

DCUSA DCP 204 CHANGE DECLARATION

VOTING END DATE: 18 JANUARY 2016

DCP 204 - SMART METERING RELATED AMENDMENTS TO SCHEDULE 8	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. For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the change solution was less than 50%.</p> <p>Implementation Date – Reject. For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was less than 50%.</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	General Objective One - The	We support DPC 204 because it simply

Northern Powergrid Yorkshire plc	Accept	Accept	<p>development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Network</p> <p>General Objective One is better facilitated by DCP 204 as the purpose of this CP is to make sure that DCUSA Schedule 8 regarding demand control is suitable for a smart metered environment.</p> <p>General Objective Five - 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.</p> <p>Noting the contents of Section 8 of the change report, Objective 5 is better met as the change proposal supports obligations in Directive 2009/72/EC of The European Parliament and of the Council dated 13 July 2009 concerning common rules for the internal market in electricity.</p>	<p>seeks to retain the existing functionality of the existing load switching regimes (e.g. RTS) in so far as it:</p> <ul style="list-style-type: none"> i) enables the Network Operator to influence the switching regime in existing and new load managed areas; and ii) it ensures randomisation of the times when load on the network is switched. <p>Both of these arrangements provide benefits to customers and we are keen that these benefits are not lost as smart metering is implemented.</p>
Southern Electric Power Distribution plc	Accept	Accept	We agree with the Working Group analysis that General Objectives One	If this CP is not approved, the benefits of randomised switching that are derived from

<p>Scottish Hydro Electric Power Distribution plc</p>	<p>Accept</p>	<p>Accept</p>	<p>and Five are better facilitated by this CP, for the reasons set out in the Change Report.</p>	<p>the current range of load switching techniques would disappear in a relatively short period of time. We firmly believe that randomisation, in the form proposed by the Working Group, is a fundamental necessity to lessen the risk of incidents induced by synchronised load switching.</p> <p>Large scale switching without randomisation may well have very serious effects on the integrity of distribution (and potentially transmission) systems and may also compromise the ability of the system operators to efficiently operate and balance their systems.</p> <p>The avoidable disappearance of existing randomisation would also be contrary to and a significant setback for the broad agenda for implementation of 'smart' alternatives to system reinforcement.</p> <p>In our view the proposed changes are therefore essential steps which are necessary to reflect the changes of technology and transfer of control of customer demand load switching as a consequence of mass-scale smart metering. The progress being brought by smart metering should not be undermined by the avoidable loss of the beneficial features of existing systems.</p>
<p>Eastern Power Networks</p>	<p>Accept</p>	<p>Accept</p>	<p>UK Power Networks agrees that the amendments in this Change Proposal</p>	<p>n/a</p>
<p>London Power Networks</p>	<p>Accept</p>	<p>Accept</p>		

			<p>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 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>	
South East Power Networks	Accept	Accept		
ENWL	Accept	Accept	We agree with the working group that General Objective 1 and General Objective 5 are better facilitated by this change.	n/a

IDNO PARTIES

SUPPLIER PARTIES				
RWE npower	Reject	Reject	n/a	<p>Through further consideration of DCP204, RWE npower are concerned over the confusion that could be caused to customers through the implementation of this change. Through Standards of Conduct, Suppliers have an obligation to be clear and transparent with customers. Whilst we appreciate there is a need to introduce an element of randomisation, the scale of the randomisation could conflict with customer expectation of accuracy relating to smart metering systems.</p> <p>In relation to the new template that is being proposed, we would like assurance that this template will be used by all DNOs to ensure that the notification process is consistent across the industry. We recognise that now is not an appropriate time to make changes to central systems to flag Load Managed Areas and other notices issued under this schedule, but feel that obligating the use of a consistent template would minimise costs.</p>
EDF Energy	Reject	Reject	We agree with the working group	We are rejecting this change because we

