

## DCP 363 – Refining the definition of 'Eligible Electricity Storage Facility' in the EDCM

### Draft Legal Text

#### **Amend paragraphs 18.18 to 18.21A in Schedule 17 of the DCUSA as follows:**

18.18 A single asset based residual revenue charging rate is calculated for all EDCM Connectees. This is calculated as follows:

Residual revenue charging rate (per cent) =  $0.8 * (\text{EDCM demand revenue target} - \text{EDCM NR and DOC capacity contribution} - \text{Aggregate indirect cost contribution} - \text{SU recovery} - \text{FCP recovery}) / (\text{Total adjusted site-specific shared assets} - \text{Total adjusted site-specific shared assets for storage sites})$ .

Where:

EDCM NR and DOC capacity contribution is the sum of the import capacity based network rates and direct costs contribution from each EDCM Connectee.

Aggregate indirect cost contribution is the sum of the import capacity based and import sole use asset based indirect cost contribution from each EDCM Connectee.

SU recovery is the forecast notional recovery from the application of import fixed charges (before any rounding) for sole use assets relating to EDCM Connectees.

FCP recovery is the forecast notional recovery from the application of FCP demand charges (before any rounding) to all EDCM Connectees.

Total adjusted site-specific shared assets is the aggregate value (in £) of all adjusted site-specific shared assets for EDCM Connectees.

Total adjusted site-specific shared assets for storage sites is the aggregate value (in £) of all adjusted site-specific shared assets for EDCM Connectees that are Eligible EHV Electricity Storage Facilities.

18.19 The asset based charging rate for residual revenue is converted into a p/kVA/day import capacity based residual revenue charge for each EDCM Connectee which is not an Eligible EHV Electricity Storage Facility.

Asset based residual revenue charges in p/kVA/day =  $(100 / DC) * TNAa * \text{Residual revenue rate}$

Where:

DC is the number of days in the Charging Year.

TNA is the total site-specific assets (£/kVA) for that EDCM Connectee.

Residual revenue rate is the residual revenue charging rate in per cent.

18.19A The asset based residual revenue charge for each EDCM Connectee which is an Eligible EHV Electricity Storage Facility shall be zero.

18.20 A fixed adder in p/kVA/day for the remaining 20 per cent of residual revenue is calculated as follows:

Fixed adder in p/kVA/day =  $100 / DC * 0.2 * (\text{EDCM demand revenue target} - \text{EDCM NR and DOC capacity contribution} - \text{Aggregate indirect cost contribution} - \text{SU recovery} - \text{FCP recovery}) / (\text{Volume for scaling} - \text{Volume for scaling for storage sites})$ .

Where:

DC is the number of days in the Charging Year.

EDCM demand target is the EDCM demand revenue target calculated as described in the previous section.

EDCM NR and DOC capacity contribution is the sum of the import capacity based direct costs contribution from each EDCM Connectee (from annex 3).

Aggregate indirect cost contribution is the sum of the import capacity based and import sole use asset based indirect cost contribution from each EDCM Connectee

SU recovery is the forecast notional recovery from the application of demand fixed charges (before any rounding) for sole use assets relating to EDCM Connectees.

FCP recovery is the forecast notional recovery from the application of FCP demand charges (before any rounding) to all EDCM Connectees only.

Volume for scaling is calculated as the sum of  $(0.5 + \text{coincidence factor}) \times \text{import capacity}$  for all EDCM Connectees.

Volume for scaling for storage sites is calculated as the sum of  $(0.5 + \text{coincidence factor}) \times \text{import capacity}$  for each EDCM Connectee that is an Eligible EHV Electricity Storage Facility.

Coincidence factor is calculated as the forecast peak-time consumption in kW divided by maximum capacity in kVA of that Connectee (based on historical data) multiplied by  $(1 - (\text{Hours in super-red for which not a customer} / \text{Annual hours in super-red})) \times (\text{Days in year} / (\text{Days in year} - \text{Days for which not a customer}))$ .

