

ACCESS SCR CHANGE PROPOSAL DRAFT LEGAL TEXT

NEW SCHEDULE XXX

CURTAILABLE CONNECTIONS

The provisions of this Schedule do not apply to small users who are defined as “households and non-domestic users that are billed on an aggregated and non-site-specific basis or who are metered directly using whole current meters and is not available to unmetered users.”.

Curtailable Connections will only be offered where the Company has identified a requirement for Reinforcement to facilitate a connection.

Reinforcements required solely for Fault Level and Reactive Power requirements are not suitable for Curtailable Connections.

Commented [TM1]: Should refer to the definition in Schedule 22)Common Connection Charging Methodology)

Commented [TM2]: This wasn't discussed specifically

Part 1

METHODOLOGY FOR SETTING CURTAILMENT LIMIT

The Access SCR Direction states that setting a limit on the maximum number of Curtailment Hours (“Curtailment Limit”) which should:

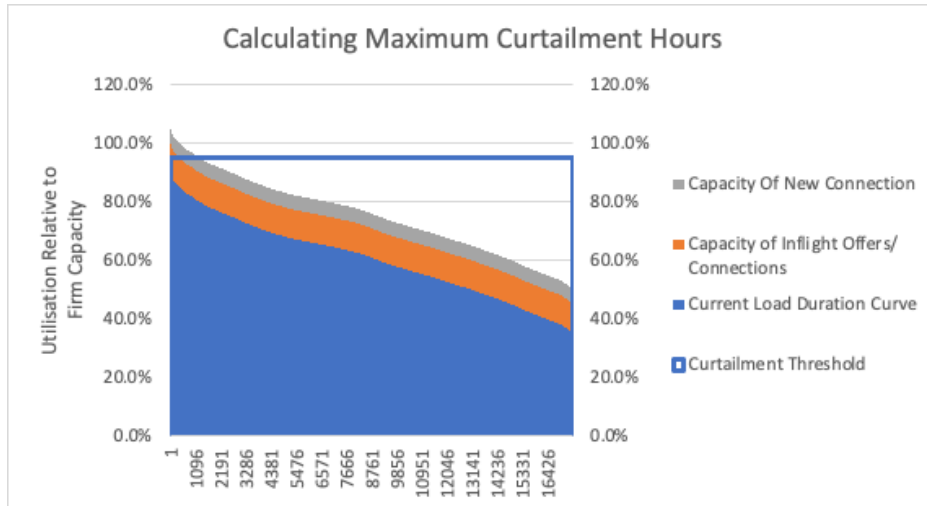
a) be applied in respect of Curtailment Hours over a rolling 12-month period.

b) be set by the DNO via a defined process on the basis of maximising network benefit, taking into account network availability and forecast time-profiled levels of demand/generation associated with the relevant network constraint, as well as a probabilistic assessment of the level of Curtailment required.

c) be applied consistently across all network operators.

Below is a start of an approach which requires further development

- 1) The Maximum Full Curtailment Hours will be determined by assessing the Existing Networks that require reinforcement under the Minimum Scheme.



- 2) Load profile data of assets to be reinforced would be analysed to produce a load duration curve.
- 3) Data may not be available for circuits but could use data from connected substation as a proxy.
- 4) Add the capacities on inflight offers and connections under or awaiting construction.
- 5) Add capacity of the new connection for which the Curtailment Limit is being calculated.
- 6) Curtailment Hours is number of hours above a threshold, say 95% of firm network capacity, to cater for growth in non-firm period.
- 7) Where multiple assets require reinforcement, the Curtailment Limit for each asset should be calculated and largest value used for the overall Curtailment Limit.
- 8) For connections with both import and export capacities the Curtailment Limit will be calculated separately for each.
- 9) The Curtailment Limit(s) will not be recalculated once the Connection Offer has been sent to the customer.

Commented [TM3]: Is this concept well understood? Possibly needs further explanation.

Commented [TM4]: This requires further development by the working group.

Commented [TM5]: Add clarity around technology type/load profile of connection

Commented [TM6]: Threshold needs to be discussed and consulted on in the change process

Commented [TM7]: Will this always capture the full curtailment? It might be that the two constraints happen at different times so we would need to add the values?

Commented [TM8]: Needs discussion in the DCUSA Working Group as not mentioned in the decision or direction

Part 2

METHODOLOGY FOR DETERMINING THE EXCEEDED CURTAILMENT PRICES

The Access SCR Direction states that the Exceeded Curtailment Price should:

- a) be sufficiently high so that network operators are disincentivised to exceed the Curtailment Limit.*
- b) be markedly higher than contracted market prices of flexibility in the licence area under the requirements of SLC 31E, or the cost of Reinforcement required to provide a connection where contracted market prices are unavailable.*
- c) be calculated consistently across all network operators.*

Below is a start of an approach which requires further development

- 1) Prior to 1 April each year, the Company shall determine the maximum contracted price for flexibility [for both import and export] in its Licensed area in the previous 12 months in £ per MWh.
- 2) The Exceeded Curtailment Import Price shall be determined as follows:-
 - (a) The contracted price for flexibility for import determined in 1) shall dividing by an assumed [0.95] power factor to convert to £/MVAh;-
 - (b) The Reinforcement Cost identified in the Minimum Scheme at the voltage of the Point of Connection and the voltage above less any contribution by the customer for excess costs. This is converted to aa £/MVA by dividing by the requested import capacity.
 - (c) The cost calculated in 2(b) is converted to an annual figure using the cost of capital and asset lifetime specified in the Common Distribution Charging Methodology
 - (d) The annual reinforcement cost calculated in 2(c) is converted to a £/MVAh by dividing by the number of hours in a year, 8760.
 - (e) The higher of the values calculated in 2(a) and 2(d) is increased by [20%] to calculate the Exceeded Curtailment Import Price
- 3) The Exceeded Curtailment Import Price shall be determined as follows:-
 - (a) The contracted price for flexibility for import determined in 1) shall dividing by an assumed [0.95] power factor to convert to £/MVAh;-

Commented [TM9]: Should the DCUSA Working Group consider separate prices for Demand/ Import and Generation/ Export

