GB.

Smart metering has in-built load switching capabilities and the roll-out programme will result in the progressive withdrawal and ultimate ending of conventional timeswitch and RTS facilities in GB. Remote load switching of this nature will thereafter be entirely within the control of Suppliers. It is possible that an unintended consequence of smart metering deployment could be the loss of key features and characteristics of the established load switching technologies, such as 'randomisation' of load switching, which provides essential diversity. These features and characteristics are of considerable strategic importance and value to network operators.

RTS in particular is an essential and highly effective tool for some network operators to both maintain security of supply and/or to avoid or defer network reinforcements. The technology has the ability to deliver a spread of switching patterns and has in-built switching 'stagger', both of which limit the coincidence of demand. In emergency circumstances, RTS also permits the remote application of direct load reduction in customer premises, potentially allowing the network operator to maintain limited continuity of supply as an alternative to outages.

The alternative to retaining these facilities and characteristics would potentially be investment in network reinforcement (some of which could be very large scale, costly and take significant periods of time to complete), with consequent effects on customer service and levels of use of system charges. It is the Proposer's view that the Supplier's ability to utilise the in-built facilities of smart metering for Demand Control purposes represents a more economic and efficient solution in comparison to network reinforcement in certain circumstances.

This CP therefore seeks to develop Schedule 8 of the DCUSA to make amendments which recognise the change of technologies whilst retaining the key features and characteristics of RTS and other conventional switching technologies which are beneficial for network purposes.

The CP also seeks to streamline the process of 'Security Restriction' notifications to Suppliers, reducing the number of steps in the process, with the aim of making the process more efficient and suitable for deployment.

### **Proposed Solution and Draft Legal Text**

In order to achieve the intent of the CP, the main elements of the draft legal text proposes that:

1. Existing RTS and timeswitch switching times (and other switching characteristics) are replicated in a Smart Meter on installation, unless otherwise agreed between the Supplier and Distributor, with particular arrangements for Load Managed Areas.

2. Smart Meter installations are deployed in such a manner, through use of randomised offset capabilities and management of load switching times, that coincidence of load switching is minimised.
3. Smart Meter switching times are particularly managed in Load Managed Areas, including those for new installations.
4. Suppliers may be required to amend switching times as notified by the Distributor where Security Restrictions are in force.
5. The addition of new load switching arrangements acknowledges the need to avoid creating an adverse impact on a Distributor's network.
6. The existing service provided by the RTS system to interrupt switched load at times of network duress is replicated.

The proposals are based on the existing structure of Schedule 8 but seek to specifically refer to the key features and characteristics of load switching devices which are of importance to network operators.

The text also aims to simplify the process of 'Security Restriction' notifications to Suppliers, by combining the current 'Provisional' and 'Firm' Security Restriction process into one.

#### **Proposed Implementation Date**

1<sup>st</sup> April 2015.

#### **Impact on Other Codes**

Please tick the relevant boxes and provide any supporting information.

BSC	<input type="checkbox"/>
CUSC	<input type="checkbox"/>
Grid Code	<input type="checkbox"/>
MRA	<input type="checkbox"/>
SEC	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>
None	<input type="checkbox"/>

It is expected that implementation of this CP may require consideration of technical issues under the remit of the Smart Energy Code.

#### **Consideration of Wider Industry Impacts**

None identified by the Proposer.

#### **Environmental Impact**

None identified by the Proposer.

#### **Confidentiality**

Non-confidential.

## PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

### DCUSA Objectives

#### General Objectives:

Please tick the relevant boxes. [See Guidance Note 9]

- ☒ 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.

### Rationale for better facilitation of the DCUSA Objectives identified above

The ability to continue to use and manage the capabilities of load switching systems is an essential tool for network operators as a means of maintaining security of supply in certain circumstances. The potential for these capabilities to be used to avoid or defer network reinforcement can provide network operators with an economic and efficient alternative to network investment in some situations.

## PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS

### DCUSA Charging Objectives

Please tick the relevant boxes. [See Guidance Note 11]

#### Charging Objectives:

- ☐ 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
- ☐ 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)

- ☐ 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
- ☐ 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
- ☐ 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.

General Objectives:

- ☐ 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.

**Rationale for better facilitation of the DCUSA Objectives identified above**

[See Guidance Note 10]

Charging Objectives: N/A

General Objectives: N/A

**Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation**

DNOs met with Ofgem on three separate occasions to discuss the implications of the change of switching technology. The dates of the meetings were as follows:

28<sup>th</sup> March 2013  
 11<sup>th</sup> June 2013  
 19<sup>th</sup> November 2013  
 17<sup>th</sup> December 2013

The issues have also been discussed at an Energy Networks Association (ENA) working group held on 15<sup>th</sup> July 2013 and at the Smart Grids Forum Workstream 6 sub group on 17<sup>th</sup> February 2014.

ENA representatives also met with Energy UK representatives on 15<sup>th</sup> October 2013. The ENA presented the issue and sought further future involvement with EUK and its members. EUK took an action from the meeting to consult with members.

## PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. [www.dcusa.co.uk](http://www.dcusa.co.uk)

Ref	Data Field	Guidance
1	<b>Attachments</b>	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	<b>Part 1 / Part 2 Matter</b>	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.
3	<b>Related Change Proposals</b>	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	<b>Proposed Solution and Draft Legal Text</b>	<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. 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).</p>
5	<b>Proposed Implementation Date</b>	<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 in to consideration the deadlines for publishing indicative tariffs.</p> <ul style="list-style-type: none"><li>• Submission of Company indicative tariffs is 31 December of each year.</li><li>• Final tariffs are published on 1 April of each year.</li></ul> <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 within the December indicative tariffs.</p> <p>Contact the DCUSA helpdesk for any further information on the releases <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a>.</p>
6	<b>Consideration of Wider Industry Impacts</b>	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.
<b>7</b>	<b>Environmental Impact</b>	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 <a href="#">Ofgem Guidance</a> .
<b>8</b>	<b>Confidentiality</b>	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
<b>9</b>	<b>DCUSA General Objectives</b>	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
<b>10</b>	<b>Rationale for DCUSA Objectives</b>	Provide 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.
<b>11</b>	<b>DCUSA Charging Objectives</b>	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.