DCP328 – Legal Drafting

Use of System charging for private networks with competition in supply

Solution A

Charging the boundary supplier for Difference Metering installations and providing a rebate for Private Network Operators in the CDCM and charging embedded suppliers in the EDCM for fully settled installations.

Add new definitions in Clause 1

Difference Metering	means an arrangement defined in the BSC (BSCP514) for the purposes of Settlement, whereby the flows of electricity measured by metering equipment embedded within a Licence Exempt System are deducted from the flows of electricity measured by the metering equipment at the Entry Point or Exit Point by which electricity flows from or to that Licence Exempt System.
Licence Exempt System	means an electricity distribution system that is not owned or operated by a DNO/IDNO Party.
Non-Settlement MPAN	means a 13-digit reference number for a Metering Point at an Entry Point or Exit Point, in the same format as an MPAN, which reference number is only to be used for the purposes described in this Agreement.
Primary Supplier	has the meaning given to that term in the BSC
Shared Metering	Where meter readings recorded by Settlement metering equipment at the boundary between the Distribution System

Commented [JL1]: This is not required in option 2 (DNO Party uses existing settlement data to bill the boundary supplier)

Commented [JL2]: Moved from schedule 16,17 and 18 since used in the main body of DCUSA

and the Licence Exempt System are apportioned between Suppliers based on readings from non-Settlement meters on a Licence Exempt System in accordance with BSCP550.

Commented [JL3]: Added to ensure that BSC governance is catered for settlements.

2022/23 DCUSA CHARGING METHODOLOGIES PRE-RELEASE

Option 1 – Aggregated boundary data provided by the by the Supplier's Data Collector

Add a new Clause 29.5A

Commented [JL4]: The following amendments made to cater for Shared Metering and differing terminology

29.5A The following provisions shall apply in the case of an Entry Point or Exit Point on the Company's Distribution System that is subject to a Difference Metering arrangement and a Shared Metering arrangement:

29.5A.1 the Company shall procure that the User (where Difference Metering applies), or the User being the Primary Supplier (where Shared Metering applies), is provided with a Non-Settlement MPAN for the Metering Point at that Entry Point or Exit Point;

29.5A.2 in addition to the Metering Data to be provided in respect of that Entry Point or Exit Point under Clause 29.4, the User or the Primary Supplier, shall (without charge) provide (or ensure that its BSC Party Agent provides) the Company with the metering data the User would have been obliged to procure the provision of in respect of that Entry Point or Exit Point under the BSC if Difference Metering or Shared Metering did not apply, using the Data Transfer Catalogue D0036 or D0275 (as specified by the Company) and quoting the Non-Settlement MPAN (instead of the actual MPAN);

29.5A.3 the User or Primary Supplier shall ensure that the data referred to in Clause 29.5A.2 is provided to the Company in the same timescales as would have applied under the BSC if Difference Metering or Shared Metering did not apply; and

29.5A.4 the Supplier Party that is registered under the MRA in respect of an MPAN for metering equipment embedded within that Licence Exempt System agrees that the User or Primary Supplier may receive and ~~manipulate~~ aggregate the Metering Data relating to consumption by the Supplier Party's Customers connected to the Licence Exempt System in order to comply with the User's or Primary Supplier's obligations under Clause 29.5A.2 and for the purpose of matters provided for or envisaged by its Supply Licence.

Add a new Clause 29.5B

29.5B Notwithstanding Clause 15.3, it is agreed that Clause 29.5A.4 creates binding obligations between the User or Primary Supplier and the Supplier Party referred to in that Clause.

Option 2 - Aggregated boundary data calculated by the Distributor

Add a new Clause 29.5A

29.5A Where an Entry Point or Exit Point on the Company's Distribution System is subject to a Difference Metering arrangement or a Shared Metering arrangement, all Supplier Parties that are registered under the MRA in respect of the boundary MPAN for metering equipment on the Company's Distribution System or the embedded MPANs within that Licence Exempt System agree that the Company may receive and aggregate the Metering Data relating to consumption by the Supplier Party's Customers connected to the Licence Exempt System in order to comply with the Company's obligations under Paragraph 146A or Paragraph146B of Schedule 16 and Paragraph 28.3 or Paragraph 28.4 of both Schedule 17 and Schedule 18 and for the purpose of matters provided for or envisaged by its Distribution Licence.

Commented [JL5]: Would this also be beneficial in Option 1 above in 29.5A.4

Add a new Clause 29.5B

29.5B Notwithstanding Clause 15.3, it is agreed that Clause 29.5A creates binding obligations between ~~the User and~~on all the Supplier Party's referred to in that Clause.

