

**Part A: Generic**

DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1 style="margin: 0;">DCP 363:</h1> <h2 style="margin: 0;">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	
<p><b>Purpose of Change Proposal:</b> 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><b>Governance:</b></p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> <li>• Treated as a Part 2 Matter</li> <li>• Treated as a Standard Change</li> <li>• Proceed to Change Report</li> </ul> <p>The Panel will consider the proposer’s recommendation and determine the appropriate route.</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>	

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			Other: Chris Barker
Indicative Timeline			
<b>The Secretariat recommends the following timetable:</b>			<a href="mailto:Chris.Barker@enwl.co.uk">Chris.Barker@enwl.co.uk</a>
Initial Assessment Report	12 February 2020		
Change Report Approved by Panel	18 March 2020		0843 311 4323
Change Report issued for Voting	19 March 2020 <sup>1</sup>		
Party Voting Closes	09 April 2020		
Change Declaration Issued to Parties	15 April 2020		
Implementation	01 April 2021		

<sup>1</sup> It is proposed that this Change Proposal be issued for voting the day following the Panel meeting such that the voting end date is the Thursday, 09 April 2020 which is the day prior to the Good Friday Bank Holiday.

## 1 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 consideration as a 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 This Change Proposal should:

- Be treated as a Part 2 Matter
- Be treated as a Standard Change
- Proceed to the Change Report phase

2.3 Being essentially a housekeeping change it doesn't seem necessary for a Working Group to be set up so could proceed to Change Report. DCPs 341 and 342 have been approved for implementation on 1 April 2021 and this CP should be implemented simultaneously.

### 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 and Legal Text

- 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-cdcm-and-edcm>

## 6 Relevant Objectives

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	Positive
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.	None
DCUSA General Objectives	Identified impact
1) The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	N/A
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	N/A
3) The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	N/A
4) The promotion of efficiency in the implementation and administration of the DCUSA	N/A
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.	N/A

- 6.1 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

### Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

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>2</sup>, the SCR Phase is considered to have ended and thus this CP cannot impact upon it.

### Does this Change Proposal Impact Other Codes?

- BSC
- CUSC
- Grid Code
- MRA
- SEC
- Other
- None

### Consideration of Wider Industry Impacts

7.2 The proposer is not aware of this issue being discussed at any other industry forums.

### Confidentiality

7.3 Not confidential.

## 8 Implementation

8.1 As this is linked to the implementation of DCPs 341 and 342 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 should be implemented on the same date.

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<sup>2</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;

## 9 Attachments

- Attachment 1 - Draft Legal Text: Refining Definition of Eligible Electricity Storage Facility

## 10 Recommendations

*The Code Administrator will provide a summary of any recommendations/determinations provided by the Panel in considering the initial Change Proposal. This will form part of a Final Change Report.*