

DCP 137 LEGAL TEXT

Introduction of Locational Tariffs for the Export from HV Generators in Areas Identified as Generation Dominated

Amend Table 3 in Schedule 15 by adding the following new rows

HV Generation Intermittent Low GDA							
HV Generation Intermittent Medium GDA							
HV Generation Intermittent High GDA							
HV Generation Non-Intermittent Low GDA							
HV Generation Non-Intermittent Medium GDA							
HV Generation Non-Intermittent High GDA							

Amend Paragraph 3(a) of Schedule 16 as follows:

- (a) the CDCM model version ~~[TBC]102~~¹ as issued by the Panel on ~~[TBC]1 April 2013~~²;

If DCP 179 is NOT approved amend Paragraph 146 of Schedule 16 as follows:

146. The following tables and notes show the structure for generation tariffs.

Table 6: Non-half-hourly metered generation tariffs				
Point of connection	Profile class	Unit Rate Time Bands	Other Charges	Tariff Name
LV	8	One	Fixed	LV Generation NHH

¹ To be included by the Panel on implementation.

² To be included by the Panel on implementation.

Table 6: Non-half-hourly metered generation tariffs				
Point of connection	Profile class	Unit Rate Time Bands	Other Charges	Tariff Name
LVS				LV Sub Generation NHH

Table 7: Half-hourly metered generation tariffs			
Point Of Connection	Unit Rate Time bands	Other Charges	Tariff Name
LV	One	Fixed and Reactive Power	LV Generation Intermittent
LVS			LV Sub Generation Intermittent
LV	Three		LV Generation Non-Intermittent
LVS			LV Sub Generation Non-Intermittent
HV	One		HV Generation Intermittent
			<u>HV Generation Intermittent Low GDA</u>
			<u>HV Generation Intermittent Medium GDA</u>
			<u>HV Generation Intermittent High GDA</u>
HV	Three		HV Generation Non-Intermittent
			<u>HV Generation Non-Intermittent Low GDA</u>
			<u>HV Generation Non-Intermittent Medium GDA</u>
			<u>HV Generation Non-Intermittent High GDA</u>

Note 1: A single-rate tariff is applied to NHH settled generation, as there is no readily available and accurate information about the time at which units are delivered.

Note 2: Intermittent generation is defined as a generation plant where the energy source of the prime mover cannot be made available on demand, in accordance to the definitions in Engineering Recommendation P2/6. These include wind, tidal, wave, photovoltaic and small hydro. The operator has little control over operating times therefore, a single-rate tariff (based on a uniform probability of operations across the year) will be applied to intermittent generation.

Note 3: Non-intermittent generation is defined as a generation plant where the energy source of the prime mover can be made available on demand, in accordance to the definitions in Engineering Recommendation P2/6. The generator can choose when to operate, and bring more benefits to the network if it runs at times of high load. These include combined cycle gas turbine (CCGT), gas generators, landfill, sewage, biomass, biogas, energy crop, waste incineration and combined heat and power (CHP). A three-rate tariff will be applied to generation credits for half-hourly settled non-intermittent generation.

Note 4: LV Sub Generation applies to customers connected to the DNO Party's network at a voltage of less than 1 kV at a substation with a primary voltage (the highest operating voltage present at the substation) of at least 1 kV and less than 22 kV, where the current transformer used for the customer's settlement metering is located at the substation.

Note 5: not used.

Note 6: Note 4 above for LV generation substation tariffs will be applied for new customers from 1 April 2010.

Note 7: For HV generation that is situated in a Generator Dominated Area (GDA) as determined in accordance with paragraph 146B, the GDA tariffs will apply. These tariffs will be calculated as specified in paragraph 146D and will be based on a reduction to the HV Generation Intermittent or HV Generation Non-Intermittent tariff unit rates.

