



DCUSA Second Consultation

DCP 137 - Introduction of locational tariffs for the export from HV generators in areas identified as generation dominated

Executive Summary

This is the second consultation issued by the DCUSA Change Proposal (DCP) 137 Working Group. The Change Proposal seeks to amend the calculation of Distribution Use of System Charges for High Voltage (HV) generators, such that the credits currently paid for the units exported by HV generators would be reduced or removed for those premises connected to primary substations that have been identified as generation dominated.

The Working Group previously consulted industry participants on this change in 2012; since that time new charging methodology models have been created and the group is now in a position to progress this change proposal.

This consultation seeks to gain views from industry participants prior to the formal submission of a DCUSA Change Report. You are invited to provide your views using the response form provided as Attachment 1 by **30 June 2014**.

1. PURPOSE

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors, electricity Suppliers and large Generators.
- 1.2 This document is the second consultation to be issued seeking industry views on DCP 137 'Introduction of locational tariffs for the export from HV generators in areas identified as generation dominated'. The Consultation has been issued to DCUSA Parties, Ofgem and other interested parties.
- 1.3 You are invited to consider the questions set out in section 11 below and submit comments using the form provided as Attachment 1 to DCUSA@electralink.co.uk. Responses to this consultation should be submitted by **Monday, 30 June 2014**.

2. BACKGROUND

- 2.1 The Common Distribution Charging Methodology (CDCM) sets out how Distribution Network Operators (DNOs) should calculate the charges for use of their distribution networks, known as Distribution Use of System charges. The CDCM applies only to customers connected at Low Voltage (LV) and High Voltage (HV) levels; separate charging methodologies exist for Extra High Voltage connected customers.
- 2.2 The CDCM is defined within the DCUSA and, therefore, can only be amended by means of a DCUSA Change Proposal.
- 2.3 Currently under the CDCM, LV and HV generators receive a credit for units exported, as a component of their Distribution Use of System Charges. This credit will be paid by the DNO to the Supplier with whom the generator is registered, rather than being paid directly to the generator. The rationale behind paying a credit to generators is that local generation can reduce the need for costly network reinforcement by offsetting local demand.

- 2.4 However, in some parts of the HV and LV distribution networks local generation is forecast to grow to the extent that it may exceed local demand at certain times of the year. In these “generation dominated areas” the presence of generators may trigger network reinforcement rather than prevent it. Continuing to pay a credit to generators in generation dominated areas could incentivise further generation to connect in these areas, which would increase the likelihood of the DNO needing to reinforce the network.
- 2.5 Ofgem identified this as an issue when they approved the CDCM and applied a condition in this respect. The condition was that the DNOs should review the issue of how to charge generators where the network is or will become dominated by generators as opposed to demand customers.
- 2.6 The DNOs worked with Frontier Economics to complete detailed analysis on this issue. Frontier Economics produced a report which concluded with three options to address Ofgem’s concern. The DNOs submitted this report and a plan for how they would progress the options. Following this submission Ofgem was satisfied that the DNOs had fulfilled the condition.
- 2.7 The Methodologies Issue Group (MIG) Generator Dominated Areas (GDA) Working Group was subsequently established to progress the options. The group was formed of representatives from DNO, Supplier and other organisations.
- 2.8 The MIG GDA Working Group produced a report setting out three potential options for addressing the issue of how to charge generators where the network is or will become generation dominated. This report is provided as Attachment 2.
- 2.9 After consideration and development of the options, the MIG GDA group decided to progress option 1 from the Report. On behalf of the group, Electricity North West subsequently raised DCP 137 ‘Introduction of locational tariffs for the export from HV generators in areas identified as generation dominated’. This DCP proposes to update the DCUSA to implement the MIG GDA group proposal.
- 2.10 The intent of this proposal is to change the methodology for calculating charges for HV generators within the CDCM by:

1. Introducing a methodology to identify which primary substations are generation dominated.
 2. Reducing or removing the credit currently paid for the units exported by High Voltage (HV) generators connected to the primary substations that have been identified as generation dominated.
- 2.11 The Frontier Report specifically excluded consideration of changing the methodology for charging to LV generators as it was felt that this would be too complex and therefore not cost effective for the benefits that could be derived.
- 2.12 Additionally forecasts show that the majority of DG below primary substations will connect at HV rather than LV and DNOs also felt that generation at LV was unlikely to exceed demand, especially with increasing demand use caused by vehicle charging and heat pumps.
- 2.13 It was also felt that wherever possible generation should be encouraged closest to the end demand use, so that it is absorbed before using additional network levels and also helping keep network energy losses to a minimum.
- 2.14 In developing this proposal the Working Group has utilised the Frontier Economics report, the MIG GDA Report and the Change Proposal Form. These documents are provided as attachments to this consultation. MIG GDA Report (Attachment 2), Frontier Economics Report (Attachment 3) and Change Proposal form (Attachment 4). **The option proposed under DCP 137 is option 1 in the MIG GDA report.**

3. Option 1 in the MIG GDA report

- 3.1 The MIG GDA option 1 seeks to introduce a simple locationally varying charging regime for HV generators. Under this option every HV generator would be assigned to a set of generation charges based on the primary substation to which they are electrically connected. Each primary substation would be assigned one of four probabilities of generation dominance based on the number of years before it would be deemed generation dominated. The level of generation dominance would determine how much generation credit is removed from these sites.

- 3.2 This has the advantage that the credit applied would reflect the level of generation dominance, including removing all of the credit if appropriate. Option 1 also provides a locational charge and any reduction in the credit would not affect generators in other non-generation dominated areas.
- 3.3 The option utilises the same 'two test' approach to identify when a substation would become generation dominated that would be used for either of the options. The 'two test' approach is detailed in the proposed schedule 16 legal text.
- 3.4 A simple description of the 'two test' method is as follows:
- Test 1 seeks to identify if the maximum generation connected to the substation would be greater than the minimum capacity of the substation once the minimum demand is taken into account. This is effectively the summer minimum demand test.
 - Test 2 then seeks to identify if the maximum generation connected to the substation would be greater than the maximum demand at the substation. This effectively tests to see if the substation would need reinforcing for demand purposes before needing reinforcing for generation purposes.
- 3.5 Each test is conducted at 2½, 5, 7½ and 10 years. If in any of the four time periods a substation passes both test 1 and test 2 then it is deemed generation dominated. The lowest time period in which the substation passes both tests is then used to determine charges that would apply.
- 3.6 The ten year period has been recommended as this is a reasonable time horizon from a forecasting perspective. The DCMF MIG chose to have a tiered impact so that there is a gradual price signal ahead of full generation dominance occurring. This was decided to be over three stages, namely low (7 ½ years), medium (5 years) and high (2 ½ years). As part of this consultation you are invited to answer the following question:
- *Do you agree with the ten year time horizon and how it has been split? If not, please provide additional details.*

4. PROGRESSION OF DCP 137

- 4.1 The DCUSA Panel has established a Working Group to assess DCP 137. The group consists of DNO, Supplier and Ofgem representatives.
- 4.2 In July 2012 the DCP 137 Working Group issued a consultation seeking industry views on the change proposal; this consultation and the responses received are provided as Attachment 5.
- 4.3 The Working Group reviewed each of the consultation responses and in January 2013 issued an interim update to the respondents providing feedback.
- 4.4 The Working Group then worked with a modelling support consultant to update the DCUSA Charging Methodology Models to implement the proposed DCP 137 solution. The following DCUSA Models have been updated:
- The Common Distribution Charging Methodology (CDCM) Model
 - The Forward Cost Pricing (FCP) EHV Distribution Charging Methodology (EDCM) Model
 - The Long Run Incremental Cost (LRIC) EHV Distribution Charging Methodology (EDCM) Model
 - The Annual Review Pack (ARP)
- 4.5 The Working Group noted that DNOs would need to utilise additional Line Loss Factor Classes (LLFCs) to which the affected customers would be allocated. There would be a need to review HV customers and the consequential tariffs that they are charged on an annual basis.
- 4.6 The updated models along with a set of documents that detail the changes that have been made are provided as Attachment 6. As part of this consultation you are invited to answer the following question on the DCP 137 Charging Methodology Models:
- *Do you have any comments on the attached blank CDCM, EDCM and ARP models?*

5. DEMAND AND GENERATION GROWTH RATES

- 5.1 Demand and generation growth rates are used in the calculation to forecast whether substations are generation dominated.