Commented [JL6]: User is not used in 29.5A

SCHEDULE 16 – COMMON DISTRIBUTION CHARGING METHODOLOGY

Amend the following paragraphs

1A. The CDCM is applicable to "Designated Properties", as defined in Standard Condition 13A (Common Distribution Charging Methodology) of the DNO Party's Distribution Licences and properties connected to Licence Exempt Systems at Low Voltage (LV), Low Voltage substation (LVS) and High Voltage (HV).

3. In order to comply with this methodology statement when setting distribution Use of System Charges the DNO Party will populate and publish the following CDCM model versions:

(a) for charges effective from 1 April 2020:

(i) where the Authority has given no direction under Clause 19.1B, CDCM model version 3 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, CDCM model version 3(332) as issued by the Panel in accordance with Clause 14.5.3;

(b) for charges effective from 1 April 2021:

(i) where the Authority has given no direction under Clause 19.1B, CDCM model version 6 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, CDCM model version [TBC][1] as issued by the Panel in accordance with Clause 14.5.3; or

[1] To be completed on implementation of this DCP 328.

(c) for charges effective from 1 April 2022 or later:

(i) where the Authority has given no direction under Clause 19.1B, CDCM model version 7 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, CDCM model version [TBC][2] as issued by the Panel in accordance with Clause 14.5.3.

8. Step 2 is the application of the cost allocation rules set out below. These rules are only for tariffs before revenue matching and tariffs used to determine rebates in respect of Fully Settled customers connected to Licence Exempt Systems and do not apply to LDNO tariffs.

Commented [JL7]: Deleted Shared Metering

67. For demand tariffs before revenue matching, tariffs used to determine rebates in respect of Fully Settled customers connected to Licence Exempt Systems and portfolio tariffs before revenue matching related to demand users, the contributions of each network level to the unit rate are calculated as follows:

Commented [JL8]: Deleted Shared Metering

[p/kWh from network model assets] = 100*[network level £/kW/year]*[user loss factor]/[network level loss factor]*[pseudo load coefficient]*(1 – [contribution proportion])/[days in charging year]/24

[p/kWh from operations] = 100*[transmission exit or other expenditure £/kW/year]*[user loss factor]/[network level loss factor]*[pseudo load coefficient]/[days in charging year]/24

71. For generation tariffs before revenue matching, tariffs used to determine rebates in respect of Fully Settled generation users connected to Licence Exempt Systems and portfolio tariffs before revenue matching, no contribution to the unit rate is calculated in respect of the network level corresponding to circuits at the Entry Point, and a

Commented [JL9]: Deleted Shared Metering

[2] To be completed on implementation of this DCP 328.

negative contribution to the unit rate (i.e. a credit) comes from each network level above the Entry Point. That contribution is calculated as follows:

[p/kWh from network model assets] = –100*[network level £/kW/year]*[user loss factor]/[network level loss factor]*(1 – [contribution proportion])/[days in year]/24

[p/kWh from operations] = –100*[transmission exit or other expenditure £/kW/year]*[user loss factor]/[network level loss factor]/[days in year]/24

…….

Add new paragraphs 88A through to 88F

Derivation of tariffs before revenue matching and tariffs to be used for the calculation of rebates in respect of Fully Settled and Shared Metering customers connected to Licence Exempt Systems

88A Tariffs before revenue matching are determined by summating across all voltages:

- the contribution to each unit rate at each voltage calculated in accordance with paragraph 77 and 86 as applicable;
- the contribution to fixed charges at each voltage calculated in accordance with paragraph 85;
- the contribution to capacity charges at each voltage calculated in accordance with paragraph 81; and
- the contribution to reactive power charges at each voltage calculated in accordance with paragraph 87.

88B Tariffs for the calculation of rebates for customers connected to Licence Exempt Systems are determined in accordance with paragraph 88A, save that lower voltage elements are excluded as follows:

- where the Licence Exempt System is connected to the LV network, the costs associated with the LV customer level are excluded;
- where the Licence Exempt System is connected at LV substation, the costs associated with the LV customer and LV network levels are excluded; and

- where the Licence Exempt System is connected at HV network, the costs associated with the LV customer, LV network and LV substation levels are excluded.

88C Capacity charge elements (p/kVA/day) for half-hourly site-specific settled customers connected to Licence Exempt Systems are allocated to the fixed charge (in p/day) by multiplying the capacity charge by the average kVA per customer for an equivalent customer, determined from the DNO Party's volume forecast for the equivalent half-hourly metered tariff at that voltage.