If DCP 179 is approved amend Paragraph 146 of Schedule 16 as follows:

146. The following tables and notes show the structure for generation tariffs.

Table 6: Non-half-hourly metered generation tariffs				
Point of connection	Profile class	Unit Rate Time Bands	Other Charges	Tariff Name
LV	8	One	Fixed	LV Generation NHH
LVS				LV Sub Generation NHH

Table 7: Half-hourly metered generation tariffs					
Tariff	Unit rate 1 p/kWh	Unit rate 2 p/kWh	Unit rate 3 p/kWh	Fixed charge p/MPAN/day	Reactive power charge p/kVArh
LV Generation Intermittent	✓			✓	✓
LV Sub Generation Intermittent	✓			✓	✓
HV Generation Intermittent	✓			✓	✓
<u>HV Generation Intermittent Low GDA</u>	<u>✓</u>			<u>✓</u>	<u>✓</u>
<u>HV Generation Intermittent Medium GDA</u>	<u>✓</u>			<u>✓</u>	<u>✓</u>
<u>HV Generation Intermittent High GDA</u>	<u>✓</u>			<u>✓</u>	<u>✓</u>
LV Generation Non-Intermittent	Red	Amber	Green	✓	✓
LV Sub Generation Non-Intermittent	Red	Amber	Green	✓	✓
HV Generation Non-Intermittent	Red	Amber	Green	✓	✓
<u>HV Generation Non-Intermittent Low GDA</u>	<u>Red</u>	<u>Amber</u>	<u>Green</u>	<u>✓</u>	<u>✓</u>
<u>HV Generation Non-Intermittent Medium GDA</u>	<u>Red</u>	<u>Amber</u>	<u>Green</u>	<u>✓</u>	<u>✓</u>
<u>HV Generation Non-Intermittent High GDA</u>	<u>Red</u>	<u>Amber</u>	<u>Green</u>	<u>✓</u>	<u>✓</u>

Note 1: A single-rate tariff is applied to NHH settled generation, as there is no readily available and accurate information about the time at which units are delivered.

Note 2: Intermittent generation is defined as a generation plant where the energy source of the prime mover cannot be made available on demand, in accordance to the definitions in Engineering Recommendation P2/6. These include wind, tidal, wave, photovoltaic and small hydro. The operator has little control over operating times therefore, a single-rate tariff (based on a uniform probability of operations across the year) will be applied to intermittent generation.

Note 3: Non-intermittent generation is defined as a generation plant where the energy source of the prime mover can be made available on demand, in accordance to the definitions in Engineering Recommendation P2/6. The generator can choose when to operate, and bring more benefits to the network if it runs at times of high load. These include combined cycle gas turbine

(CCGT), gas generators, landfill, sewage, biomass, biogas, energy crop, waste incineration and combined heat and power (CHP). A three-rate tariff will be applied to generation credits for half-hourly settled non-intermittent generation.

Note 4: LV Sub Generation applies to customers connected to the DNO Party's network at a voltage of less than 1 kV at a substation with a primary voltage (the highest operating voltage present at the substation) of at least 1 kV and less than 22 kV, where the current transformer used for the customer's settlement metering is located at the substation.

Note 5: not used.

Note 6: Note 4 above for LV generation substation tariffs will be applied for new customers from 1 April 2010.

Note 7: For HV generation that is situated in a Generator Dominated Area (GDA) as determined in accordance with paragraph 146B, the GDA tariffs will apply. These tariffs will be calculated as specified in paragraph 146D and will be based on a reduction to the HV Generation Intermittent or HV Generation Non-Intermittent tariff unit rates.

After paragraph 146 of Schedule 16, insert new paragraphs 146A – 146F as follows:

Generator Dominated Areas

- 146A. The DNO Party will identify any primary substations that are currently, or forecast to become, generation dominated within 10 years from the date of the calculation. The determination of whether the primary substations are generation dominated will take place during the year prior to setting charges effective from April in the following regulatory year.
- 146B. A primary substation is identified as generator dominated where the result of Test 1 and Test 2 below are true. This test will be undertaken four times for each primary substation using different time durations (element “t”). The four values used for time are 2.5, 5, 7.5 and 10 years.