- 5.2 Both growth rates were previously derived using DPCR5 business planning forecasts and LTDS data, and in the case of the demand growth rate this was also consistent with the assumptions used elsewhere.
- 5.3 The growth rates have since been reviewed against RIIO-ED1 business plan forecast data and new values have been derived.
- 5.4 Demand growth rates were previously set at 1% and used by all DNOs. Using data from the RIIO-ED1 business plans enables demand growth rates that could be set so that they are specific to each network area.
- 5.5 Generation growth rates specific to each network area are currently used in the calculation to determine generation dominated areas. These growth rates have been updated to take into account the DNOs latest generation forecasts used in RIIO-ED1 business plans.
- 5.6 Both demand and generation calculations only use forecasts of the demand or generation connected at HV and LV, and specifically excludes any demand or generation connected at EHV. This is consistent with the need to identify areas where primary substations will need reinforcement due to growth in HV and LV generation.
- 5.7 The change in the HV and LV demand and generation growth forecasts is detailed in the following table.

DNO area	Revised Demand growth (%) ED1 period (previously 1% growth used)	Previous generation growth (%) DPCR5 period	Revised Generation growth (%) ED1 period
ENW	1.28	12.9	12.47
NPG NEDL	0.94	15.4	12.10
NPG YEDL	1.00	14.7	14.78
SEPD	10.87	4.3	43.85
SHEPD	6.81	16.3	18.57
SPD	2.91	23.1	25.75
SPM	1.37	6.4	10.02
UKPN EPN	2.07	10.4	18.22
UKPN LPN	1.67	10.1	17.39

UKPN SPN	0.54	26.5	9.13
WPD EM	5.14	10.7	24.41
WPD WA	3.52	6.1	26.80
WPD WE	5.74	6.2	30.70
WPD WM	2.95	7.6	27.40

- 5.8 The range of demand growth percentage provided by DNOs (0.54% to 10.87%) is significantly less than the generation growth percentages (9.13% to 43.85%). Consequently, the Working Group feels that it is still appropriate to continue to use the same demand growth percentage for all DNOs. The Working Group recommends that the demand growth percentage that should be used by DNOs is 1.0%. Although this is less than the average value provided by DNOs, it is representative of the long term demand growth seen by DNOs and is consistent with the growth used within the EDCM.
- 5.9 The Working Group believes that the use of the latest business plan data for establishing the growth rates is appropriate. It was noted that there is insufficient detail in the forecasts to establish separate minimum and maximum growth rates for demand and generation. The Working Group decided to change the legal text of the growth rate definitions to reflect that there is only one demand and one generation growth rate. This change is reflected in the definition of the formula as set out in the proposed legal text in Attachment 7.

6. IMPACT OF DCP 137

- 6.1 The updated DCUSA Charging Methodology Models have been used to calculate the impact of DCP 137. A set of spreadsheets showing the impact DCP 137 on CDCM tariffs for each DNO area is provided as Attachment 8.
- 6.2 The following table provides an overview of the results. Note, the calculations are based on data for the 2014/15 Charging Year.

DNO Area	Payments to all HV connected generation over 2014/15	Payments to all HV connected generation over 2014/15 under the DCP 137 solution	Reduction in payments to HV connected generation over 2014/15 under the DCP 137 solution. This also represents the reduction across demand tariffs	Number of Substations	Number of generation dominated areas
ENWL	-£3,480,156	-£1,630,835	£1,849,321	363	21
NPG NEDL	-£2,539,755	-£2,031,629	£508,126	265	14
NPG YEDL	-£2,324,287	-£1,416,680	£907,606	506	30
SEPD	-£3,258,172	-£2,682,399	£575,773	592	3
SHEPD	-£5,083,289	-£4,768,996	£314,293	406	27
SPD	-£3,111,501	-£2,828,631	£282,869	417	27
SPM	-£1,443,563	-£1,344,088	£99,475	619	16
UKPN EPN	-£3,806,818	-£3,400,876	£405,942	463	30
UKPN LPN	-£731,821	-£633,740	£98,081	104	4
UKPN SPN	-£1,406,396	-£1,406,396	0	238	1
WPD EM	-£2,870,988	-£2,690,180	£180,808	383	52
WPD WA	-£1,475,933	-£1,461,613	£14,320	188	3
WPD WE	-£619,518	-£615,870	£3,648	323	2
WPD WM	-£936,330	-£934,226	£2,104	115	8
Total	-£33,088,527	-£27,846,159	£5,041,486	£4,982	238

6.3 The Working Group has reviewed the impact assessment data and notes the following points:

Impact on CDCM Generation Tariffs

- The credits paid to HV connected generators that are connected to Generation Dominated Primary Substations are reduced.
- There is no reduction in the payments to generators in the UK Power Networks' SPN area as the one area that is identified is forecast to be generation dominated area in 10 years and therefore the generation in that area will still receive the full credit.

