

DCUSA DCP 406 and DCP 406A Change Declaration

Voting end date: 12pm, 3 November 2022

DCP 406/ DCP 406A	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER
DCP 406 CHANGE SOLUTION 1	Reject	Accept	Accept	No votes received	n/a
DCP 406 CHANGE SOLUTION 2	Accept	Reject	Reject	No votes received	n/a
DCP 406A CHANGE SOLUTION	Accept	Accept	Accept	No votes received	n/a
IMPLEMENTATION DATE	Accept	Accept	Accept	No votes received	n/a
RECOMMENDATION	<p>DCP 406 – Recommendation</p> <p>Part 1 Matter: Authority Decision Required</p> <p>DCP 406 Solution 1 – Accept</p> <p>1.1 With regards to DCP 406 Solution 1, the DCUSA Parties’ recommendation to the Authority is that the change solution is accepted. For the majority of the Party Categories that were eligible to vote:</p> <ul style="list-style-type: none"> the number of groups in each Party Category which voted to accept the proposal was more than 50% of the total number of Groups in that Party Category which voted; and the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposal was more than 50%. 				

DCP 406 Solution 2 – Recommendation

Part 1 Matter: Authority Decision Required

Change Solution – Reject

1.2 With regards to DCP 406 Solution 2, the DCUSA Parties’ recommendation to the Authority is that the change solution is rejected. For the majority of the Party Categories that were eligible to vote:

- the number of groups in each Party Category which voted to reject the proposal was more than 50% of the total number of Groups in that Party Category which voted; and
- the sum of the Weighted Votes of the Groups in each Party Category which voted to reject the proposal was more than 50%.

DCP 406A – Recommendation

Part 1 Matter: Authority Decision Required

Change Solution – Accept

1.3 With regards to DCP 406A, the DCUSA Parties’ recommendation to the Authority is that the change solution is accepted. For the majority of the Party Categories that were eligible to vote:

- the number of groups in each Party Category which voted to accept the proposal was more than 50% of the total number of Groups in that Party Category which voted; and
- the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposal was more than 50%.

Implementation

DCP 406 and DCP 406A Implementation Date – Accept

1.4 For the majority of the Party Categories that were eligible to vote:

- the number of groups in each Party Category which voted to accept the implementation date was more than 50% of the total number of groups in that Party Category which voted; and

	<ul style="list-style-type: none"> 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>Notes</p> <p>1.5 It should be noted that all DNO Parties were in favour of DCP 406 Solution 2. Of the three Supplier Parties that voted two were in favour of Solution 1 and one was in favour of DCP 406 Solution 2. Of the three IDNO Parties that voted two were in favour of DCP 406 Solution 1 and one was in favour of Solution 2.</p> <p>1.6 Therefore, taken the above into consideration, across all three Party categories that voted Solution 1 was the most favourable solution (66%).</p>
PART ONE / PART TWO	Part One – Authority Determination Required

PARTY	DCP 406 SOLUTION 1 (A / R)	DCP 406 SOLUTION 2 (A / R)	DCP 406A SOLUTION (A / R)	DCP 406/ DCP 406A IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES						
National Grid Electricity Distribution East Midlands	Reject	Accept	Accept	Accept	National Grid Electricity Distribution believe this CP better facilities objective 1 below. This CP will allow DNO's and IDNO's to implement the changes required to adhere to Ofgem's Access SCR which enables all parties to run an efficient and economical distribution system.	None provided.
National Grid Electricity Distribution West Midlands	Reject	Accept	Accept	Accept		
National Grid Electricity Distribution South West	Reject	Accept	Accept	Accept		
National Grid Electricity	Reject	Accept	Accept	Accept		

Distribution South Wales						
South Eastern Power Networks plc	Reject	Accept	Accept	Accept	<p>Charging Objective 1 Implementing the proposals outlined within this Change Report will enable each DNO party to be able to comply with the Charging Methodologies and discharge the obligations imposed on it under the Act and by its Distribution Licence by being able to apply a more consistent approach to the identification and pricing of generation and demand applications. Consequently, the proposal promotes a process that will assist DNOs' compliance with standard licence condition 19.</p> <p>Charging Objective 2 The implementation of a more clearly defined approach for the identification of generation and demand applications better supports this objective by reducing the risk of any unintended distortion of the pricing treatment of customers applications for connection to our distribution system.</p> <p>Charging Objective 3 The DCUSA charging objective 3 will also be better served by these proposals as a result of the charges levied to customers more accurately reflecting the chargeable costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business.</p>	<p>We urge the Authority to make a decision on this Change Report and notify us of the outcome at the earliest opportunity following the submission of all eligible votes on 03 November. This will enable us to modify our systems, revise processes and train staff in sufficient time to ensure a smooth and efficient implementation of the proposals in readiness for the proposed implementation date.</p>
London Power Networks plc	Reject	Accept	Accept	Accept		
Eastern Power Networks plc	Reject	Accept	Accept	Accept		
Northern Powergrid (Northeast) plc	Rejected	Accept	Accept	Accept	<p>We agree with the Working Group that DCUSA Charging Objective 1 is better facilitated and DCUSA Charging Objective 6 is negatively impacted by this Change Proposal for all options, and for the reasons set out in the Change Report.</p> <p>We also agree with the Working Group that, for Solution 1, this Change Proposal would also have a negative impact on DCUSA</p>	None provided
Northern Powergrid (Yorkshire) plc	Rejected	Accept	Accept	Accept		

