

## DCMDG Issues Form

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Document Control	
Issue Title:	<i>Application of fixed DUoS charges on a per-MPAN basis</i>
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Attachments:	None
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\*Assigned by DCUSA Secretariat

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Nature of Issue
<p>As the rollout of renewable generation continues, particularly after the closure to new entrants of the ROC scheme, renewable developers are looking to align with end consumers to fix the price of output electricity from generation projects via Corporate Power Purchase Agreements (CPPAs). One practical way of facilitating CPPAs is via the BSCP550 methodology, within which active energy volumes from a single generation project can be allocated to multiple MPANs. This can be done in various ways, for example fixed, percentage or capped allocation. BSCP550 thus creates a mechanism for a renewable developer to (a) allocate only the correct proportion of a project's output to the designated supplier for sleeving to the end offtaker, but also (b) group residual non-CPPA shares of output from multiple projects within a single route to market. One large renewable developer is known to be using this methodology and another is understood to be actively considering it as the basis of facilitating CPPAs.</p> <p>The BSCP550 methodology relies upon the creation of pseudo or additional MPANs for a single generation project, alongside the Primary MPAN.</p> <p>Fixed DUoS costs relating to embedded generation sites are in practice recovered by DNOs per MPAN, according to all DNOs' charging statements.</p> <p>For export connections where the entire export from an embedded generation site is registered to a single supplier, via a single MPAN, a single set of fixed DUoS costs are recovered accordingly.</p> <p>For export connections where the entire export from an embedded generation site is registered to a single supplier, via BSCP550 and multiple MPANs, those MPANs can be considered by a DNO as being "Associated" and thus only a single set of fixed DUoS costs recovered across the multiple MPANs.</p> <p>However, for export connections where the export volume from an embedded generation site is split across more than one supplier, using the BSCP550 methodology involving a Primary and a Pseudo MPAN,</p>

the advent of the Pseudo MPAN and non-Associated nature of the suppliers gives rise to over-charging of fixed DUoS costs. This is the situation at risk of happening when BSCP550 methodology is applied.

The DCUSA specifies / implies that fixed DUoS costs should be recovered on a per connection basis, which if applied in this situation would avoid creating the duplication. However, currently, owing DNO charging statements are specified as being on a per MPAN basis rather than per connection, there is a risk of cost duplication and thus over-recovery.

In summary, the EDCM in schedule 18 table 3.6 considers fixed costs as a pence per day number, whereas in DNO statement of charges a pence/MPAN/day unit is introduced. Only one of these can be correct, therefore it needs to be clarified which. Further to this is the question, should virtual MPANs attract a second physical fixed charge even if the EDCM is changed to include 'per MPAN', as this scenario is catered for at lower voltages, from schedule 16?:

**Note 7: Fixed charges are generally levied on a pence per MPAN basis. However, there are some instances in the half-hourly market where more than one MPAN exists on a customer's connection and only one fixed charge is appropriate. Where a group of MPANs is classed as a site as identified in the connection agreement, billing systems should be able to group the MPANs, where appropriate, for charging purposes.**

- Is the charging statement wrong?
- Is the EDCM/DCUSA wrong?
- Should virtual EHV MPANs attract physical fixed charges?
- Which document/s should change?

#### Solution Overview – If Known

##### Solution Description

Two potential solution options:

- (1) Clarification of DCUSA to specify that fixed DUoS costs should be allocated per MPAN, but that pseudo MPANs should not attract fixed DUoS costs since only one fixed charge is appropriate as no additional physical infrastructure is involved in the creation of the pseudo MPAN, or
- (2) Revised application of methodologies used by DNOs to produce charging statements and consequently settle the fixed DUoS costs, such that fixed DUoS costs are allocated per connection not per MPAN.

##### Lead Time For Implementation