$$\text{Test 1: } FC \times SW < GC_t - MIND_t$$

$$\text{Test 2: } GC_t - MIND_t > MAXD_t - MING_t$$

Where:

$$GC_t = GC \times (1 + g_{G\%})^t$$

$$MIND_t = MIND \times (1 + g_{D\%})^t$$

$$MAXD_t = MAXD \times (1 + g_{D\%})^t$$

$$MING_t = MING \times (1 + g_{G\%})^t$$

<i>Where:</i>
FC is the firm capacity served by the substation, measured in MW or MVA.
SW is a factor reflecting the fact that summer firm capacity is less than winter firm capacity. The Default estimate is 0.8.
GC is the total installed generation capacity or (if higher) the observed maximum generation exported, of the HV/LV generators connected to the primary substation, measured in MW or MVA.
g_G% is the estimated annual percentage growth rate in generation.
MIND is the estimated existing minimum demand served by the primary substation. This is calculated as the product of the observed maximum demand (measured in MW or MVA) and a minimum demand scaling factor.
g_D% is the estimated annual percentage growth rate in the level of demand. This is set at 1%.
MAXD is the estimated maximum demand served by the primary substation, measured in MW or MVA.
MING is the estimated minimum generation served by the primary substation. This is calculated as the product of the observed generation capacity (measured in MW or MVA) and a minimum generation scaling factor. The scaling factor is assumed to be 0.4 unless a calculated value is derived.
t is the time horizon (in years) over which the test seeks to identify the prevalence of GDAs.

- 146C. Where a primary substation is identified as generation dominated in accordance with paragraph 146B, the DNO Party will identify the HV generation customers connected to that primary substation. These generation customers are defined as Generation Dominated Area (GDA) Customers.
- 146D. The unit rate of the export tariff applied to the export MPAN of the GDA Customers will be reduced as specified in the table below based on the time when the primary substation to which the site is connected is expected to become generation dominated.

Current Tariff Name applied to MPAN	Time when primary substation becomes generator dominated (years)	New Tariff Name	Percentage reduction to apply to unit rate/s
HV Generation Intermittent	10 Years	HV Generation Intermittent	0%
HV Generation Intermittent	7.5 years	HV Generation Intermittent Low GDA	33%
HV Generation Intermittent	5 years	HV Generation Intermittent Medium GDA	67%

HV Generation Intermittent	2.5 years	HV Generation Intermittent High GDA	100%
HV Generation Non-Intermittent	10 Years	HV Generation Non-Intermittent	0%
HV Generation Non-Intermittent	7.5 years	HV Generation Non-Intermittent Low GDA	33%
HV Generation Non-Intermittent	5 years	HV Generation Non-Intermittent Medium GDA	67%
HV Generation Non-Intermittent	2.5 years	HV Generation Non-Intermittent High GDA	100%

- 146E. Notwithstanding paragraph 146D above, the reduction to the unit rate of the export tariff shall not be applied to the export MPANs of generators that have a qualifying generation side management agreement with the DNO Party. Where such an agreement exists the HV Generator would not cause reinforcement of the substation.
- 146F. For the avoidance of doubt, the tariffs for HV generators connected on a LDNO network where the connection with the DNO Party's network is at HV and the primary substation is defined as generation dominated will be charged the HV generation discounted tariffs as specified in paragraph 147.

Amend paragraph 147 of Schedule 16 as follows:

Tariff structures for LDNOs

147. The tariff structure for LDNOs will mirror the structure of the all-the-way-tariff, and is dependent on the voltage of connection either LV or HV. The same tariff elements will apply.

Table 8: LDNO LV connection				
Point of Connection	Profile Class	Unit Rate Time Bands	Other Charges	Tariff Name
LV	1	One	Fixed	Domestic Unrestricted
LV	2	Two	Fixed	Domestic Two Rate

Table 8: LDNO LV connection				
Point of Connection	Profile Class	Unit Rate Time Bands	Other Charges	Tariff Name
LV	2	One	None	Domestic Off-Peak (related MPAN)
LV	3	One	Fixed	Small Non-Domestic Unrestricted
LV	4	Two	Fixed	Small Non-Domestic Two Rate
LV	4	One	None	Small Non-Domestic Off-Peak (related MPAN)
LV	5 to 8	Two	Fixed	LV Medium Non-Domestic
LV	8	One	None	NHH UMS (Category A)
LV	1	One	None	NHH UMS (Category B)
LV	1	One	None	NHH UMS (Category C)
LV	1	One	Unit Rate	NHH UMS (Category D)
LV	N/A	Three	Fixed, Capacity and Reactive Power	LV HH Metered
LV	N/A	Three	None	LV UMS (Pseudo HH Metered)
LV	8	One	Fixed	LV Generation NHH
LV	N/A	One	Fixed and Reactive Power	LV Generation Intermittent
LV	N/A	Three	Fixed and Reactive Power	LV Generation Non-Intermittent

