




DCUSA Change Report		At what stage is this document in the process?
<h1>DCP 363:</h1> <h2>Refining the definition of 'Eligible Electricity Storage Facility' in the EDCM</h2> <p><i>Date raised:</i> 21 January 2020</p> <p><i>Proposer Name:</i> Andrew Sherry</p> <p><i>Company Name:</i> Electricity North West</p> <p><i>Company Category:</i> Distribution Network Operator</p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
<b>Purpose of Change Proposal:</b> <p>This Change Proposal seeks to clarify the definition of 'Eligible Electricity Storage Facility' which will be implemented on 01 April 2021 following the Authority's decision to approve DCPs 341 and 342 – 'Removal of residual charging for storage facilities in the CDCM (341) and EDCM (342)'.</p>		
	<p>This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 363 'Refining the definition of 'Eligible Electricity Storage Facility' in the EDCM'.</p> <p>Parties are invited to consider the proposed amendment (Attachment 1) and submit their votes using the Voting form (Attachment 2) to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> by 14 <b>April 2020</b>.</p> <p>The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.</p> <p>If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> or telephone 020 7432 3008.</p>	
	 <p><b>Impacted Parties:</b> DNOs, IDNOs, Suppliers and CVA Registrants</p>	
	 <p><b>Impacted Clauses:</b> Schedules 17 and 18 (paragraphs 18.18 to 18.21) and Section 3 of Annex 1 – 'Implementation Guide' in Schedules 17 and 18</p>	

Contents

1

Executive Summary

3

2

Governance

3

3

Why Change?

4

4

Solution

4

5

Code Specific Matters

4

6

Relevant Objectives

5

7

Impacts & Other Considerations

6

8

Implementation

7

9

Legal Text

7

10

Recommendations

7

11

Attachments

7

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Any questions?

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Timetable

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Activity

Date

Initial Assessment Report

12 February 2020

Change Report Approved by Panel

18 March 2020

Change Report issued for Voting

30 March 2020

Party Voting Closes

14 April 2020

Change Declaration Issued to Parties

16 April 2020

Implementation

01 April 2021

## 1 Executive Summary

### What?

- 1.1 In deciding to approve DCP 341 'Removal of residual charging for storage facilities in the CDCM' and DCP 342 'Removal of residual charging for storage facilities in the EDCM' the Authority highlighted the need for additional clarity around the definition of 'Eligible Electricity Storage Facility'. The Authority considered that having the same base defined term, which have slightly different meanings, even though each is within and therefore related to different Schedules, could cause confusion and suggested that a modification was raised to remove the ambiguity with respect to the definition of 'Eligible Electricity Storage Facility'.

### Why?

- 1.2 If left as is, the different meanings of the definition of 'Eligible Electricity Storage Facility' within Schedule 16 as compared to that in Schedules 17 and 18 leads to ambiguity and could also cause confusion for DCUSA Parties and/or Storage Facilities wishing to make use of the newly introduced tariff to which such eligibility criteria applies to. Consequently, this Change Proposal (CP) has been raised to provide additional clarity on which defined term relates to the CDCM and which relates to the EDCM.

### How?

- 1.3 The intention is to amend the EDCM definition only, meaning only one (pair of) Schedule(s) would need to change. This also means that only one CP needs to be raised, whereas changing both the CDCM and EDCM definitions might necessitate the need for two.

## 2 Governance

### Justification Part 2 Matter

- 2.1 As this CP has been raised following the Authority's suggestion that such a change be raised in their decision document related to the approval of DCPs 341 and 342 it would seem that approval has essentially been given and therefore, it is appropriate for it to be treated as a Part 2 Matter. Further to this, the CP will not have an impact on DUoS charges themselves, nor will it change which storage facilities would be considered to be eligible for the tariffs being introduced by DCPs 341 and 342, therefore it is essentially a housekeeping change.

### Requested Next Steps

- 2.2 The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 363.
- 2.3 The DCUSA Panel recommends that this CP be issued to Parties for voting.

### 3 Why Change?

- 3.1 This CP has been raised because on approving DCPs 341 and 342 the Authority highlighted there was a need for additional clarity in respect of the legal drafting for the definition of 'Eligible Electricity Storage Facility'. The Authority thought the ambiguity of having two identical defined terms with two different meanings, irrespective of the fact that the definitions relate to different Schedules within the DCUSA, could cause confusion.

## Part B: Code Specific Details

### 4 Solution

- 4.1 The proposed solution makes a slight change to the EDCM definition by adding in 'EHV' together with adding the term Designated Property as in the Distribution Licence.
- 4.2 The draft legal text is provided as Attachment 1 to this CP form.