88D Reactive power charge elements (p/kVArh) for half-hourly site-specific settled customers connected to Licence Exempt Systems are allocated to the fixed charge (in p/day) by multiplying the reactive power charge by the average kVArh per customer for an equivalent customer, determined from the DNO Party's volume forecast for the equivalent half-hourly metered tariff at that voltage, and dividing by the number of days in the charging year.

88E For NHH settled or HH Aggregate settled users connected to Licence Exempt Systems, a rebate is calculated in £/customer/year for each customer group and each voltage of connection of a Licence Exempt System as follows:

a) The average kWh usage per customer per year in each timeband is determined from the DNO Party's volume forecast for that customer group;

b) The average charge for that customer group is calculated by applying the DNO Party's tariff to the usage derived under part a).

c) The average charge applicable for a customer in that customer group connected to a Licence Exempt System with that voltage of connection is calculated by applying the tariffs determined under paragraph 88B to the usage derived under part a).

d) The rebate per customer per year is calculated as the results of part b) less the result of part c).

88F For HH Site Specific settled users connected to Licence Exempt Systems, a rebate is calculated in £/customer/year for each customer by applying the tariff calculated under

paragraphs 88B, 88C and 88D to that customer's usage data, and subtracting this total from the amount billed in respect of that customer.

……

Add in a new paragraph 95A

95A. For the tariffs to be used to calculate rebates for Fully Settled ~~and Shared Metering~~ customers connected to Licence Exempt Systems, calculated in paragraphs 88E and 88F, the residual surplus or residual shortfall for customers connected to Licence Exempt Systems will be scaled by multiplying the residual surplus or short fall for all-the-way customers calculated in paragraph 92 by the ratio of the revenue before matching for a customer connected to a Licence Exempt System calculated using the tariffs in paragraph 88B - 88D, to the revenue before matching for a customer connected to a Licence Exempt System calculated using the tariffs in paragraph 88A.

Commented [JL10]: Deleted reference since now forms part of difference metering approach

For each customer group this is:

$$[Residual\ surplus\ or\ shortfall\ for\ Licence\ Exempt\ Systems\ customers] = [Residual\ surplus\ or\ shortfall\ for\ all-the-way\ customers] \times \frac{[Revenue\ before\ matching\ from\ License\ Exempt\ System\ tariffs]}{[Revenue\ before\ matching\ from\ all-the-way\ tariffs]}$$

……

Add in a new title and paragraph 146A

Tariff structures for Licence Exempt Systems using Difference Metering or Shared Metering

146A The tariffs in respect of Licence Exempt Systems using a Difference Metering arrangement shall be charged to the Supplier at the DNO Party's boundary based on the units imported or exported at the boundary between the network and the Licence Exempt System.

Or

146A The tariffs in respect of Licence Exempt Systems using a Difference Metering arrangement shall be charged to the Supplier at the DNO Party's boundary based on the units imported or exported from all of the Metering Points that form part of the Difference Metering arrangement.

146B The tariffs in respect of Licence Exempt Systems using a Shared Metering arrangement shall be charged to the Primary Supplier based on the units imported or exported from all of the Metering Points that form part of the Shared Metering arrangement.

……

Add in a new Part 5

Part 5 — Licence Exempt System rebate scheme

Commented [JL11]: Amendments to cater for Shared Metering not following the same process as fully settled arrangements

185 This Part 5 sets out the process for providers of Licence Exempt Systems to claim a rebate where the connections within each Licence Exempt System are ~~either~~ Fully Settled ~~or have a Shared Metering arrangement~~.

186 The rebate comes into effect on [01 April 2022] and is calculated in accordance with either Paragraph 88E (for NHH settled or HH Aggregate settled users) or Paragraph 88F (for HH Site Specific settled users) of this schedule.

187 For a rebate to be granted, the provider of each Licence Exempt System must contact the Distribution Business and provide sufficient evidence that they meet the criteria of a Fully Settled ~~or Shared Metering~~ arrangement~~s~~. For the avoidance of doubt there is no rebate available for Difference Metering or Shared Metering arrangements associated with a Licence Exempt System.

188 Unless otherwise agreed with the Distribution Business, the rebate will be calculated on an annual basis (1st April - 31st March) and payments made shortly after the end of each year.