			<p>assessment that this change better facilitates DCUSA General Objective 1. This change ensures the existing DCUSA obligations regarding Demand Control account for the rollout of smart meters, and continue to ensure security of supply.</p> <p>We also believe that this change better facilitates DCUSA General Objective 4. The changes proposed to the notice types and the introduction of standard templates for such notices enable better communication between DNOs and Suppliers and deliver the outcomes required by Schedule 8 in a more efficient way than the current baseline.</p>	<p>do not agree with the proposal to apply a minimum level of randomisation to all smart metering systems, as detailed in section 3A of the draft legal text. We are however supportive of the proposed clarifications to the process for issuing Notices and believe that these would improve the existing processes detailed in Schedule 8.</p> <p>We remain concerned that randomisation is being applied to the switching times of all customers with smart meters, not just those in Load Managed Areas. We note that further information has been provided as to the technical reasons for this requirement and the costs that will be avoided. However, we do not believe that this has sufficiently justified the case for mandating randomisation for all customers. In particular we note that the analysis provided appears to assume that Suppliers will all choose the same switching time nationally. We do not believe that this reflects the current arrangements – whereby switching times differ by DNO regions – or the fact that different suppliers may adopt different switching times as the rollout progresses. We therefore do not believe that the analysis provided represents a</p>
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				<p>reasonable view, and instead over emphasises the case for change.</p> <p>We would also note that randomisation is not a good experience for customers as it moves them away from their 'true' switching times. This will introduce additional complexity to the messaging Suppliers provide to their customers and queries they have to respond to. This will come at an additional cost. At the same time the requirement to introduce randomisation is a change to the code, and the DNOs have not made the case that the benefits of this element of the change outweigh the costs.</p> <p>We have also rejected the proposed implementation date as we do not believe that this date is feasible, based on the extent of the changes to internal systems and process that will be required to deliver the amended obligations resulting from this change. We believe that a lead time of 12 months is required in order to implement these changes. Given the low volumes of smart meters that will be rolled out in this period, specifically that support randomisation (i.e. SMETS2 meters) we do not believe that such a delay would materially impact the</p>
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				<p>benefits to be gained from implementing this change.</p> <p>We note that the draft legal text places an obligation on Suppliers to replicate the existing switching times, where a smart meter is being installed as a replacement for a legacy meter in a Load Managed Area. However we believe there is a lack of clarity on how this will be done where the current switching times are determined by the RTS and may not be visible to the Supplier. There may also be issues where there is no non-teleswitched equivalent of the current teleswitched SSC for the Supplier to use on the smart meter. This issue has previously been raised as DIF045 at the SIG but has not progressed, we believe that this needs to be resolved as soon as possible to enable Suppliers to meet their obligations under DCP204.</p> <p>It needs to be ensured that the measures in Schedule 8 are not used as means of reallocating costs from DNOs to Suppliers and avoiding the need to upgrade network infrastructure. Security of supply is delivered in the most cost-efficient manner overall, and not just by restricting the choices available to</p>
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				<p>customers.</p> <p>We note that the template for the notifications for the various notice types refers to specific times and dates that restrictions apply to. It is not clear what this means for a Supplier who will be determining whether or not they can change the SSC that a customer is on. If an LMA notice is in effect for an area, but the Supplier is looking to make an SSC change for a customer in that area outside of the restricted period (but which may affect that restricted period), it is not clear whether they need to consult the DNO prior to making such a change. It is also not clear whether there is any value in including the dates and times in the template if they don't make any difference to the process that Suppliers need to follow. If this change is made, further guidance will be required on how Suppliers should use the information provided in the spreadsheet.</p> <p>The use of spreadsheets for manual notification of the notices is not a robust solution on an ongoing basis; we note that it is proposed that this and other information (such as Rota Disconnection information) is included within the scope</p>
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				of the new Centralised Registration Service.
British Gas	Reject	Reject	<p>We do not believe that DCP 204 better facilitates DCUSA objective General Objective One - The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Network.</p> <p>We do not believe that the change report has provided sufficient evidence to support the approval of this change. Only one network provided any benefits with regard to avoided network reinforcement.</p> <p>We agree with Citizens Advice that the randomisation limit of 600 seconds will cause customer confusion. The change report does not provide sufficient evidence to support 600 seconds and we believe that network issues could be sufficiently mitigated by setting a lower value such as 300 seconds. Where customer's load switching is not automated there could be misalignment with the customer's device and the point at which any off-peak tariff commences.</p>	n/a

			<p>DCP 204 describes the current model where historically this demand side response mechanism is used to balance 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>	
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E.ON	Reject	n/a	n/a	We do not consider that a justified cost and benefit case has been demonstrated that supports the implementation of DCP 204. The costs that have been provided are wide ranging and not specific to the change. Our own internal assessment has highlighted significant impact to customers and significant costs for us to manage this change Furthermore we are not convinced of the proposed benefits of applying mandated randomisation to all smart meters and not just those within LMA areas.
SSE Energy Supply	Accept	Accept	General Objective One is better facilitated by DCP 204 as the purpose of this CP is to make sure that DCUSA Schedule 8 is suitable for smart metering. General Objective Five as this CP supports compliance with Clause 11 in Article 3 (Public service obligations and customer protection) of Directive 2009/72/EC of The European Parliament and of the Council dated 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC.	No
Scottish Power Energy Retail	Accept	Accept	We accept the Working Groups view.	No further comments

Limited				
DISTRIBUTED GENERATOR PARTIES				
n/a				
GAS SUPPLIER PARTIES				
n/a				