Impact on CDCM Demand Tariffs

- The reduction in credits paid to generators is reflected in a consequential reduction in demand tariffs
- The impact on individual CDCM Demand tariffs is minimal

Impact on EDCM Tariffs

- This change is not expected to affect site specific EDCM charges. The EDCM model has been revised to calculate LDNO discounted tariffs for HV generators embedded in LDNO networks.

6.4 It is noted that, as would be expected, the biggest impact of DCP 137 will be seen by HV generators that are connected to primary substations that are, or are expected to be, generation dominated. Whether the generator is classed as being in a low, medium or high generation dominated area will impact the amount by which its credits are reduced.

6.5 Prior to the introduction of the CDCM, HV and LV generators did not receive any credits as a component of the Distribution Use of System charges. The Working Group felt that there was no ongoing entitlement to receive credits and that generators' business decisions should not be based on their continuation. The Working Group also noted that 'refunds' of credits should not be paid in future years if it is established that the generation dominance of any primary substation did not materialise.

6.6 The spreadsheet provided as Attachment 9 lists the specific primary substations forecast to be generation dominated within 2½, 5, 7½ and 10 year time periods. If you are an HV generator and would like to know whether you are connected to one of the substations listed in this spreadsheet please email DCUSA@electralink.co.uk.

7. CONSULTATION TOPICS

7.1 The DCP 137 Working Group has discussed the Change Proposal and would like to seek consultation respondents' views on the following areas.

Identifying Generation Dominated Area Substations

7.2 Under DCP 137 the amount of credits that HV generators received is reduced based on a forecast of when the primary substation that the generator is connected to is expected to become generation dominated.

7.3 The Long Term Development Statement (LTDS), which is a document all DNOs are required to publish in accordance with their distribution licence, contains the current view of each DNO's primary substations. This information needs to be combined with growth

forecasts to create a list of those primary substations that are expected to become generation dominated over the coming years.

- 7.4 The Working Group notes that the export values in the LTDS are based on agreed export capacity, not on whether the site actually exports energy. As such there may be sites with reasonably high agreed export capacities that do not actually use that capacity, therefore, the export values in the LTDS will not reflect actual activity at the substation.
- 7.5 On considering this the Working Group decided that it would be appropriate to allow some flexibility so that DNOs could conduct the test using the “Total Installed Generation Capacity” or where appropriate the “Observed Maximum Generation Output”, of the HV and LV generators connected to the primary substation.
- 7.6 This flexibility would allow DNOs to further analyse substations that were showing as generation dominated to ensure that this was likely to be the case. The Working Group felt that credits should only be reduced if the tipping point to generation dominated was to materialise.
- 7.7 As part of this consultation you are invited to answer the following question on the data sources used to determine generation dominated substations:
- *The current methodology uses the Long Term Development Statement as the source for identifying Generation Dominated Areas. The Working Group still believe that this is the best source of available data, do you agree? If not, what alternative sources do you believe should be used?*
 - *The generation growth was previously based on the DCPR5 Forecast Business Planning Questionnaire assumptions. The Working Group is now proposing to update the generation growth using RIIO-ED1 business plan growth forecasts used to calculate the timescales for generation dominance of each substation. Do you believe that there are any alternative sources for this information that would be preferable?*
 - *The current methodology uses the size of the installed generation plant. The Working Group has identified that in some circumstances this can trigger a generation dominated area even though there is not HV export capacity at that primary. It is felt that the methodology would be improved by using the observed maximum generation output. Do you agree with the change to the legal text (paragraph 146B of the legal text) to enable this?*

New Tariffs Introduced by DCP 137

7.8 DCP 137 will introduce six new CDCM DNO tariffs, namely:

- 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

7.9 HV generators located in generation dominated areas will be allocated to one to the above tariffs based on how soon it is forecast that the primary substation to which the generator is connected will become generation dominated. HV generators that are not in a generation dominated area will remain on the existing HV Generation Intermittent or HV Generation Non-Intermittent tariffs.

