



## Attachment 1 - DCP 359 Collated Party Votes (Parties)

Voting end date: 12 June 2020

DCP 359 'OFGEM TARGETED CHARGING REVIEW IMPLEMENTATION: CUSTOMERS – WHO SHOULD PAY?'	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER
CHANGE SOLUTION	Accept	Accept	Reject	None Received	Not Eligible
IMPLEMENTATION DATE	Accept	Accept	Reject	None Received	Not Eligible
RECOMMENDATION	<p><b>Change Solution – Accept.</b></p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category, which voted to accept the proposed variation (solution), was more than 50%.</p> <p>DCUSA Parties' have voted and recommend to the Authority to determine that the proposed variation (solution) is accepted for DCP 359.</p> <p><b>Implementation Date – Accept.</b></p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category, which voted to accept the implementation date, was more than 50%.</p> <p>DCUSA Parties' have voted and recommend to the Authority to determine that the implementation date is accepted for DCP 359.</p>				
PART ONE MATTER OR PART TWO MATTER?	<b>Part One</b> – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
<b>DNO PARTIES</b>				
Electricity North West	Accept	Accept	We believe Charging Objective 1 will be better facilitated by this Change Proposal as it will enable compliance with Licence obligations in respect of the SCRs and that the impact on the other Charging Objectives will be neutral.	We support the implementation date as it's consistent with an April 2022 go-live of the overall TCR methodology as set out in Ofgem's TCR Direction to us and the other DNOs. However, due to the impact of COVID-19 on units distributed, which will impact the banding for non-domestic customers and the relative recovery of the residual between different types of customer, we believe the implementation date for the TCR methodology should be delayed to April 2023. This has the benefit of aligning to the implementation of the Access SCR. If Ofgem choose to stay with an April 2022 implementation for the TCR then we believe charges should be amended in December 2021 when the COVID-19 impacts should have stabilised. This may require subsequent modifications to some of the dates.
Northern Powergrid (Northeast) Ltd	Accept	Accept	As proposer of DCP359 our view remains that DCUSA Charging Objectives one and two are better facilitated; with no impact on the others.	No.
Northern Powergrid (Yorkshire) plc	Accept	Accept	DCUSA Charging Objective one is better facilitated by ensuring that DNOs are compliant with licence requirements in relation to SCRs; implementing specific requirements set out in the TCR Direction. DCUSA Charging Objective two is better facilitated by removing the existing distortion whereby storage only sites are eligible for use of system charges excluding the residual element, whereas other generators are not.	
SP Manweb	Accept	Accept		

SP Distribution	Accept	Accept	We agree that DCUSA Charging Objectives 1 and 2 would be better facilitated, for the reasons outlined in the consultation document.	
Southern Electric Power Distribution plc	Accept	Accept	DCUSA Charging Objectives 1 & 2 are arguably better met through this change proposal	None
Scottish Hydro Electric Power Distribution plc	Accept	Accept		
Eastern Power Networks	Accept	Accept	We believe that DCUSA Charging Objective One is better facilitated by ensuring DNOs are compliant with licence requirements by implementing the specific requirements set out in the TCR Direction. We also believe that DCUSA Charging Objective Two is better facilitated by removing the existing distortion whereby storage only sites are eligible for Use of System charges excluding the residual element, whereas other generators are not, introduced when DCP341 and 342 were approved. We do not believe that any of the other DCUSA Charging Objectives are impacted by this change.	We would like to highlight that due to the impact of the Covid-19 pandemic on consumption data, that the appropriateness of the data extract for April 2022 charges may be detrimental to some customer groups. As such we believe it may be beneficial to use an alternative window for determining the banding and minimising any customer detriment.
London Power Networks	Accept	Accept		
South Eastern Power Networks	Accept	Accept		
WPD South West	Accept	Reject	Charging objective 1 as the DNOs are fulfilling objectives place on them by OFGEM	The decision to place an obligation on DNOs to implement the TCR was made prior to the situation Covid 19 pandemic. The sales the DNOs customers were observing prior to the lockdown, during the lockdown and following could be very different. Therefore it is recommended the implementation of the TCR be delayed until sales following the pandemic have stabilised.
WPD South Wales	Accept	Reject		
WPD West Midlands	Accept	Reject		
WPD East Midlands	Accept	Reject		