Import capacity is the Maximum Import Capacity (adjusted if the Connectee is connected for part of the Charging Year) in kVA for that EDCM Connectee.

- 18.21 The fixed adder in p/kVA/day is converted into an import capacity based charge for each EDCM Connectee which is not an Eligible EHV Electricity Storage Facility as follows:

Import capacity based fixed adder in p/kVA/day = Fixed adder \*  $(0.5 + \text{coincidence factor})$

Where:

Fixed adder is the Distribution System-wide p/kVA/day fixed adder calculated as described in the previous paragraph.

Coincidence factor is calculated as the forecast peak-time consumption in kW divided by Maximum Import Capacity in kVA of that Connectee (based on historical data) multiplied by  $(1 - (\text{Hours in super-red for which not a customer} / \text{Annual hours in super-red})) \times (\text{Days in year} / (\text{Days in year} - \text{Days for which not a customer}))$ .

- 18.21A The fixed adder for each EDCM Connectee that is an Eligible EHV Electricity Storage Facility shall be zero.

**Amend the following definition in Section 3 of 'Annex 1 – Implementation Guide' in Schedule 17 as follows:**

**Eligible EHV** means a facility that is a Designated EHV Property at which  
**Electricity Storage** Electricity Storage occurs, and if registered in an MPAS Registration  
**Facility** System:

- (a) has an export MPAN and an import MPAN with associated metering equipment which only measure export from Electricity Storage and import for or directly relating to Electricity Storage (and not export from another source or import for another activity);
- (b) all metering equipment referred to in point (a) above is CT metering; and
- (c) 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, if registered in CMRS:

- (a) has an import Metering System and export Metering System which only measure export from Electricity Storage and import for or directly relating to Electricity Storage (and not export from another source or import for another activity);
- (b) all metering equipment referred to in point (a) above is CT metering; and
- (c) is subject to certification from the customer that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party.

**Amend paragraphs 18.18 to 18.21A in Schedule 18 of the DCUSA as follows:**

- 18.18 A single asset based residual revenue charging rate is calculated for all EDCM Connectees. This is calculated as follows:

Residual revenue charging rate (per cent) =  $0.8 * (\text{EDCM demand revenue target} - \text{EDCM NR and DOC capacity contribution} - \text{Aggregate indirect cost contribution} - \text{SU recovery} - \text{LRIC recovery}) / (\text{Total adjusted site-specific shared assets} - \text{Total adjusted site-specific shared assets for storage sites})$ .

Where:

EDCM NR and DOC capacity contribution is the sum of the import capacity based network rates and direct costs contribution from each EDCM Connectee.

Aggregate indirect cost contribution is the sum of the import capacity based and import sole use asset based indirect cost contribution from each EDCM Connectee.

LRIC recovery is the forecast notional recovery from the application of LRIC demand charges (before any rounding) to all EDCM Connectees.

SU recovery is the forecast notional recovery from the application of import fixed charges (before any rounding) for sole use assets relating to EDCM Connectees.

Total adjusted site-specific shared assets is the aggregate value (in £) of all adjusted site-specific shared assets for EDCM (Load) Connectees.

Total adjusted site-specific shared assets for storage sites is the aggregate value (in £) of all adjusted site-specific shared assets for EDCM Connectees that are Eligible EHV Electricity Storage Facilities.

- 18.19 The asset based charging rate for residual revenue is converted into a p/kVA/day import capacity based residual revenue charge for each EDCM Connectee which is not an Eligible EHV Electricity Storage Facility.

Asset based residual revenue charges in p/kVA/day =  $(100 / \text{DC}) * \text{TNAa} * \text{Residual revenue rate}$

Where:

DC is the number of days in the Charging Year.

TNA is the total site-specific assets (£/kVA) for that EDCM Connectee.