Commented [TM10]: DCUSA Working Group to consider what time of year this should be re-assessed and over what period of time

Commented [TM11]: Views should be sought on how to convert MW to MVA

Commented [TM12]: Consultation required on what constitutes 'markedly higher'

Commented [TM13]: The Access SCR Decision is silent on converting £ to £/MVAh. The Working Group may want to identify other potential approaches

Commented [TM14]: Views should be sought on how to convert MW to MVA

- (b) The Reinforcement Cost identified in the Minimum Scheme at the voltage of the Point of Connection and the voltage above less any contribution by the customer for excess costs. This is converted to aa £/MVA by dividing by the requested import capacity.
- (c) The cost calculated in 3(b) is converted to an annual figure using the cost of capital and asset lifetime specified in the Common Distribution Charging Methodology
- (d) The annual reinforcement cost calculated in 3(c) is converted to a £/MVAh by dividing by the number of hours in a year, 8760.
- (e) The higher of the values calculated in 3(a) and 3(d) is increased by [20%] to calculate the Exceeded Curtailment Export Price

Commented [TM15]: Consultation required on what constitutes 'markedly higher'

Commented [TM16]: The Access SCR Decision is silent on converting £ to £/MVAh. The Working Group may want to identify other potential approaches

Part 3

CURTAILABLE CONNECTION AGREEMENT

The following form of agreement is the type of agreement that DNO/IDNO Parties must use when contracting for a Curtailable Connection unless agreed otherwise with the customer.

BESPOKE CONNECTION AGREEMENT

BETWEEN:

(1) [Distributor Name] [Company Number] [Registered Address]

(the “**Company**”) **AND**

(2) [Connectee Name] [Company Number] [Registered Address]

(the “**Customer**”)

1. The Company agrees to the Connection of the Customer’s Installation to the Company’s Distribution System on the terms and conditions of this Curtailable Connection Agreement.
2. Subject to the express provisions of this Curtailable Connection Agreement, Section 3 of the National Terms of Connection (the “Applicable NTC Section”) will apply (as amended from time to time) and as amended by Appendix 2 of this Agreement as if it was set out in this Curtailable Connection Agreement, and as if references in the Applicable NTC Section to “this agreement” or to “this Agreement” were to this Curtailable Connection Agreement.
3. The National Terms of Connection are available in writing from the Energy Networks Association, 1st Floor, 4 More London Riverside, London, SE1 2AU, or from the website at www.connectionterms.co.uk.
4. Expressions used in this Curtailable Connection Agreement shall have the same meanings as is given to them in the Applicable NTC Section.
5. Details of the Premises, the Connection Points, the technical characteristics of the Connection Points and other matters are set out in Appendix 1 to this Curtailable Connection Agreement.
6. The Parties may agree variations to this Curtailable Connection Agreement, which variations must be recorded in writing and signed by an authorised representative of each Party. Each Party shall negotiate in good faith the terms of any variation proposed by the other. If any variation has not been agreed within 1 month of its being proposed, either Party may refer the matter to the Authority for resolution pursuant to section 23 of the Act. The Parties shall give effect to any such determination, and shall enter into any agreement as shall be necessary to give effect to any such determination.

7. Address for notices

(a) to the Company: for the attention of [name], [address], [email address]

(b) to the Customer: for the attention of [name], [address], [email address]

SIGNED by (signature)
for and on behalf of the **Company** (print name)
(job title)
(date)

SIGNED by (signature)
for and on behalf of the **Customer** (print name)
(job title)
(date)

APPENDIX 1

GENERAL PARTICULARS OF THE CONNECTION

The characteristics of the connection(s) shall be as follows:

(a) characteristics of supply:

- (i) number of phases: [Number]
- (ii) current: [Alternating current]
- (iii) voltage: [Enter Statutory Voltage kV $\pm 6\%$ / $+10\%$ / -6%]
- (iv) frequency: [50 Hertz $\pm 1\%$]

(b) Connection Point(s): either

(i) where connection is provided from the Company's final cut-out fuse, isolator, switch, metering switch fuse or metering circuit breaker, unless otherwise stated in this Bespoke Connection Agreement the Connection Points are the outgoing terminals of the Company's final cut-out fuse, isolator, switch, metering switch fuse or metering circuit breaker, or

(ii) where the Company's electric lines connect directly to a Customer's intake isolator, switch, metering switch fuse or metering circuit breaker, unless otherwise stated in this Bespoke Connection Agreement the Connection Points are the incoming terminals of the Customer's intake isolator, switch, metering switch fuse or metering circuit breaker,

and, for the avoidance of doubt, the Connection Points may be remote from the Customer's Installation where third party electric lines and/or electric plant provide the intermediate electrical connection from the Company's Distribution System to the Customer's Installation.

(c) use of system tariff type: [state here or else "Rates published in relevant charging statement"]

(d) Details of Premises:

- (i) Address: [SITE ADDRESS HERE]
- (ii) MPANs: [IMPORT MPANs HERE]
[EXPORT MPANs HERE]
- (iii) Commencement Date: [COMMENCEMENT DATE DD/MM/YYYY]

(e) Capacity Information:

(i) Maximum Import Capacity:	[xxx] kVA
With effect from	[DD/MM/YYYY]
First date for Reduction	[DD/MM/YYYY]
(ii) Maximum Export Capacity:	[xxx] kVA
With effect from	[DD/MM/YYYY]
First date for Reduction	[DD/MM/YYYY]

(f) Curtailment Information:

(i) Non-Curtailable Import Capacity:	[xxx] kVA
(ii) Non-Curtailable Export Capacity:	[xxx] kVA
(iii) Curtailable Import Capacity:	[xxx] kVA
(iv) Curtailable Export Capacity:	[xxx] kVA
(v) Curtailment End Date:	[DD/MM/YYYY]
(vi) Maximum Full Import Curtailment Hours:	[hours]
(vii) Maximum Full Export Curtailment Hours:	[hours]
(viii) Exceeded Curtailment Import Price:	[£/MVAh]
(ix) Exceeded Curtailment Export Price:	[£/MVAh]

APPENDIX 2

AMENDMENTS TO THE APPLICABLE NTC SECTION

Section 3 of the National Terms of Connection (the “Applicable NTC Section”) shall be amended as set out below.

