

DCUSA DCP 204 CHANGE DECLARATION**VOTING END DATE:** 11 MAY 2015

DCP 204	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
CHANGE SOLUTION	Accept	n/a	Reject	n/a	n/a
IMPLEMENTATION DATE	Accept	n/a	Reject	n/a	n/a
RECOMMENDATION	<p>Change Solution – Reject</p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was not greater than 50% in all Categories.</p> <p>Implementation Date – Reject.</p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was not greater than 50% in all Categories.</p>				
PART ONE / PART TWO	Part One – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				

Northern Powergrid (Northeast) Ltd.	Accept	Accept	<p>General objective 1 is better facilitated through ensuring randomisation and therefore diversity/staggering of load switching around tariff switching times, thus reducing any adverse impact on the networks from coincident load switching.</p> <p>General objective 1 is also better facilitated by DCP 204 by providing clarity on Demand Control areas through the roll-out of smart meters.</p> <p>General objective 2 may be better facilitated by DCP 204 by providing further clarity of arrangements for specific aspects of demand control in smart for all Suppliers, so that suppliers compete on the same technical basis in relation to metering for time of use tariffs.</p>	n/a
Northern Powergrid (Yorkshire) Plc.	Accept	Accept		
Eastern Power Networks	Accept	Accept	<p>UK Power Networks agrees that the amendments in this Change Proposal better facilitate the first DCUSA objective “The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System”.</p> <p>We agree that this amendment is</p>	n/a
London Power Networks	Accept	Accept		
South East Power Networks	Accept	Accept		

			<p>required in order to maintain the objectives and benefits of the existing Schedule 8 in the face of the national smart metering rollout, the implementation of the DCC, and any potential changes to the radio tele-switching system. In addition, the inclusion of the randomised offset requirements will improve the benefits to the distribution network operation achieved from enacting Schedule 8.</p> <p>We also agree that the amendments made to the notifications outlined in Schedule 8 improve clarity around the procedure and obligations in each stage in the escalation process.</p>	
Electricity North West	Accept	Accept	<p>General objective 1</p> <p>Without this change proposal, the roll out of smart metering will remove dynamic tele-switching which provides an element of demand control resulting in less efficient and economical networks. It also protects the existing arrangements whereby the switching of demand is spread over a period of minutes due to the nature of the existing equipment installed by the use of (and the rules associated with) a Randomised offset limit. Without this,</p>	No

			the more accurate electronic meters would result in the entire load for a Specific Load Switching Regime being triggered at the same time. This may result in network re-enforcement.	
Southern Electric Power Distribution plc	Accept	Accept	In our view, DCUSA General Objective 1 is better facilitated by DCP204 as it allows DNOs to maintain existing load management arrangements which are very important in the efficient and economic management of networks, whilst adapting the provisions to recognise changing technologies. We also believe that General Objective 4 is better facilitated through improvements in information provision to Suppliers/Users and simplification of arrangements relating to Security Restriction Notices.	This CP represents an essential step in the integration of smart metering into DCUSA-governed arrangements between distributors and suppliers. There are however a number of related matters which were identified for further development in the course of DCP204 which were not within the scope of the CP. We look forward to progression of these under a separate CP in due course.
Scottish Hydro Electric Power Distribution plc	Accept	Accept		
Western Power Distribution (East Midlands) plc	Accept	Accept	DCUSA General Objective 1. This proposal better facilitates the development, maintenance and operation of an efficient, co-ordinated, and economical distribution system. However, it is recognised that this is at the expense of restricting the times of day when Customers in particular geographic areas can use electricity.	<p>Whilst WPD supports this Change Proposal it has reservations about some of the detail, as follows:</p> <ol style="list-style-type: none"> 1. Clause 8.7. WPD has reservations about the practicalities and legalities of de-energising particular Customers for a breach of the Agreement by their Supplier: <ul style="list-style-type: none"> – Customers generally have
Western Power Distribution (South Wales) plc	Accept	Accept		
Western Power Distribution (South West) plc	Accept	Accept		
Western Power Distribution (West Midlands) plc	Accept	Accept		