Residual revenue rate is the residual revenue charging rate in per cent

18.19A The asset based residual revenue charge for each EDCM Connectee which is an Eligible EHV Electricity Storage Facility shall be zero.

18.20 A fixed adder in p/kVA/day for the remaining 20 per cent of residual revenue is calculated as follows:

Fixed adder in p/kVA/day =  $100 / DC * 0.2 * (EDCM \text{ demand revenue target} - EDCM \text{ NR and DOC capacity contribution} - \text{Aggregate indirect cost contribution} - \text{SU recovery} - \text{LRIC recovery}) / (\text{Volume for scaling} - \text{Volume for scaling for storage sites})$ .

Where:

DC is the number of days in the Charging Year.

EDCM demand target is the EDCM demand revenue target calculated as described in the previous section.

EDCM NR and DOC capacity contribution is the sum of the import capacity based direct costs contribution from each EDCM Connectee (from annex 3).

Aggregate indirect cost contribution is the sum of the import capacity based and import sole use asset based indirect cost contribution from each EDCM Connectee.

SU recovery is the forecast notional recovery from the application of demand fixed charges (before any rounding) for sole use assets relating to EDCM Connectees.

LRIC recovery is the forecast notional recovery from the application of LRIC demand charges (before any rounding) to all EDCM Connectees only.

Volume for scaling is calculated as the sum of  $(0.5 + \text{coincidence factor}) * \text{import capacity}$  for all EDCM Connectees.

Volume for scaling for storage sites is calculated as the sum of  $(0.5 + \text{coincidence factor}) \times \text{import capacity}$  for each EDCM Connectee that is an Eligible EHV Electricity Storage Facility.

Coincidence factor is calculated as the forecast peak-time consumption in kW divided by maximum capacity in kVA of that Connectee (based on historical data) multiplied by  $(1 - (\text{Hours in super-red for which not a customer} / \text{Annual hours in super-red})) \times (\text{Days in year} / (\text{Days in year} - \text{Days for which not a customer}))$

Import capacity is the Maximum Import Capacity (adjusted if the Connectee is connected for part of the Charging Year) in kVA for that EDCM Connectee.

- 18.21 The fixed adder in p/kVA/day is converted into an import capacity based charge for each EDCM Connectee which is not an Eligible EHV Electricity Storage Facility as follows:

Import capacity based fixed adder in p/kVA/day = Fixed adder \*  $(0.5 + \text{coincidence factor})$

Where:

Fixed adder is the Distribution System-wide p/kVA/day fixed adder calculated as described in the previous paragraph.

Coincidence factor is calculated as the forecast peak-time consumption in kW divided by Maximum Import Capacity in kVA of that Connectee (based on historical data) multiplied by  $(1 - (\text{Hours in super-red for which not a customer} / \text{Annual hours in super-red})) \times (\text{Days in year} / (\text{Days in year} - \text{Days for which not a customer}))$ .

- 18.21A The fixed adder for each EDCM Connectee that is an Eligible EHV Electricity Storage Facility shall be zero.

**Amend the following definition in Section 3 of ‘Annex 1 – Implementation Guide’ in Schedule 18 as follows:**

**Eligible EHV**

**Electricity Storage  
Facility**

means a facility that is a Designated EHV Property at which Electricity Storage occurs, and if registered in an MPAS Registration System:

- (a) has an export MPAN and an import MPAN with associated metering equipment which only measure export from Electricity Storage and import for or directly relating to Electricity Storage (and not export from another source or import for another activity);
- (b) all metering equipment referred to in point (a) above is CT metering; and
- (c) 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, if registered in CMRS:

- (a) has an import Metering System and export Metering System which only measure export from Electricity Storage and import for or directly relating to Electricity Storage (and not export from another source or import for another activity);
- (b) all metering equipment referred to in point (a) above is CT metering; and
- (c) is subject to certification from the customer that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party.

**Gowling WLG (UK) LLP**

**2 March 2020**