1. DEFINITIONS & INTERPRETATION

The following additional definitions shall be included and the following amendments to existing definition shall be made:-

“**Connection Charging Statement**” means, the statement prepared by a Company in relation to charges for connection for the time being in force pursuant to Condition 14 of its Distribution Licence;

Commented [TM17]: If something is going in the charging statement then it will need a separate change proposal to agree the form of table

“**Curtail**”/ “**Curtailment**” mean, any action taken by the Company to restrict the conditions of a connection except where this restriction is caused by a fault or damage to the Distribution System which results in an interruption to the customer’s supply. If a Customer’s supply is interrupted under the definition of a customer interruption, that interruption continues to be covered under the Guaranteed Standards of Performance and thus should not be treated as curtailment. Similarly, curtailment as a result of constraints on the transmission network will not be treated as curtailment on the distribution network;

Commented [TM18]: What happens to sub 3 min interruptions? Think these aren’t an interruption for IIS.

“**Curtable Export Capacity**” means, the Maximum Export Capacity minus the Non-Curtable Export Capacity;

“**Curtable Import Capacity**” means, the Maximum Import Capacity minus the Non-Curtable Import Capacity;

“**Curtailment End Date**” means, the last date that the Company can Curtail the Capacity at the Connection Point;

“**Curtailment Instruction**” means, as defined in Clause 12.16;

“**Curtailment Period**” means, the period between the date of Energisation of the Connection Point to the Curtailment End Date;

“**Curtailment Value**” means, the amount by which the Company instructs the Customer to Curtail its Maximum Export Capacity or Maximum Import Capacity;

“**Distribution Licence**” means, a licence granted, or treated as granted, pursuant to Section 6(1)(c) of the Act;

“**Exceeded Curtailment Export Payment**” means, the amount payable by the Company to the Customer in accordance with Clause 12.23;

“**Exceeded Curtailment Export Price**” means, the amount payable by the Company, and specified in [Appendix 1 of this Agreement/ the Connections Charging Statement] in £/MVAh

Commented [TM19]: Suggest DCUSA consultation question as to whether the value should be fixed at the outset or varied annually. The former provides certainty to the customer whereas the latter reduces any potential impacts with flexibility markets.

where the number of Full Export Curtailment Hours in a rolling twelve-month period is more than the Maximum Full Export Curtailment Hours;

“Exceeded Curtailment Import Payment” means, the amount payable by the Company to the Customer in accordance with Clause 12.22;

“Exceeded Curtailment Import Price” means, the amount payable by the Company, and specified in [Appendix 1 of this Agreement/ the Connections Charging Statement] in £/MVAh where the number of Full Import Curtailment Hours in a rolling twelve-month period is more than the Maximum Full Import Curtailment Hours;

Commented [TM20]: As above

“Export Curtailment Limit” means, the number of hours per annum measured over a rolling twelve-month period where the Customer could be required to reduce its Maximum Export Capacity to the Non-Curtailable Export Capacity;

“Full Export Curtailment Hours” means, the value calculated in accordance with Clause 12.21;

“Full Import Curtailment Hours” means, the value calculated in accordance with Clause 12.20;

“Import Curtailment Limit” means, the number of hours per annum measured over a rolling twelve-month period where the Customer could be required to reduce its Maximum Import Capacity to the Non-Curtailable Import Capacity;

“Non-Curtailable Export Capacity” means, in respect of a Connection Point (or the Connection Points collectively), the minimum amount of electricity (expressed in kW or kVA) which the Company is permitted to Curtail the flow into the Distribution System through the Connection Point (or the Connection Points collectively);

“Non-Curtailable Import Capacity” means, in respect of a Connection Point (or the Connection Points collectively), the minimum amount of electricity (expressed in kW or kVA) which the Company is permitted to Curtail the flow from the Distribution System through the Connection Point (or the Connection Points collectively);

“Monitoring Equipment” means any monitoring and metering equipment that may be used by the Company for the purposes of managing Curtailment, measuring or checking consumption otherwise than for settlement;

“Quarter” means, the period of three months commencing on 1 January, 1 April, 1 July and 1 October respectively in each year.

2. APPLICATION OF THIS AGREEMENT

Commented [TM21]: Included in drafting stage. If no amendments required in Clause then delete from proposed amendments.

2.1 The National Terms of Connection create separate legal agreements (each an Agreement) in respect of each Premises to which the National Terms of Connection apply.

- 2.2 Where, in respect of the Premises to which this Agreement applies, more than one legal entity falls within the definition of Customer, separate Agreements shall be created between the Company and each such Customer.
- 2.3 Where there is more than one Connection Point at the Premises to which this Agreement applies, and more than one Distribution System is used to convey electricity to, and from, the Connection Points, separate Agreements shall be created between the Customer and the Electricity Distribution Licence holder for each such Distribution System (each such Electricity Distribution Licence holder being the Company for the purposes of each such Agreement).
- 2.4 Where there is more than one point of connection at which electricity may (upon Energisation) flow between the Distribution System and the Customer's Installation, but one or more of those points of connection would ordinarily be subject to Section 2 (rather than this Section 3), this Agreement (and this Section 3) shall apply to all of those points of connection (which shall all be Connection Points).

4. THE CUSTOMER'S RIGHT TO BE (AND REMAIN) ENERGISED

- 4.1 The Customer's right to be (and remain) Energised is subject to the Company's right to De-energise the Connection Point in accordance with Clause 5, and is conditional upon:
- 4.1.1 the Customer having the ability to perform and comply with all of its obligations under this Agreement;
- 4.1.2 a Registrant being registered, in accordance with the BSC, as responsible for the Metering System;
- 4.1.3 the Customer ensuring that the Registrant for the Metering System from time to time is a party to the DCUSA and entitled to use of system rights under the DCUSA in respect of the Metering System;
- 4.1.4 BSC settlement Metering being installed, and a Meter Operator Agent being appointed, in accordance with the requirements of the BSC, in respect of either or both (A) the Connection Point; and/or (B) each and every point at which electricity may flow from or to the Customer's Installation;
- 4.1.5 where there is any Generating Equipment at the Premises, the Customer (or, if the Customer is not the owner or operator of the Generating Equipment, the owner or operator of the Generating Equipment):
- (A) not being within any category of person that is required in accordance with the provisions of the CUSC to be a party to the CUSC (or to be a party to any supplementary agreement under the CUSC); or
- (B) (to the extent that it is within any such category) being a party to the CUSC (and/or to the relevant supplementary agreement under the CUSC); and

Commented [TM22]: Included in drafting stage. If no amendments required in Clause then delete from proposed amendments.