				<p>the right to be and to remain connected.</p> <ul style="list-style-type: none">- Clause 10.1 provides for an escalation procedure in the event of a dispute which does not involve disconnecting customers- The network operational constraints will be limited to particular times of the day. It is not reasonably practicable to repeatedly disconnect customers at the start of these periods and then reconnect them at the end. It may also be necessary to obtain warrants to enforce access to customer premises.- In practice Network Operators would invoke Distribution Code – Operating Code 6 to control demand in the event of operating problems on their network. This does not discriminate against or unduly prefer any one or any group of Suppliers or their Customers. <p>2. Clause 11.2 requires Emergency</p>
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				<p>SRNs to be dictated over the phone. Clause 8.3(a) requires the notice to include (amongst other things) the relevant MPANs. It is not reasonable to dictate a long list of MPANs (potentially thousands) over the phone, nor have them dictated back in full to check that they have been accurately received. Clause 8.2 requires Emergency SRNs to be sent to the User, all other Suppliers and the Authority - It is not reasonable to dictate a long list of MPANs over the phone to all of these parties separately.</p> <p>3. One of the objectives of the Change Proposal was to simplify the security restriction notice process. Whilst there has been some improvement, the difference between the notices is almost imperceptible, which leads to confusion rather than clarity:</p> <ul style="list-style-type: none">- Both SRN and ESRN appear to be advisory in nature i.e. on their own do not require any corrective action to be taken.- Corrective action appears to be mandated by the issue of Compliance Notices.- This begs the question
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				<p>whether both SRNs and ESRNs are necessary since a single notice could indicate whether there was a “material” or “immediate” risk to security of supply.</p> <p>The need for a separate Compliance Notice is also questionable as the actions to be taken and the timescales required could be included on the SRN/ESRN.</p>
IDNO PARTIES				
n/a				
SUPPLIER PARTIES				
British Gas	Reject	Reject	n/a	<p>We have considered carefully the arguments and justifications put forward in the Change Report and we consider that, on balance, the proposed changes do not better facilitate the DCUSA objectives.</p> <p>The basic premise of DCP 204 appears to be that it is more efficient and cost effective for Suppliers to incur additional costs - such as restricting certain tariffs in certain geographical areas and building in randomisation than it is for Distributors to carryout reinforcement to meet load requirements of</p>

				<p>customers. In our response to the DCP 204 consultation we suggested that a cost/benefit exercise should be carried out to demonstrate that continuation of these restrictions on Suppliers is appropriate and justified. The DCP 204 working group decided that this was not required and therefore we do not agree that the appropriate analysis has been carried out to justify the changes.</p> <p>DCP 204 required that Suppliers Smart Metering Systems include a randomised offset of 600 seconds (10 minutes). We do not believe that this has been justified. Existing technologies appear to have randomisation included of around 3.5 minutes. In the future as Time of use Tariffs become more widespread (and potentially dynamic), a randomised offset of 10 minutes would be significant and could cause customer confusion and inconvenience. Customers could potentially be economically disadvantaged if they think their off-peak rate starts at say 8.00pm but in reality there is a 10 minute lag on when it actually takes effect.</p> <p>DCP 204 describes the current model where historically this demand side response mechanism is used to balance</p>
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				<p>load in areas of network strain. Whilst we can see it could be argued that the benefits of existing “Load Managed Areas” have been included in Distributors; price control mechanisms we do not see this is the case for any new declared load managed areas. Suppliers will need to make changes to systems and processes to recognise customers in Load Managed Areas. In order to ensure the most economically efficient solution is provided for customers it is necessary for the costs of any solution to be reflected accurately i.e. if the DNOs benefit from a service without having to recompense the service provider for the costs of providing the service, this brings a risk of decisions being made that are not in the interests of customers overall. We would be concerned, therefore, if this change enabled DNOs to benefit from enhanced demand side response, by declaring new Load Managed Areas, without paying for it and believe this could lead to sub-optimal solutions.</p>
Npower	Accept	Accept	1 - The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution	n/a

			System.	
DISTRIBUTED GENERATOR PARTIES				
n/a				
GAS SUPPLIER PARTIES				
n/a				