					Charging Objective 2, and for the reasons set out in the Change Report.	
Southern Electric Power Distribution plc	Rejected	Accept	Accept	Accept	Objective 1 – Working group has undertaken task to meet objective as given by Ofgem in the SCR decision and direction	None provided
Scottish Hydro Electric Power Distribution plc	Rejected	Accept	Accept	Accept		
SP Distribution plc	Rejected	Accept	Accept	Accept	We agree that Solution 2 and DCP406a better facilitates the DCUSA Objectives for the reasons given in the Change Report.	We have concerns with the definition of Generation Connection, as defined in Solution 1 (hence our preference is Solution 2). We believe that Solution 1 may have a significant impact on customer behaviour (predominantly by larger, generation customers to avoid contributing to reinforcement costs), which is likely to result in a substantial increase in reinforcement costs borne by the wider DUoS customer base. We believe that in the current economic climate, this solution may have a significantly detrimental impact on customer relations – particularly with small customers – and not just for DNOs but for the industry as a whole.
SP Manweb plc	Rejected	Accept	Accept	Accept		
Electricity North West Ltd	Rejected	Accept	Accept	Accept	DCUSA General Objective 1 is supported by this change.	ENWL requests Ofgem takes reasonable endeavours to make a decision by mid December 2022 on this modification because this will increase clarity for connection customers and reduce potential DUoS charging volatility as well as lowering implementation risk for DNO's and our customers. For example, a decision in mid-December may enable us to take any Ofgem decision into account through our charge setting process for 2024/25 DUoS. Normally, DUoS charges need to be set by 31 December 2022 for the year from 1 April 2024.
IDNO PARTIES						
Optimal Power Networks Ltd	Accept	Reject	Accept	Accept	Charging objective 1	None provided

The Electricity Network Company	Accept	Reject	Accept	Accept	Charging objectives 1. That the DNOs will be able to comply with the charging methodologies and the obligations imposed on the act.	None provided
ESP Electricity	Rejected	Accept	Accept	Accept		We believe General Objective 1 is better facilitated by this modification(s). We consider there is a risk that objective 2 is negatively impacted considering DCP406 Solution 1 as there is a risk that there are cost gaming opportunities where the definition for generation/demand is not clear.

SUPPLIER PARTIES

Drax (Opus Energy Ltd and Drax Energy Solutions Ltd)	Accept	Reject	Accept	Accept	<p>Solution 1 is broadly in line with TCR definitions that have been developed over a significant period in an open and deliberative process and, like Ofgem, we believe them to be fit for purpose.</p> <p>Any definition that is not broadly TCR-aligned risks undermining the SCR objective of improving the uptake of low carbon technologies with potential reduction of consumer benefits.</p> <p>As such, we believe that Solution 1 is positive for Charging Objective 1 “That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence”.</p> <p>We believe that the proposal is positive for Charging Objective 2 “That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)” because the proposed charging arrangements should help to</p>	None provided.
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					<p>provide a more effective signal for network users and to help prevent the potential slow-down of the roll-out of low carbon technologies across the energy system. We believe that the proposal is “Neutral” in respect to Charging Objectives 3-4 and has no impact on Charging Objective 5. We disagree that the proposal is negative to Charging Objective 6 “That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration”. The Access SCR Decision has determined that this change compared to the current arrangements is justified. We would therefore regard this as either positive or neutral.</p>	
EDF Energy Customers Limited	Accept	Reject	Accept	Accept	<p>The following DCUSA Charging Objectives are better facilitated by this change:</p> <p>1 That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence</p> <p>2 That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)</p>	None provided.
British Gas	Reject	Accept	Accept	Accept	<p>DCP 406 Solution 2 and DCP406A better facilitate DCUSA Charging Objective 1. In our view DCP solution 1 would lead to perverse outcomes where generation connections could seek to avoid reinforcement costs by adding a nominal amount of final demand to the connection</p>	None provided.

					request or by connecting behind the meter of an existing final demand site	
CVA REGISTRANT PARTIES						
No votes received						
GAS SUPPLIER PARTIES						
Not Eligible						