4.1.6 where there is any Generating Equipment at the Premises, the Customer (or, if the Customer is not the owner or operator of the Generating Equipment, the owner or operator of the Generating Equipment) holding a licence to generate electricity under section 6 of the Act, or being exempted from the requirement to hold such a licence under section 5 of the Act.

4.2 The Customer represents and undertakes to the Company that, at the date this Agreement comes into effect and for so long as it remains in effect, all of the conditions set out in Clause 4.1 are (and will remain) satisfied. The Customer shall notify the Company as soon as reasonably practicable if any of the conditions in Clause 4.1 cease to be satisfied. The Customer shall indemnify the Company against all actions, proceedings, claims or demands brought or threatened against the Company as a result of any of the conditions set out in Clause 4.1 not being (or ceasing to be) satisfied.

4.3 This Agreement shall not give the Customer any right to:

4.3.1 receive a supply of electricity to the Premises;

4.3.2 sell electricity exported from the Premises; and/or

4.3.3 use the Distribution System for the purposes of providing a supply of electricity (or to otherwise have electricity transported through the Distribution System),

and the Company therefore makes no warranty to the Customer in relation thereto. In respect of each Metering System, the Registrant for the Metering System will (by virtue of being Registrant) have contracted for the matters outlined in Clauses 4.3.1 and 4.3.2 pursuant to the BSC, and must contract with the Company for the matters outlined in Clause 4.3.3 under and in accordance with the DCUSA. Where the Customer is the Registrant, it must contract separately with the Company for the matters outlined in Clause 4.3.3 under and in accordance with the DCUSA.

4.4 When the Connection Point is Energised in accordance with this Agreement, the characteristics of any supply of electricity delivered shall be subject to such variations as may be permitted by the Regulations. The Company does not guarantee that the supply of electricity will be free from transient variations in voltage and frequency or voltage pulses or harmonic frequencies, and the Customer must take its own protective measures if it requires a higher standard of supply.

5. DE-ENERGISATION

Emergency De-energisation

5.1 If, in the reasonable opinion of:

5.1.1 the Company, the condition or manner of operation of the Customer's Installation or other equipment, and/or the condition or manner of operation of the Distribution System, poses an immediate threat of injury or material damage to any person or property (including the Customer's Installation, the Distribution System, the National Electricity Transmission System, and the electrical systems and installations connected (directly or indirectly) to the

Distribution System and/or the National Electricity Transmission System), then the Company shall have the right to immediately De-energise the Connection Point if it is necessary or expedient to do so to avoid the occurrence of such injury or damage; or

- 5.1.2 the Customer, the condition or manner of operation of the Distribution System or the Connection Equipment poses an immediate threat of injury or material damage to any person or property (including the Customer's Installation), then the Customer shall have the right to safely De-energise the Customer's Installation if it is necessary or expedient to do so to avoid the occurrence of such injury or damage, and shall promptly afterwards inform the Company of the incident.

De-energisation on Request

- 5.2 The Company shall De-energise the Connection Point within a reasonable time (or, in circumstances of urgency, as soon as is reasonably practicable) after being instructed to do so by either the Customer or the Registrant. Where the instruction has been given by the Registrant, the Company need not give the Customer notice of the intention to De-energise.

De-energisation Generally

- 5.3 Where the circumstances referred to in Clause 5.1.1 exist but with the proviso that the threat is not immediate, the Company may nevertheless De-energise the Connection Point, in which case the Company shall give the Customer as much advance notice of the De-energisation as is reasonably practicable in the circumstances.
- 5.4 The Company may De-energise the Connection Point pursuant to the Regulations, in which case the De-energisation shall be undertaken in accordance with any applicable requirements under the Regulations.
- 5.5 The Company may De-energise the Connection Point:
 - 5.5.1 if it is necessary or reasonable for the Company to do so as part of a System Outage carried out in accordance with its statutory rights and obligations and Good Industry Practice; and
 - 5.5.2 in order to permit other persons to connect to the Distribution System,

in which case, the Company shall give the Customer such notice of the De- Energisation as is required by law (and shall use its reasonable endeavours to provide as long a notice as is practicable).
- 5.6 The Company may, at any time without the need to give prior notice to the Customer, De-energise the Connection Point if:
 - 5.6.1 the Company is instructed or required to do so pursuant to the Act, its Electricity Distribution Licence, any Directive, the CUSC, the BSC, the DCUSA and/or

the Electricity Supply Emergency Code (being the code of that name designated by the Secretary of State);

- 5.6.2 the Company reasonably considers it necessary to do so for safety reasons or for the security of the Distribution System or any other electrical system (including in order to avoid interference with the regularity or efficiency of the Distribution System);
- 5.6.3 the Company reasonably believes that the Customer has made unauthorised use of electricity or committed theft of electricity;
- 5.6.4 if any of the conditions in Clause 4.1 cease to be satisfied, or the Customer breaches any of the provisions of this Agreement (including Clauses 10, 12.3, 13 and 16);
- 5.6.5 the Customer's acts, omissions and/or continued Connection cause the Company to breach this Agreement or any law or Directive;
- 5.6.6 the Company is entitled to De-energise the Connection Point in accordance with any other connection agreement relating to that Connection Point (provided the Company acts reasonably in exercising such right); and/or
- 5.6.7 the Company is otherwise permitted to do so under the provisions of this Agreement (including under Clause 7.5).