7.10 For each of the new DNO tariffs introduced by DCP 137 there are also six corresponding LDNO discounted tariffs. LDNO discounted tariffs are provided for each of six LDNO network point of connections where HV generators could be present. These are; HV, HV plus, EHV, 132/EHV, 132 and GSP connections. This means that the total number of LDNO discounted tariffs introduced by DCP 137 is 36.

7.11 These tariffs enable LDNOs to mirror the appropriate DNO's generation tariffs if the upstream DNO has a generation dominated primary substation and to also mirror the appropriate DNO's generation tariffs if the LDNO has identified one of their primary substations is generation dominated.

7.12 As part of this consultation you are invited to provide your views on these new tariffs by answering the following question:

- *The CP introduces six new CDCM tariffs and thirty-six LDNO discounted tariffs. These additional tariffs could impact the use of other industry data and systems, for example line loss factor classes used in settlement. Do you foresee any issues with the implementation of the additional tariffs?*

Feasibility of DCP 137

7.13 The Working Group notes that DCP 137 applies only to HV connected generation, whilst some generation is connected at the Low Voltage (LV) network level and will still benefit from credits when its primary substation is deemed generation dominated. As such it could be questioned whether it is appropriate to reduce credits to HV generators while still paying credits to LV generators. The Working Group has considered this and noted the points made in paragraph 2.11, 2.12 and 2.13 and feels that this is still the right signal as it provides encouragement for generation to be placed closest to demand.

Information for Generators

7.14 The Working Group proposes that HV Generation Customers will be able to identify the primary substation to which they are connected if the DNO forecasts that the substation will become generation dominated in 10 years. The DNOs will publish a supporting table in their 'Schedule of charges and other tables' spreadsheet that is published to support their Charging Statements. This supporting table will list the substations and associated MPANs that are deemed to be generation dominated within the 10 year time period.

Application of DCP 137

7.15 Once a substation is deemed to be generation dominated within the 7½ year window then all HV generators connected to that substation will receive the reduced credits determined by the tariff. The application of tariffs will therefore not just include new HV generators that might have caused generation dominance but also any original generators connected prior to the substation becoming generation dominated.

Adjustments to Forecasts

7.16 Each year DNOs will review the primary substations to check whether substations are forecasted to be generation dominated. Therefore, if a generator is connected to a primary substation that changes its status this will be reflected in the tariffs to the appropriate HV generators for the next charging year starting on the 1 April.

7.17 The Working Group agrees that the CDCM should reward generators when they are supporting the network by reducing the need for demand driven reinforcement.

Generators should note that the credits are not an entitlement and should not make business decisions on that basis.

8. ASSESSMENT AGAINST THE DCUSA OBJECTIVES

- 8.1 For a DCUSA Change Proposal to be accepted it must be demonstrated that implementing the change would better facilitate one or more of the DCUSA Objectives; these objectives are provided in the consultation response form (Attachment 1).
- 8.2 The Working Group has assessed DCP 137 against the DCUSA objectives and has identified that the Change Proposal better meets DCUSA Charging Objective one¹ and General Objective three² by satisfying the licence obligation on DNOs to review the charging methodology and bring about changes to improve the methodology.
- 8.3 The CP better meets Charging Objective two³ and General Objective two⁴ by facilitating competition through more cost reflective charges for generation.
- 8.4 The CP better meets Charging Objective three⁵ by removing or reducing the incentive for HV generators to export energy at primary substations which are currently or are likely to become generation dominated. This will result in tariffs that are more reflective of the costs incurred by the DNO in running their networks. It will also result in less expenditure by DNOs on reinforcing their networks, better meeting General Objective One⁶.
- 8.5 The CP better meets Charging Objective four⁷ by producing tariffs that reflect the degree to which a DNOs network is generation dominated and gradually removes credits to generators as the growth in distributed generation increases.

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 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences.

³ 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).

⁴ 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.

⁵ 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

⁶ The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks

⁷ 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.