2022/23 DCUSA CHARGING METHODOLOGIES PRE-RELEASE

Include new definitions to the Glossary of Terms used in this Schedule 16

Fully Settled	Where every customer on a Licence Exempt System is to have or has a Supplier, its own MPAN and metering equipment and there is no metering equipment at the boundary between the Distribution System and the Licence Exempt System. The BSC refers to these circumstances as an 'Associated Distribution System'.
~~**Shared Metering**~~	~~Where meter readings recorded by Settlement metering equipment at the boundary between the Distribution System and the Licence Exempt System are apportioned between Suppliers based on readings from non-Settlement meters on a Licence Exempt System.~~

SCHEDULE 17 – EHV CHARGING METHODOLOGY (FCP MODEL)

1. INTRODUCTION

This Schedule 17, version [TBC][3], is to be used for the calculation of Use of System Charges which will become effective from, 01 April 2022 and remain effective until superseded by a revised version.

Scottish Hydro Electric Power Distribution plc;

Southern Electric Power Distribution plc;

SP Distribution Limited;

SP Manweb plc;

Western Power Distribution (East Midlands) plc; and

Western Power Distribution (West Midlands) plc.

(a) for charges effective from 1 April 2020:

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version FCP v3 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version FCP v3(332) as issued by the Panel in accordance with Clause 14.5.3;

(b) for charges effective from 1 April 2021:

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version FCP v7 as issued by the Panel in accordance with Clause 14.5.3; or

[3] To be completed on implementation of DCP328

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version FCP [TBC][4] as issued by the Panel in accordance with Clause 14.5.3; or

(c) for charges effective from 1 April 2022 or later:

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version FCP v9 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version FCP [TBC][5] as issued by the Panel in accordance with Clause 14.5.3.

……..

[4] To be completed on implementation of this DCP 328.
[5] To be completed on implementation of this DCP 328.

28 DNO PARTY TO ~~UNLICENCED NETWORKS~~ LICENCE EXEMPT SYSTEMS

Or

28.~~5~~6 CDCM Tariffs for customers connected to Licence Exempt Systems are determined in accordance with paragraph 88A of Schedule 16, save that lower voltage elements are excluded as follows:

- where the Licence Exempt System is connected at an EHV/HV substation, the costs associated with the LV customer, LV network, LV substation and HV network levels are excluded~~;~~where the Licence Exempt System is connected to the 132kV/HV substation, the costs associated with the LV customer, LV network, LV substation, HV network are excluded;
- where the Licence Exempt System is connected to the EHV network, the costs associated with the LV customer, LV network, LV substation, HV network and EHV/HV levels are excluded;
- where the Licence Exempt System is connected at a 132kV/EHV substation, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV and EHV network levels are excluded;
- where the Licence Exempt System is connected to the 132kV network, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV, EHV network and 132kV/EHV levels are excluded;
- where the Licence Exempt System is connected direct to a GSP, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV, EHV network, 132kV/EHV and 132kV network levels are excluded.

28.~~5A~~6A Capacity charge elements (p/kVA/day) for half-hourly site-specific settled customers connected to Licence Exempt Systems are allocated to the fixed charge (in p/day) by multiplying the capacity charge by the average kVA per customer for an equivalent customer, determined from the DNO Party's volume forecast for the equivalent half-hourly metered tariff at that voltage as determined under schedule 16.

28.~~5B~~6B Reactive power charge elements (p/kVArh) for half-hourly site-specific settled customers connected to Licence Exempt Systems are allocated to the fixed charge (in p/day) by multiplying the reactive power charge by the average kVArh per customer for an equivalent customer, determined from the DNO Party's volume forecast for the equivalent half-hourly metered tariff at that voltage as determined under schedule 16, and dividing by the number of days in the charging year.

ANNEX 1 – IMPLEMENTATION GUIDE SCHEDULE 17 – EHV CHARGING METHODOLOGY (FCP MODEL)

3. DEFINITIONS

Include new definitions to the Glossary of Terms used in this Schedule 17

Fully Settled	Where every customer on a Licence Exempt System is to have or has a Supplier, its own MPAN and metering equipment and there is no metering equipment at the boundary between the Distribution System and the Licence Exempt System. The BSC refers to these circumstances as an 'Associated Distribution System'**.**
~~**Shared Metering**~~	~~Where meter readings recorded by Settlement metering equipment at the boundary between the Distribution System and the Licence Exempt System are apportioned between Suppliers based on readings from non-Settlement meters on a Licence Exempt System.~~

SCHEDULE 18 – EHV CHARGING METHODOLOGY (LRIC MODEL)

SCHEDULE 18 – EHV CHARGING METHODOLOGY (LRIC MODEL)

This Schedule 18, version [TBC][6], is to be used for the calculation of Use of System Charges which will become effective from, 01 April 2022 and remain effective until superseded by a revised version.