Miscellaneous

- 5.7 If the Company De-energises the Connection Point at the request of the Customer, or as a result of the acts, omissions or breaches of the Customer, then the Customer shall pay to the Company on demand any costs incurred by the Company as a result of such De-energisation and any subsequent Re-energisation.
- 5.8 If the Company De-energises the Connection Point at the request of the Customer, the Company shall Re-energise the Connection Point as soon as reasonably practicable after being instructed to do so by the Customer or the Registrant. If the Company De-energises the Connection Point at the request of the Registrant, the Company shall Re-energise the Connection Point as soon as reasonably practicable after being instructed to do so by the Registrant.
- 5.9 Where the Connection Point is De-energised otherwise than pursuant to Clause 5.2, the Company shall Re-energise the Connection Point as quickly as reasonably practicable after the circumstances leading to the De-energisation have ceased to exist.
- 5.10 In undertaking work relating to Energisation, De-energisation and any subsequent Re-energisation, the Company shall act in accordance with Good Industry Practice (and, subject thereto, shall decide on the extent and nature of the work required).
- 5.11 If at any time when the Customer does not have a right for a Connection Point to be (and remain) Energised but electricity is nevertheless imported from, or exported to, the Distribution System through that Connection Point, then the Customer shall (to the

extent the Company is unable to recover the relevant amounts from the Registrant) pay to the Company forthwith upon demand such sum as the Company may require for such import or export calculated in accordance with the Company's then current charges, together with such other reasonable and proper costs, losses and expenses as the Company may incur as a result thereof.

Curtailment

- 5.12 The Company may De-energise a Connection Point if the Customer fails to comply with a Curtailment Instruction.

7. THE CUSTOMER'S INSTALLATION AND EQUIPMENT

Equipment Generally

- 7.1 The Customer shall ensure compliance at all times with the Regulations and any laws or Directives in respect of the Customer's Installation which are binding on the Customer and/or other occupiers of the Premises.
- 7.2 Save where express written representations are made by the Company, neither by inspection (if any) or non-rejection (nor in any other way) does the Company give any warranty (express or implied) as to the adequacy, safety, or other characteristics of the Customer's Installation, and the Company shall not be responsible therefor.
- 7.3 The Customer hereby acknowledges that the Company may use switchgear with auto-reclosing facilities, that the Customer's Installation should be designed and built so as not to suffer damage through the operation of such facilities and that the Company accepts no liability for such damage (subject to Clause 15.3) to the extent (if any) such damage is attributable to the Customer's failure to so design and build the Customer's Installation.
- 7.4 The Customer shall maintain the Customer's Installation so that it is reasonably fit for the purpose for which it is used, and so that neither it nor its operation or use shall be liable to cause damage to, or interference with, the Distribution System or the National Electricity Transmission System (or their operation or use or the flow of electricity through them).
- 7.5 If electricity is imported from, and/or exported to, the Distribution System via the Connection Point in a manner which adversely affects or impairs voltage regulation or impairs the flow of electricity through the Distribution System (or in the reasonable opinion of the Company is likely to do so), then the Customer shall at its own expense remedy the condition in a manner deemed adequate in the reasonable opinion of the Company (and, if the condition is not remedied within a reasonable time of the Company giving notice to the Customer of such condition, the Company may forthwith De-energise the Connection Point until such condition has been so remedied), and pay to the Company on demand the full amounts of all costs, losses and expenses caused to the Company thereby.
- 7.6 Where there is more than one Connection Point, the Customer shall (at its own expense) ensure that there does not exist within the Customer's Installation the facility to parallel

Commented [TM23]: Included in drafting stage. If no amendments required in Clause then delete from proposed amendments.

across more than one Connection Point, unless expressly agreed in writing by the Company.

Generating Equipment

- 7.7 If the Customer installs, or arranges or permits the installation of, Small-Scale Generating Equipment at the Premises, then the Customer must inform the Company of any intention to use the generating equipment in parallel with the Distribution System no later than 20 Working Days after the equipment is commissioned. Provided the Customer so informs the Company, the Customer does not need the Company's consent to install and/or operate Small-Scale Generating Equipment at the Premises.
- 7.8 Subject to Clause 7.7, the Customer shall notify the Company of any Generating Equipment at the Premises, and shall obtain the Company's prior written consent to the installation and/or operation of any Generating Equipment at the Premises capable of being operated in parallel with the Distribution System.
- 7.9 Where there is Generating Equipment at the Premises that is used as an emergency back-up source of electricity, it may be utilised provided that it is first isolated from the Distribution System.

12. LIMITATION OF CAPACITY

- 12.1 The Company shall only be obliged to allow the import of electricity from, and/or the export of electricity to, the Distribution System through the Connection Point at levels equal to or below the Maximum Import Capacity and/or the Maximum Export Capacity (respectively).
- 12.2 Subject to the other provisions of this Agreement, the Company shall use reasonable endeavours to:
- 12.2.1 ensure that the Maximum Import Capacity and the Maximum Export Capacity is available at the Connection Point at all times during the period of this Agreement; and
- 12.2.2 maintain the connection characteristics at the Connection Point.
- 12.2 Subject to the other provisions of this Agreement, the Company shall use reasonable endeavours to:
- 12.2.1 ensure that the Maximum Import Capacity and the Maximum Export Capacity is available at the Connection Point at all times during the period of this Agreement; and
- 12.2.2 maintain the connection characteristics at the Connection Point.

Commented [TM24]: DCUSA Working Group to review whetherc this is adequate to cover the Curtailment provisions