### 5 Code Specific Matters

#### Reference Documents

- 5.1 Documentation related to DCP 341 'Removal of residual charging for storage facilities in the CDCM' can be located via the link below:
- [Removal of residual charging for storage facilities in the CDCM](#)
- 5.2 Documentation related to DCP 342 'Removal of residual charging for storage facilities in the EDCM' can be located via the link below:
- [Removal of residual charging for storage facilities in the EDCM](#)
- 5.3 The decision published by the Authority on 18 December 2019 to approve for DCPs 341 and 342 to be implemented on 01 April 2021 can be located via the link below:
- <https://www.ofgem.gov.uk/publications-and-updates/distribution-code-and-use-system-agreement-dcusa-dcp-341-and-dcp-342-removal-residual-charging-storage-facilities-cdc-and-edcm>

## 6 Relevant Objectives

### Assessment Against the DCUSA Objectives

- 6.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives. The full list of objectives is documented in the DCUSA.
- 6.2 The Proposer considers that the following DCUSA Charging Objectives are better facilitated by DCP 363.

DCUSA Charging Objectives	Identified impact
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	None
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)	None
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	None
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	None
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.	None
6) that compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	Positive

- 6.3 Adding clarity and thereby removing any ambiguity with respect to the definition of an 'Eligible Electricity Storage Facility' with regard to the same defined term being used in Schedule 16 (the CDCM) and Schedules 17 and 18 (the EDCMs) better facilitates DCUSA Charging Objective Six, being that compliance with the Charging Methodologies from 01 April 2021 will be more efficient as a result the proposed amendments being implemented.

## 7 Impacts & Other Considerations

### Impacts on any Significant Code Review (SCR) or other significant industry change projects

- 7.1 Whilst the DCP 341 / 342 Working Group recognised a crossover with the Targeted Charging Review (TCR) SCR, the Proposer does not believe this new CP impacts upon any current SCR. With respect to the TCR SCR, the Proposer notes that under Clause 22.9E(a) of the Distribution Standard Licence Conditions<sup>1</sup>, the SCR Phase is considered to have ended and thus this CP cannot impact upon it.

### Impacts Other Codes

- 7.2 The Proposer does not consider that there are any impacts to any other 'Industry Codes' as a result of the implementation of the is CP.

BSC	<input type="checkbox"/>
CUSC	<input type="checkbox"/>
Grid Code	<input type="checkbox"/>
MRA	<input type="checkbox"/>
SEC	<input type="checkbox"/>
Other	<input type="checkbox"/>
None	<input checked="" type="checkbox"/>

### Consumer Impacts

- 7.3 This change does not impact consumers.

### Consideration of Wider Industry Impacts

- 7.4 The Proposer notes that there is an overlap with the work being progressed under the CPs that have been raised as a result of Ofgem's TCR Decision, and confirms that the relevant Working Groups have been made aware and are cognisant of the amendments proposed to be introduced by DCP 363.

### Environmental Impacts

- 7.5 In accordance with DCUSA Clause 11.14.6, the Proposer assessed whether there would be a material impact on greenhouse gas emissions if DCP 363 were implemented. The Proposer did not identify any material impact on greenhouse gas emissions from the implementation of this Change Proposal.

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<sup>1</sup> 22.9E If, within twenty eight (28) days after the Authority has published its Significant Code Review conclusions: (a) the Authority issues Directions to the licensee, the licensee must comply with those Directions and shall treat the Significant Code Review Phase as ended;

(a) the Authority issues Directions to the licensee, the licensee must comply with those Directions and shall treat the Significant Code Review Phase as ended;

## 8 Implementation

- 8.1 As this is linked to the implementation of DCPs 341 and 342 the Proposer believes that it should be implemented at the same time.

### Proposed Implementation Date

- 8.2 DCPs 341 and 342 are due to be implemented on 01 April 2021, therefore this CP will also be implemented on 01 April 2021.

## 9 Legal Text

- 9.1 The legal text for DCP 363 has been recommended by the Proposer and reviewed by the DCUSA legal advisor and is provided as Attachment 1.
- 9.2 The amendments to the legal text only make a slight change to the EDCM definition of 'Eligible Electricity Storage Facility' by adding in 'EHV' together with adding the term Designated Property as in the Distribution Licence.

## 10 Recommendations

### Panel's Recommendation

- 10.1 The Panel approved this Change Report on 18 March 2020. The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 363.
- 10.2 The Panel have recommended this report be issued for voting and DCUSA Parties should consider whether they wish to submit views regarding this CP. The Voting Form can be found in Attachment 2.

## 11 Attachments

- Attachment 1 – DCP 363 Legal Text
- Attachment 2 – DCP 363 Voting Form
- Attachment 3 – DCP 363 Change Proposal Form