IDNO PARTIES				
The Electricity Network Company Limited	Accept	Accept	This change helps the DCUSA better meet charging objective 1 by codifying requirements of Ofgem's TCR decision.	None
ESP Electricity Ltd	Accept	Accept	ESPE agrees with the Proposer and Working Group that Charging Objectives 1 and 2 will be better facilitated by the implementation of this change proposal.	None.
Leep Electricity Networks Ltd	Accept	Accept	Objective 1: Helps ensure parties are compliant with licence conditions following TCR; Objective 2: Ensuring network costs are recovered fairly from users.	None
SUPPLIER PARTIES				
British Gas	Accept	Accept	<p>Charging Objectives 1 is better facilitated as this change is required to implement the TCR Direction.</p> <p>It is less clear to us that Charging Objective 2 will be better facilitated, as depending on the approach taken in the disputes process, it could create significant distortions between standalone generation/storage sites and generation/storage sites that have an immaterial amount of final demand also located on site. However, as set out below, we believe such distortions can be avoided by a sensible approach to Disputes.</p>	<p>The binary approach to determining whether a site is a final demand site or not could lead to large residual charges being levied on sites that are clearly generation/storage sites and operating as such, but which would become liable on their whole import if they happen to have an immaterial amount of final demand also on site.</p> <p>Such sites would be faced with the decision to absorb these high residual costs for what is primarily station demand or incur the expense of reconfiguring their site to separate the immaterial amount of final demand i.e. taking action to avoid residual. This does not seem to us to be in line with the spirit of the TCR Decision and could materially disadvantage storage sites in particular due to their large import capacities.</p> <p>For example, under the proposed approach a 10MW storage facility that also has 100kW of Final Demand</p>

				<p>would be banded based on their 10MW MIC, rather than the 100kW of final demand.</p> <p>The Disputes process should enable such customers to be allocated to a band based on the amount of genuine Final Demand on site, as this is more efficient than requiring expensive site re-configurations.</p>
npower / E.on	Reject	Reject	We do not believe that this change satisfactorily addresses the charging objectives for a tangible cohort of customers.	<p>We do not believe that this change fully and satisfactorily addresses the charging issues for sites with co-located generation – with this Final Demand Site proposal determined by time pressure rather than suitability for all consumers.</p> <p>The resultant, almost binary charging position as to which sites will face residual charges and the implications on some businesses risks undermining confidence in the low carbon / flexible system transition.</p> <p>We would recommend that:</p> <ol style="list-style-type: none"> <li>1) more time is set aside to consider the suitability of charging and appropriate apportionment for complex sites.</li> <li>2) Ofgem and / or the ENA establish a communication programme to inform the various customer segments of the reasons for the changes to UoS and specific issues/exceptions – with particularly emphasis on the financial implications of the changes to those that are adversely affected.</li> </ol>
Good Energy Ltd.	Accept	Accept	Objective 2 – it is appropriate that non-demand sites, such as generation and storage sites, do not face demand residual charges.	<p>It is essential that in the development of the certification process for identification of generation sites, that those who hold direct relationships with such sites, such as PPA off-takers, are adequately consulted by the DNOs. Good Energy volunteers to</p>