Exceeding Capacities

- 12.3 The Customer shall ensure that the import of electricity from, and/or the export of electricity to, the Distribution System through the Connection Point does not (at any time) exceed the Maximum Import Capacity and/or the Maximum Export Capacity (respectively). Where the Customer is unsure of the Maximum Import Capacity and/or the Maximum Export Capacity, it shall contact the Company (and the Company will inform the Customer of the applicable capacities).
- 12.4 On each occasion that the Customer breaches Clause 12.3 (and without prejudice to the Company's other rights and remedies, including under Clause 5), the Company may serve a written notice on the Customer specifying the circumstances of the breach and the courses of action available to the Customer under Clauses 12.5.1 to 12.5.3.
- 12.5 The Customer shall, on receipt of such a written notice (or, where the Customer disputes the content of the notice in accordance with Clause 12.6, following resolution of such dispute in favour of the Company), take the necessary actions to reduce the import and/or export of electricity to within the Maximum Import Capacity and/or the Maximum Export Capacity within the period of time specified in the notice; and within 30 Working Days after such notice or resolution:
- 12.5.1 propose a variation to the Maximum Import Capacity and/or the Maximum Export Capacity in accordance with Clause 12.12; or
- 12.5.2 provide the Company with an explanation as to why the Customer does not wish to submit a variation at this time; or
- 12.5.3 propose to the Company an alternative timescale for the Customer to take one of the courses of action referred to in Clause 12.5.1 or Clause 12.5.2, such timescale to be subject to the Company's approval (such approval not to be unreasonably withheld or delayed); or
- 12.5.4 propose that an alternative connection agreement is entered into pursuant to Clause 22.2.
- 12.6 If the Customer disputes the Maximum Import Capacity and/or Maximum Export Capacity (as applicable) specified in the notice given by the Company under Clause 12.4 (or otherwise disputes that a breach of Clause 12.3 has occurred), the Customer and the Company shall attempt to resolve the dispute in good faith. Where the dispute remains unresolved after 20 Working Days, the provisions of Clause 21 shall apply.
- 12.7 Without prejudice to the Company's other rights and remedies, including under Clause 5), where the Customer:
- 12.7.1 fails to reduce the import and/or export of electricity to within the Maximum Import Capacity and/or the Maximum Export Capacity in accordance with Clause 12.5; or
- 12.7.2 proposes a variation pursuant to Clause 12.5.1, but no variation is agreed within a reasonable period thereafter (save where the variation has been referred to the Authority and pending determination by the Authority); or

12.7.3 provides an explanation referred to in Clause 12.5.2, but the Customer continually or repeatedly breaches Clause 12.3; or

12.7.4 proposes an alternative timescale pursuant to Clause 12.5.3, but that timescale is rejected by the Company (acting reasonably) or the Customer fails to comply with the alternative timescale,

then Clause 12.8 shall apply.

12.8 Where this Clause 12.8 applies (as described in Clause 12.7), then the Company shall be entitled to:

12.8.1 propose a variation to the Maximum Import Capacity and/or the Maximum Export Capacity (as applicable) in accordance with Clause 12.12; or

12.8.2 provide the Customer with a Modification Offer as if the Customer had submitted an Application for a Modification requesting a Modification incorporating an increase in the Maximum Import Capacity and/or the Maximum Export Capacity (as applicable).

12.9 Not Used.

12.10 Where a variation or Modification Offer under Clause 12.8 has not been accepted in accordance with its terms (save where such variation or Modification Offer has been referred to the Authority and pending determination by the Authority), then the Company may install additional equipment at the Connection Point designed to limit the import and/or export of electricity from or to the Distribution System to an amount equal to the Maximum Import Capacity and/or the Maximum Export Capacity (as applicable).

12.11 Provided (and to the extent) the installation of additional equipment in accordance with Clause 12.10 is reasonably necessary to prevent danger or interference with the Distribution System or to avoid costs being borne by the Company or another customer in the case of future breaches of Clause 12.3, the Customer shall pay to the Company forthwith upon demand an amount equal to the reasonable costs and expenses incurred by the Company in installing and maintaining such equipment.

12.11A If at any time the Connection Point is De-energised for a continuous period exceeding 6 months, then the Company may (at any time thereafter while the Connection Point is De-energised, and having due regard to all the circumstances) give notice to the Customer that it considers that the connection is no longer required and request that the Customer responds in writing within 30 Working Days. Such notice must refer to the Company's right to Disconnect the Connection Point if it is not reasonable in all the circumstances for the Company to maintain it.

12.11B Where the Company (having taken into account any representations and alternative proposals received from the Customer within the period referred to in Clause 12.11A) reasonably considers that the Company is not required under the Act to maintain the connection in respect of the Premises, then the Company may (save where the Customer has referred the matter to the Authority pursuant to the Act, and pending determination

by the Authority) give notice to the Customer in compliance with section 17(3) of the Act and thereafter Disconnect the Connection Point thereby terminating this Agreement.

12.11C If the import of electricity from and/or export of electricity to the Distribution System through the Connection Point does not, at any time during any period of 12 consecutive months, exceed 75% of the Maximum Import Capacity and/or of the Maximum Export Capacity (respectively), then the Company may (at any time during the following month, and having due regard to all the circumstances):

12.11C.1 notify the Customer that the Company proposes to vary this Agreement in accordance with Clause 12.12; or

12.11C.2 provide the Customer with a Modification Notification incorporating a reduction in the Maximum Import Capacity or Maximum Export Capacity (as applicable), and Clause 14 shall apply,

the reduction being (in each case) to such amount as the Company reasonably considers to be appropriate (being not less than the import of electricity and/or export of electricity through the Connection Point at any time during such 12-month period). For the avoidance of doubt, neither the variation under Clause 12.11C.1 nor the modification under Clause 12.11C.2 are binding unless and until otherwise agreed or determined pursuant to Clause 12.12 or 14 (as applicable).

General

12.12 Except where a variation requires a Modification, either Party may propose a variation to the Maximum Import Capacity and/or Maximum Export Capacity by notice in writing to the other Party. The Company and the Customer shall negotiate in good faith such a variation, but where it is not agreed section 23 of the Act may entitle either Party to refer the matter to the Authority.

12.13 Any reduction in the Maximum Import Capacity or the Maximum Export Capacity pursuant to Clause 12.12 shall, where the Parties have within the preceding 12 months agreed the Maximum Import Capacity or the Maximum Export Capacity (as applicable), only take effect following the expiry of 12 months from the date of such previous agreement (unless the Company expressly agrees otherwise).

12.14 For the avoidance of doubt, all notices under this Clause 12 shall be sent, and shall be deemed to be served and received, in accordance with Clause 23.

Curtailment

12.15 Where the Connection Point is subject to Curtailment, then the Company [may/ shall] install additional equipment at the Connection Point designed to limit the import and/or export of electricity from or to the Distribution System to an amount equal to the Maximum Import Capacity and/or the Maximum Export Capacity (as applicable) less the Curtailment Value.

