

## DCP 359 Draft Legal Text

For this consultation the legal text for DCP 359 should be read in conjunction with that which is jointly provided for by DCP 358 ‘Ofgem Targeted Charging Review Implementation: Determination of Banding Boundaries’ and DCP 360 ‘Ofgem Targeted Charging Review Implementation: Allocation to Bands and Interventions’ which have been combined for ease of reading and DCP361 ‘Ofgem Targeted Charging Review (TCR) implementation – Calculation of Charges’<sup>1</sup>

The DCP 359 legal text covers newly defined terms and, in some cases, provides different options for consideration as well as inserting a paragraph to provide further clarity to a definition. Following a review of the responses to the consultation the Working Group will agree to the final set of definition terms that will be added to the new Schedule [XX] ‘Residual Charging Bands’ which DCP 358 and DCP 360 proposes to introduce and to the Glossary of Terms used in this Schedule 16 and the Paragraph 3 ‘Definitions’ of Annex 1 of both Schedules 17 and 18, all of which will require the use of the definition of Final Demand Site as per the proposed solution for DCP361.

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**Add all of the definitions to Section 7 of the new Schedule [XX] ‘Residual Charging Bands’ and add Final Demand Site to the definitions in Schedule 16, 17 and 18.**

<b>Electricity Storage</b>	is the conversion of electrical energy into a form of energy, which can be stored, the storing of that energy, and the subsequent reconversion of that energy back into electrical energy.
<b>Electricity Generation</b>	is the process of generating electricity by a Generator.
<b>Eligible Facility</b>	<p>means a facility at which Electricity Storage or Electricity Generation occurs and that:</p> <ul style="list-style-type: none"><li>(a) has an export MPAN and an import MPAN with associated metering equipment which only measures export from Electricity Storage or Electricity Generation and import for or directly relating to Electricity Storage or Electricity Generation (and not export from another source or import for another activity);</li><li>(b) all metering equipment referred to in point (a) above is CT metering; and</li><li>(c) if registered in an MPAS Registration System, is subject to certification from a Supplier Party that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party; or</li><li>(d) if registered in CMRS, is subject to certification from the customer that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party.</li></ul>

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<sup>1</sup> DCP361 is still under development at the time of this consultation. Final Demand Site definition is used in the process to apply residual charges.

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<b>Final Demand</b>	means electricity which is consumed other than for the purposes of generation or export onto the electricity network
<b>Final Demand Site</b>	means a Single Site that has associated metered Final Demand
<b>Single Site</b> <b>(WG preferred option)</b>	means the premises that is associated with a Bespoke Connection Agreement or the National Terms of Connection
<b>Single Site</b> <b>(Alternative Option)</b>	<p>means the premises that is associated with a Bespoke Connection Agreement or the National Terms of Connection and where a premises is not defined in the Bespoke Connection Agreement, then the following will be considered a premises within that agreement:</p> <ul style="list-style-type: none"><li>• One or a collection of buildings, structures or pieces of land in close geographical proximity, owned or occupied by one customer within a defined curtilage on one site, where each building, structure or piece of land serves the other in some necessary or reasonably useful way.</li></ul>
<b>Single Site</b> <b>(as proposed by Ofgem in the TCR Decision)</b>	means one or a collection of buildings, structures or pieces of land in close geographical proximity, owned or occupied by one customer within a defined curtilage on one site, where each building, structure or piece of land serves the other in some necessary or reasonably useful way.

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**Add the below paragraph and table to Section 1 of the new Schedule [XX] ‘Residual Charging Bands’**

***OPTION B – BINARY APPROACH AS SET OUT IN OPTION A (OF THE CONSULTATION DOCUMENT) BUT INCLUDING THE REQUIREMENT FOR A SINGLE SITE WHICH IS NOT A FINAL DEMAND SITE TO BE CERTIFIED BY THE SITE OWNER/ELECTRICITY SUPPLIER:***

- 1.5 The DNO/IDNO Party will use the criteria in the table below to determine whether a site is considered to be a ‘Final Demand Site’ or not, and therefore, whether or not to apply the residual fixed charge to that site.

Criteria	Meets the criteria	Outcome
DNO/IDNO Party has been provided with certification that a Single Site is an Eligible Facility	Yes	Single Site is not a Final Demand Site
	No	Single Site is a Final Demand Site

***OPTION C – NON-BINARY, CRITERIA BASED THRESHOLD APPROACH, USING DEFINITION OF ‘FINAL DEMAND SITE’, WHICH IS WITH REFERENCE TO THE OTHER NEWLY DEFINED TERMS ‘FINAL DEMAND’ AND ‘SINGLE SITE’, ALONGSIDE SETTING OUT THE FOUR-STAGE PROCESS TO BE USED BY DNO/IDNO PARTIES TO ASSESS ELIGIBILITY FOR EXEMPTION***

- 1.5 The DNO/IDNO Party will use the criteria in the table below to determine whether a site is considered to be a ‘Final Demand Site’ or not, and therefore, whether or not to apply the residual fixed charge to that site.

Step	Criteria	Meets the criteria	Outcome
Step 1	DNO/IDNO Party has been provided with certification that a Single Site is an Eligible Facility	Yes	Single Site is not a Final Demand Site
		No	Single Site may be Final Demand Site, move to step 2
Step 2	is the annual units exported $\geq 25$ x the annual import consumption?	Yes	Single Site is not a Final Demand Site
		No	Single Site is a Final Demand Site
		No data	move to step 3

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Step 3	is the annual units exported during super red band $\geq 25$ x the annual import consumption during super red band?	Yes	Single Site is not a Final Demand Site
		No	Single Site is a Final Demand Site
		No data	move to step 4
Step 4	is the Maximum Import Capacity $\geq 50$ x the Maximum Import Capacity?	Yes	Single Site is not a Final Demand Site
		No	Single Site is a Final Demand Site