

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 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 160
Date of submission	9 January 2014
Attachments	
Originator Details	
Company Name	South Eastern Power Networks
Originator Name	Oliver Day
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	Oliver.day@ukpowernetworks.co.uk
Phone Number	07875 112250
Change Proposal Details	
CP Title	Non-Half Hourly (NHH) Notional Capacity
Impacted parties	Suppliers, DNOs and IDNOs
Impacted Clause(s)	Schedule 16
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	Reference to the two other NHH/HH MIG Sub Group DCPs
Change Proposal Intent	
To revise Schedule 16 (along with appropriate CDCM and ARP Modelling changes) to introduce a notional spare capacity requirement to be applied to the average maximum demand when calculating NHH tariffs. The notional spare capacity should align with the same proportions which are calculated and allocated to Half Hourly (HH) tariffs.	
Business Justification and Market Benefits	
As part of the NHH/HH Methodology Issues Group (MIG) Sub Group discussions, it was identified that all tariffs need to be derived on a consistent cost reflective basis for both existing as well as new tariffs. Currently for NHH tariffs a value for spare capacity is not calculated as part of the charges, whereas HH tariffs are calculated based on the average capacity required. This means that HH users are paying for spare network capacity while NHH are not.	
Proposed Solution and Draft Legal Text	
The legal text and modelling changes are still to be developed, although changes throughout schedule 16 will be required, including but not exclusively to clauses 12, 73, 74, 81, 83, 131, 141 (including tables 4 & 9). To ensure all tariffs are derived on a consistent basis, the approach should allocate an element of	

capacity requirement to NHH tariffs using the same proportions that capacity requirement is allocated to HH tariffs.

For each NHH tariff group the average maximum demand used in the calculation of charges should be increased by a factor to allow for spare capacity. The factor used could be the ratio between the average maximum demand and capacity from a similar HH tariff.

This proposal will require additional inputs and tables to be added to the CDCM model and may require external modeling support.

Proposed Implementation Date

1 April 2014

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"/>
Other	<input type="checkbox"/>
None	<input type="checkbox"/>

If other please specify

Consideration of Wider Industry Impacts

This proposal will need to be managed in line with any other DCPs which affect Schedule 16.

Environmental Impact

Confidentiality

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives

General Objectives:

Please tick the relevant boxes.

☐ 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

PART C – MANDATORY FOR CHARGING METHODOLOGIES PROPOSALS

DCUSA Charging Objectives

Please tick the relevant boxes.

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:

<input checked="" type="checkbox"/>	1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
<input type="checkbox"/>	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
<input checked="" type="checkbox"/>	3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
<input type="checkbox"/>	4 The promotion of efficiency in the implementation and administration of this Agreement
<input type="checkbox"/>	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

Charging Objectives:

3 - This proposal seeks to remove an anomaly whereby HH tariffs include a capacity element whereas NHH tariffs do not. By adding the network cost of spare network capacity to NHH users the charges will reflect the costs incurred as even where there isn't a specific capacity element, as with NHH users, there is still likely to be spare capacity in the network at similar proportions to HH users.

4 - The NHH/HH working group are working to remove anomalies that have been identified therefore addressing developments in each DNO party's distribution business.

General Objectives:

1 - This proposal will improve the cost reflectivity of CDCM charges and therefore promote the development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks.

3 - DNO parties have an obligation to review their methodologies and bring forward changes where appropriate.

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

Extensive discussion as part of the NHH/HH MIG Sub Group and updates to the MIG and Distribution Charging Methodologies Forum.

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Data Field	Guidance
Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
Change Proposal Intent	Outline the issue the CP is seeking to address. Please note that the intent of the CP cannot be altered once submitted.

Confidentiality	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
CP Status	A CP may be deemed 'urgent' in accordance with Clause 10.4.8 of the DCUSA. The proposer should give supporting reasons.
DCUSA General Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
DCUSA Charging Objectives	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.
Draft Legal Text	Insert proposed legal drafting (change marked against any existing DCUSA drafting). The Change Proposal Intent will take precedence in the event of any inconsistency.
Environmental Impact	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 Ofgem Guidance .
Impact of Wider Industry Change	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.
Part 1 / Part 2 Matter	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.
Proposed Implementation Date	The Change can be implemented in February, June, and November of each year.
Proposed Solution	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.
Rationale for DCUSA Objectives	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.
Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.