Commented [TM25]: I would expect shall but left discretionary at the moment

12.16 The Company may instruct the Customer to Curtail its Maximum Import Capacity and/or its Maximum Export Capacity (a “Curtailment Instruction”) at any time during the Curtailment Period. The Company shall notify the Customer when the need to Curtail has finished. The details on how the Company instructs the Customer are set out in Appendix 3 of this Agreement.

Commented [TM26]: This probably varies depending on the technical solution but must be specified in Appendix 3

12.17 The Company shall not instruct the Customer to reduce its Maximum Import Capacity and/or the Maximum Export Capacity to less than the (as applicable) the Non-Curtailable Import Capacity or the Non-Curtailable Export Capacity and the Customer is not obliged to reduce to below these levels even if the Company instructs it to do so.

12.18 Where one or more of the circumstances referred to below occur, the Curtailment End Date shall be extended by such reasonable period (or to such reasonable date) as the Company may specify provided that the Company provides [x] days notice of the change.

Commented [TM27]: Consultation required on the circumstances where the curtailment end date can be moved. It is suggested that similar arrangements to changing dates are included as are in the Connections Standards of Performance to avoid a situation where dates can be put back for Non-Curtailable Connections but can't for Curtailable Connections. Provisions for providing the equivalent compensation need to be added.

12.18.1 It was not reasonably practicable for the Company to meet the Curtailment End Date as a result of:-

- (a) industrial action by employees of the Company or its agent;
- (b) the act or default of a person other than an officer, employee or agent of the Company, or of a person acting on behalf of an agent of the Company;
- (c) the inability of the Company to obtain any necessary access to any premises (which may include its own premises);
- (d) the existence of circumstances by reason of which the Company could reasonably expect that, if it took the action, it would or would be likely to be in breach of an enactment (including any directions given by the Secretary of State under section 96 of the Act(14));
- (e) the effects of an event for which emergency regulations have been made under Part 2 of the Civil Contingencies Act 2004(15);

12.18.2 severe weather conditions that either of themselves prevent the electricity distributor from carrying out the requisite work or, being of any of the categories 1, 2 or 3 of severity as defined in the Electricity (Standards of Performance) Regulations 2015(17), cause the electricity distributor, acting reasonably, to postpone pre-planned works in order to restore supplies to customers as quickly as possible;

12.18.3 a network system emergency that causes the Company, acting reasonably, to redirect its resources and thereby prevents it from completing any action required;

- 12.18.4 an inability to undertake live working on the distribution system because of compliance with safety procedures in circumstances where the Company would normally expect to undertake such working and where this restriction has a material impact on the timescale for completion of the works;
- 12.18.5 delays in obtaining any necessary consents or rights, and/or in acquiring any necessary interest in land, in relation to the location of electric lines and electrical plant needed to provide the reinforcement;
- 12.18.6 that works that are stated in the accepted quotation to be prerequisite to the commencement, completion or energisation (as appropriate) of the works, and that are not the responsibility of the Company, have not been completed in the agreed manner or within the time agreed; and
- 12.18.6 that any other matters stated in the accepted quotation to be prerequisite to the commencement, completion or energisation (as appropriate) of the works, and that are not the responsibility of the Company, have not been satisfied in the manner or within the time envisaged by the accepted quotation.

12.19 The Company shall use its best endeavours to ensure that the Full Import Curtailment Hours do not exceed the Import Curtailment Limit and the Full Export Curtailment Hours do not exceed the Export Curtailment Limit.

12.20 The Full Import Curtailment Hours shall be calculated as follows at the end of each [Quarter]:-

$$= \sum_1^n di \times cv \div cic$$

Where,

di = the duration of each period of Import Curtailment (in hours) determined from the time the Customer is instructed by the Company to Curtail its Maximum Import Capacity to the time it is notified that there is no longer a requirement to Curtail;

n = the number of curtailment instructions in the previous 12 months;

cv = the Curtailment Value for each Curtailment instruction; and

cic = Curtable Import Capacity.

12.21 The Full Export Curtailment Hours shall be calculated as follows at the end of each [Quarter]:-

$$= \sum_1^n de \times cv \div cec$$

Commented [TM28]: Suggest DCUSA consultation question on whether this should be Quarterly, monthly, half-yearly or annually?

Commented [TM29]: Suggest DCUSA consultation question on whether this should be Quarterly, monthly, half-yearly or annually?

Where,

de = the duration of each period of Export Curtailment (in hours) determined from the time the Customer is instructed by the Company to Curtail its Maximum Export Capacity to the time it is notified that there is no longer a requirement to Curtail;

n = the number of curtailment instructions in the previous 12 months;

cv = the Curtailment Value for each Curtailment instruction; and

cec = Curtable Export Capacity.

- 12.22 If the Full Import Curtailment Hours exceeds the Import Curtailment Limit, then the Company shall make the following Exceeded Import Curtailment Payment to the Customer within [30] days following the end of each [Quarter].

$$= \max(fich - icl, 0) \times eicp$$

Where,

fich = the Full Import Curtailment Hours;

icl = the Import Curtailment Limit;

eicp = the Exceeded Import Curtailment Price.

- 12.23 If the Full Export Curtailment Hours exceeds the Maximum Full Export Curtailment Hours, then the Company shall make the following Exceeded Export Curtailment Payment to the Customer within [30] days following the end of each [Quarter].

$$= \max(fech - ecl, 0) \times eecp$$

Where,

fech = the Full Export Curtailment Hours;

ecl = the Export Curtailment Limit;

eecp = the Exceeded Export Curtailment Price.