				support this activity – please use the above contact information to engage on this point.
Haven Power Ltd & Opus Energy Ltd	Accept	Reject	<p><b><u>Haven Power Ltd</u></b> We consider DCP 359 better facilitates DCUSA Objectives 1 and 2 as it delivers the intent of the TCR and does not restrict, distort, or prevent competition in the transmission or distribution of electricity.</p>	<p><b><u>Haven Power Ltd</u></b> Whilst this CP delivers the intent of the TCR it is nonetheless a very challenging time. COVID-19 is causing enormous disruption to businesses and households with many livelihoods at risk. We strongly believe it would be appropriate to delay the implementation of the TCR to April 2023 to help customers avoid the additional burden of significant tariff disturbance which will result from these changes. We also consider it important that if any delay is granted, we still maintain the current notice period for Network Charges. Maintaining this notice period will avoid the need for Suppliers to price additional risk premia into their contracts.</p>
			<p><b><u>Opus Energy Ltd</u></b> Positive for DCUSA Charging Objectives 1 and 2. Positive to Charging Objective 1 as this supports the requirements of the TCR Directions and facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence; and Positive to Charging Objective 2, as this supports the requirements of the TCR Directions and compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and removes the existing distortion whereby storage-only sites are eligible for use of system charges excluding the residual element but other generators are not.</p>	<p><b><u>Opus Energy Ltd</u></b> Although this change proposal delivers the intent of Ofgem’s TCR Decision, it is nonetheless an exceptionally challenging time. The coronavirus pandemic has created significant disruption to businesses and households with many livelihoods at risk. We strongly believe it would be appropriate to delay implementation of the TCR to April 2023 in order to help customers avoid the additional burden of significant tariff disturbance which will result from TCR changes. We also believe it important that if any delay is granted, that the current notice period for Network Charges is maintained in order to avoid the need for Suppliers to price additional risk premia into their contracts.</p>
OVO Energy	Reject	Reject	<p>We do not agree with the TCR decision, though we recognise this change is in line with it. We believe that the implementation of the TCR decision should align with the implementation of</p>	<p>We believe that there may be a need for a “non-final demand” domestic site in the future, and the inclusion of that band at this stage would be a</p>

			<p>changes arising from the ongoing Access and Forward Looking Charges SCR.</p> <p>We believe that the definition of a “residual charge” is still under review in this SCR and therefore the impact of this change will result in an arbitrary and unnecessary step change in costs until the SCR is implemented. In particular we note the significant increase in costs consumers in Northern Scotland will face as a result of these changes as indicated in the impact assessment performed for DCP361. We do not think this change should have progressed without such an impact assessment available at the workgroup stage.</p> <p>We also believe that much of the complexity in the changes outlined would also be resolved by aligning the implementation of the workstreams.</p>	<p>simple and minor step that would avoid a lengthy process in future when this band is required.</p> <p>We are concerned about the impact of covid-19 on data collection for band calculation and band allocation. In particular, we are concerned that domestic customers will face an artificial inflation of costs, bearing a larger share of residual charges as a result of the short-term volume impacts of covid. Without review, this could result in higher relative costs for consumers for an extended period, of 5 years.</p>
SSE Energy Supply Limited	Accept	Accept	We agree that DCUSA Charging Objectives 1 and 2 are better facilitated by this change.	
Equinicity Ltd	Reject	Reject	-	<p>For definition of Single Site we believe the the mod alternative option is more in keeping with the Ofgem decision. There are customers that occupy what can be defined as a Single Site from the Ofgem decision but have multiple individual connection agreements. By using the alternative option it would give DNOs the capability to identify and define these complex customers and ensure they are charged fairly. This would also deter attempts to alter/ split connection agreements for a same site for financial gain.</p> <p>The chosen Single Site definition also incorrectly defines generation sites that have a separate import only connection to service auxiliary loads necessary for generation actives. If defined a Single Site these</p>

				<p>auxiliary connections then don't meet the criteria to be a Non Final Demand Site and risk incorrectly being charged the residual element. These would not have both an import and export MPAN, however the import MPAN does have associated metering which only measures imports for or directly relating to Electricity Storage and/or Electricity Generation. By opting for the alternative Single Site definition the DNO, who has knowledge of these site designs, can group the auxiliary connection and main connection into a Single Site as structures that serve the other in a necessary way. They would then be Single Sites with and export and import MPANS and be correctly defined as Non Final Demand.</p>
UK Power Reserve Ltd.	Accept	Accept	<p>DCUSA Charging Objective 1 is better facilitated by ensuring DNOs are compliant with licence requirements in relation to SCRs, by implementing specific requirements set out in the TCR Direction.</p> <p>DCUSA Charging Objective 2 is better facilitated by removing the existing distortion whereby storage only sites are eligible for Use of System charges excluding the residual element, whereas other generators are not.</p>	No.

## CVA REGISTRANTS

None

## GAS SUPPLIER PARTIES

N/A