1. INTRODUCTION

Eastern Power Networks plc;

Electricity North West Limited;

London Power Networks plc;

Northern Powergrid (Northeast) Limited;

Northern Powergrid (Yorkshire) plc;

South Eastern Power Networks plc;

Western Power Distribution (South Wales) plc; and

Western Power Distribution (South West) plc.

(a) for charges effective from 1 April 2020:

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version LRIC v3 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version LRIC v3 (332) as issued by the Panel in accordance with Clause 14.5.3;

(b) for charges effective from 1 April 2021:

[6] To be completed on implementation of DCP328

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version LRIC v7 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version LRIC [TBC][7] as issued by the Panel in accordance with Clause 14.5.3; or

(c) for charges effective from 1 April 2022 or later:

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version LRIC v9 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version LRIC [TBC][8] as issued by the Panel in accordance with Clause 14.5.3.

……

[7] To be completed on implementation of DCP328.
[8] To be completed on implementation of DCP328.

28 DNO PARTY TO ~~UNLICENCED NETWORKS~~ LICENCE EXEMPT SYSTEMS

Or

28.~~5~~6 CDCM Tariffs for customers connected to Licence Exempt Systems are determined in accordance with paragraph 88A of Schedule 16, save that lower voltage elements are excluded as follows:

- where the Licence Exempt System is connected at an EHV/HV substation, the costs associated with the LV customer, LV network, LV substation and HV network levels are excluded;where the Licence Exempt System is connected to the 132kV/HV substation, the costs associated with the LV customer, LV network, LV substation, HV network are excluded;where the Licence Exempt System is connected to the EHV network, the costs associated with the LV customer, LV network, LV substation, HV network and EHV/HV levels are excluded;
- where the Licence Exempt System is connected at a 132kV/EHV substation, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV and EHV network levels are excluded;
- where the Licence Exempt System is connected to the 132kV network, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV, EHV network and 132kV/EHV levels are excluded;
- where the Licence Exempt System is connected direct to a GSP, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV, EHV network, 132kV/EHV and 132kV network levels are excluded.

28.~~5A~~6A Capacity charge elements (p/kVA/day) for half-hourly site-specific settled customers connected to Licence Exempt Systems are allocated to the fixed charge (in p/day) by multiplying the capacity charge by the average kVA per customer for an equivalent customer, determined from the DNO Party's volume forecast for the equivalent half-hourly metered tariff at that voltage as determined under schedule 16.

28.~~5B~~6B Reactive power charge elements (p/kVArh) for half-hourly site-specific settled customers connected to Licence Exempt Systems are allocated to the fixed charge (in p/day) by multiplying the reactive power charge by the average kVArh per customer for an equivalent customer, determined from the DNO Party's volume forecast for the equivalent half-hourly metered tariff at that voltage as determined under schedule 16, and dividing by the number of days in the charging year.

……

ANNEX 1 – IMPLEMENTATION GUIDE SCHEDULE 18 – EHV CHARGING METHODOLOGY (LRIC MODEL)

3. DEFINITIONS

Include new definitions to the Glossary of Terms used in this Schedule 17

Fully Settled	**Where every customer on a Licence Exempt System is to have or has a Supplier, its own MPAN and metering equipment and there is no metering equipment at the boundary between the Distribution System and the Licence Exempt System. The BSC refers to these circumstances as an 'Associated Distribution System'.**
~~**Shared Metering**~~	~~Where meter readings recorded by Settlement metering equipment at the boundary between the Distribution System and the Licence Exempt System are apportioned between Suppliers based on readings from non-Settlement meters on a Licence Exempt System.~~

……

SCHEDULE 20 - PRODUCTION OF THE ANNUAL REVIEW PACK

Amend the version numbers to the introduction and paragraph below

This Schedule 20, version [TBC]~~10.0~~[9], is to be used for the calculation of Use of System Charges which will become effective from, 01 April 2018 and remain effective until superseded by a revised version.

Commented [JL12]: Is this part true?

1.1 The "Annual Review Pack" or "ARP" is a document to be completed by each DNO Party giving indicative (when first published in accordance with Clause 35B) and final (when updated in accordance with Clause 35B) Use of System Charges to apply pursuant to the Charging Methodology set out in Schedule 16 (the "CDCM"). The pack shall contain detail of historical and forecast CDCM inputs, and a forecast of use of system tariffs for the next 5 years, in accordance with Paragraph 2. The template to be used for the pack shall be ARP model version [TBC]~~104~~[10] when issued by the Panel.

[9] To be updated on the implementation of DCP328
[10] To be updated on the implementation of DCP328