9. LEGAL DRAFTING

- 9.1 Since the last DCP 137 consultation there have been some changes to the proposed legal text.
- 9.2 The main changes are as follows:
- 9.2.1 The tariff names have been changed to match the tariff names used in the models.
 - 9.2.2 Reference to HV Sub generation has been removed to reflect changes made by other DCPs.
 - 9.2.3 Reference to $g_{MIND\%}$, $g_{MAXD\%}$ and $g_{MING\%}$ have been removed and only single growth values are used for demand and generation, $g_{D\%}$ and $g_{G\%}$ respectively.
- 9.3 The proposed legal text to be added to Schedule 16 of the DCUSA is provided as Attachment 7.
- 9.4 The Working Group will update the legal text to reflect feedback gained from the consultation. It will then be issued to the DCUSA legal representative for review.

10. IMPLEMENTATION

- 10.1 The proposed implementation date for DCP 137 is 1 April 2015. As part of this consultation, the Working Group is seeking views as to whether this proposed date provides industry participants and generators with sufficient notice of the change.
- 10.2 The Working Group is actively working to seek approval for the proposed change from Ofgem by Quarter Three of 2014.

11. CONSULTATION

- 11.1 The Working Group is seeking views on the following questions:
1. Do you understand the intent of the CP?
 2. Are you supportive of the principles established by this proposal?
 3. Do you have any comments on the proposed legal text?

4. Do you agree with the ten year time horizon and how it has been split? If not, please provide additional details.
5. Do you have any comments on the attached blank CDCM, EDCM and ARP models?
6. The current methodology uses the latest Long Term Development Statement as the data source used for identifying generation dominated areas. The Working Group still believes that this is the best source of available data; do you agree? If not, what alternative sources do you believe should be used?
7. The generation growth was previously based on the DCPR5 Forecast Business Planning Questionnaire assumptions. The Working Group is now proposing to update the generation growth using RIIO-ED1 business plan growth forecasts used to calculate the timescales for generation dominance of each substation. Do you believe that there are any alternative sources for this information that would be preferable?
8. The current methodology uses the size of the installed generation plant. The Working Group has identified that in some circumstances this can trigger a generation dominated area even though there is not HV export capacity at that primary. It is felt that the methodology would be improved by using the observed maximum generation output. Do you agree with the change to the legal text (paragraph 146B of the legal text) to enable this?
9. The CP introduces six new CDCM tariffs and thirty-six LDNO discounted tariffs. These additional tariffs could impact the use of other industry data and systems, for example line loss factor classes used in settlement. Do you foresee any issues with the implementation of the additional tariffs?
10. Do you agree that the demand growth rate of 1% should continue to be used? If not, how should this value be forecast?
11. If DCP 137 is approved, is the proposed implementation date of 1 April 2015 acceptable? If not, please provide your preferred implementation date and supporting rationale.
12. Are there any unintended consequences of this proposal?
13. Do you consider that the proposal better facilitates the DCUSA objectives?
14. Are there any alternative solutions or matters that should be considered?
15. Do you have any further comments?

11.2 Responses should be submitted using Attachment 1 to DCUSA@electralink.co.uk no later than **Monday, 30 June 2014**.

11.3 Responses, or any part thereof, can be provided in confidence. Respondents are asked to clearly indicate any parts of a response that are to be treated confidentially.

12. NEXT STEPS

12.1 Following the end of the consultation period the responses will be reviewed by the Working Group. The Working Group will finalise the drafting of the CP and submit its final report to the Panel. Following Panel approval, the CP will be issued to all DCUSA Parties for voting and, following the vote, issued to Ofgem for final determination.

12.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA Help Desk by email to DCUSA@electralink.co.uk or telephone 020 7432 2841.

ATTACHMENTS

- Attachment 1 – Response form
- Attachment 2 – MIG Generation Dominated Areas Report
- Attachment 3 – Frontier Economics Report “Evaluating the case for introducing locational DUoS charges for CDCM generators”
- Attachment 4 – DCP 137 CP Form
- Attachment 5 – DCP 137 Consultation One
- Attachment 6 – DCP 137 Charging Methodology Models
- Attachment 7 – DCP 137 Legal Text
- Attachment 8 – Impact Analysis
- Attachment 9 – Generation Dominated Area Spreadsheet