Table 9: LDNO HV connection

Point of Connection	Profile Class	Unit Rate Time Bands	Other Charges	Tariff Name
HV	1	One	Fixed	Domestic Unrestricted
HV	2	Two	Fixed	Domestic Two Rate
HV	2	One	None	Domestic Off-Peak (related MPAN)
HV	3	One	Fixed	Small Non-Domestic Unrestricted
HV	4	Two	Fixed	Small Non-Domestic Two Rate
HV	4	One	None	Small Non-Domestic Off-Peak (related MPAN)
HV	5 to 8	Two	Fixed	LV Medium Non-Domestic
HV	8	One	None	NHH UMS (Category A)
HV	1	One	None	NHH UMS (Category B)
HV	1	One	None	NHH UMS (Category C)
HV	1	One	None	NHH UMS (Category D)
HV	N/A	Three	Fixed, Capacity and Reactive Power	LV HH Metered
HV	N/A	Three	None	LV UMS (Pseudo HH Metered)
HV	N/A	Three	Fixed, Capacity and Reactive Power	LV Sub HH Metered
HV	N/A	Three	Fixed, Capacity and Reactive Power	HV HH Metered
HV	8	One	Fixed and Reactive Power	LV Generation NHH
HV	N/A	One	Fixed and Reactive Power	LV Generation Intermittent
HV	N/A	Three	Fixed and Reactive Power	LV Generation Non-Intermittent

Table 9: LDNO HV connection				
Point of Connection	Profile Class	Unit Rate Time Bands	Other Charges	Tariff Name
HV	N/A	One	Fixed and Reactive Power	LV Sub Generation Intermittent
HV	N/A	Three	Fixed and Reactive Power	LV Sub Generation Non-Intermittent
HV	N/A	One	Fixed and Reactive Power	HV Generation Intermittent
<u>HV</u>	<u>N/A</u>	<u>One</u>	<u>Fixed and Reactive Power</u>	<u>HV Generation Intermittent Low GDA</u>
<u>HV</u>	<u>N/A</u>	<u>One</u>	<u>Fixed and Reactive Power</u>	<u>HV Generation Intermittent Medium GDA</u>
<u>HV</u>	<u>N/A</u>	<u>One</u>	<u>Fixed and Reactive Power</u>	<u>HV Generation Intermittent High GDA</u>
HV	N/A	Three	Fixed and Reactive Power	HV Generation Non-Intermittent
<u>HV</u>	<u>N/A</u>	<u>Three</u>	<u>Fixed and Reactive Power</u>	<u>HV Generation Non-Intermittent Low GDA</u>
<u>HV</u>	<u>N/A</u>	<u>Three</u>	<u>Fixed and Reactive Power</u>	<u>HV Generation Non-Intermittent Medium GDA</u>
<u>HV</u>	<u>N/A</u>	<u>Three</u>	<u>Fixed and Reactive Power</u>	<u>HV Generation Non-Intermittent High GDA</u>

Amend Paragraph 1.3(a) of Schedules 17 and 18 as follows:

- (a) the EDCM model version [TBC]"F201"³ as issued by the Panel on [TBC]01-April 2013⁴; and

³ To be included by the Panel on implementation.

⁴ To be included by the Panel on implementation.

Amend Schedule 20 as follows:

SCHEDULE 20 – PRODUCTION OF THE ANNUAL REVIEW PACK

1. INTRODUCTION

- 1.1 The “Annual Review Pack” or “ARP” is a document to be completed by each DNO Party giving indicative (when first published in accordance with Clause 35B) and final (when updated in accordance with Clause 35B) Use of System Charges to apply pursuant to the Charging Methodology set out in Schedule 16 (the “CDCM”). The pack shall contain detail of historical and forecast CDCM inputs, and a forecast of use of system tariffs for the next 5 years, in accordance with Paragraph 2. The template to be used for the pack shall be ARP model version ~~101~~[TBC]⁵ as issued by the Panel on [TBC]⁶ ~~01 November 2012~~.

**Wragge Lawrence Graham & Co LLP
13 August 2014**

⁵ Model version to be included by Panel on implementation of Change Proposal.

⁶ Date to be included by Panel on implementation of Change Proposal.