15. LIMITATION OF LIABILITY

- 15.1 Neither Party shall be liable for any breach of this Agreement directly or indirectly caused by Force Majeure.
- 15.2 Subject to Clause 15.3 and save where any provisions of this Agreement provide for an indemnity, neither Party (the "Party Liable") nor any of its officers, employees or agents shall be liable to the other Party for any loss arising under or in relation to this Agreement (whether for breach of this Agreement, in tort or otherwise) other than for

Commented [TM30]: Legal input needed as to whether the remedy of exceeded curtailment payment for exceeding the full curtailment hours needs to be referenced here.

loss directly resulting from a breach of this Agreement and which at the date hereof was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:

15.2.1 physical damage to the property of the other Party, its officers, employees or agents; and/or

15.2.2 the liability of such other Party to any other person for loss in respect of physical damage to the property of any person,

provided that:

15.2.3 the liability of either Party in respect of claims for such loss shall in no circumstance exceed one million pounds (£1,000,000) per incident or series of related incidents;

15.2.4 the liability of either Party in respect of claims for such loss shall in no circumstance exceed one million pounds (£1,000,000) per incident or series of related incidents; where such incident or series of related incidents entitles the Customer to claim compensation from the Company under this Agreement and any other agreement (including any other connection agreement), the Company's aggregate liability under this Agreement and all such other agreements in respect of that incident or series of related incidents shall not exceed one million pounds (£1,000,000), irrespective of whether the Customer has claimed under this Agreement and/or any such other agreement; and

15.2.5 where such incident or series of related incidents entitles any person other than the Customer to claim compensation from the Company under a connection agreement relating to the Premises, the Company's aggregate liability under this Agreement and all such other connection agreements in respect of that incident or series of related incidents shall not exceed one million pounds (£1,000,000), and the Company's liability under this Agreement will be pro-rated accordingly.

15.3 Nothing in this Agreement shall exclude or limit the liability of the Party Liable for death or personal injury resulting from the negligence of the Party Liable, or any of its officers, employees or agents and the Party Liable shall indemnify and keep indemnified the other Party, its officers, employees or agents from and against all such and any loss or liability which such other Party may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of the Party Liable, or any of its officers, employees or agents.

15.4 Subject to Clause 15.3, neither Party, nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other Party for any:

15.4.1 loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill;

15.4.2 indirect or consequential loss; or

15.4.3 loss resulting from the liability of such other Party to any other person however and whenever arising except under Clause 15.2.2, and,

for the avoidance of doubt, the Company shall have no liability to the Customer to pay to any person the DGNU Payment unless by prior agreement in writing.

15.5 The rights and remedies provided by this Agreement to the Parties are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of this Agreement, including without limitation any rights either Party may possess in tort which shall include without limitation actions brought in negligence and/or nuisance. Accordingly, each Party hereby waives to the fullest extent possible all such rights and remedies provided by common law or statute, and releases the Company to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in this Agreement and undertakes not to enforce any of the same except as expressly provided herein.

15.6 Save as otherwise expressly provided in this Agreement, this Clause 15 insofar as it excludes or limits liability shall override any other provision of this Agreement, provided that nothing in this Clause 15 shall exclude or restrict or otherwise prejudice or affect any of:

15.6.1 the rights, powers, duties and obligations of either Party which are conferred or created by the Act, (or any subordinate legislation made under it), the Electricity Distribution Licence, or the Regulations; or

15.6.2 the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, the Electricity Distribution Licence or otherwise howsoever.

15.7 Each of the Clauses of this Clause 15 shall:

15.7.1 be construed as a separate and severable contract term, and if one or more of such Clauses is held to be invalid, unlawful or otherwise unenforceable the other or others of such Clauses shall remain in full force and effect and shall continue to bind the Parties; and

15.7.2 survive termination of this Agreement.

15.8 Each of the Parties agrees that the other Party holds the benefit of Clauses 15.2 and 15.3 for itself and as trustee and agent for its officers, employees and agents.

15.9 Nothing in this Clause 15 shall be construed so as to prevent the Company from bringing an action in debt against the Customer.

22. VARIATIONS

22.1 The National Terms of Connection (and therefore this Agreement) will be changed automatically to incorporate any changes which are approved by the Authority pursuant

to the DCUSA. Notice of any change which is approved will be advertised in the national press, and the new terms will be published on the internet at www.connectionterms.co.uk.

- 22.2 Either Party may, at any time, ask the other to enter into an alternative connection agreement in respect of the Premises if it believes an alternative agreement is needed because of the nature or use of the Connection Point and/or the Premises. Each Party shall negotiate in good faith the terms of any such alternative agreement. If an alternative agreement has not been agreed within 1 month of its being proposed, either Party may refer the matter to the Authority for determination pursuant to section 23 of the Act. The Parties shall give effect to any such determination, and shall enter into any agreement as shall be necessary to give effect to any such determination.

APPENDIX 3 - TECHNICAL CONDITIONS

Part 1 – Connection Points

Part 2 – Technical Supply Capacities and Sole Use Assets

Part 3 – Site Responsibility Schedules

Part 4 – Site Specific Operating Arrangements

Part 5 – Site Specific Technical Conditions

Part 6 – Geographic Plans

Part 7 – Operational Diagrams

Part 8 – Generating Equipment

Part 9 – Technical Derogations

Part 10 - Property Documents

Part 11 – Technical Arrangements for Curtailment

Amendments to

SCHEDULE 22 – COMMON CONNECTION CHARGING METHODOLOGY

Additional Cost Allocation for Flexible and Curtailable Connections

1.32A To facilitate a Flexible and Curtailable Connection, we may need to install and maintain specific system management equipment, either or both at your Premises and further upstream in other parts of the Distribution System. Some of the costs associated with installing, operating and maintaining the system management equipment will be directly attributed to your connection and be included as part of your Connection Charge (see illustrative table in paragraph 1.32B). The proportion of the costs which you must fund depends on whether your connection forms part of a Dedicated Scheme or a Wide Area Scheme, as described below:

Type 1 – Dedicated Scheme: A scheme managing constraint(s) where there are no Customers downstream of the constraint(s) who could connect new or additional demand or generation without being controlled by the Dedicated Scheme:

- Type ‘1A’ considers a scenario involving only one customer; and
- Type ‘1B’ considers a scenario involving multiple customers.

Type 2 – Wide Area Scheme: A scheme managing constraint(s) where there are Customers downstream of the constraint(s) who could connect new or additional demand or generation without being controlled by the Wide Area Scheme.

1.32B The table below illustrates the scheme types and methodology for cost recovery associated with each type of Flexible and Curtailable Connection. The methodology covers Type 1A, Type 1B and Type 2 (as each is described in paragraph 1.32A).

Typical connection components ²²	Type 1A - Single	Type 1B - Multiple	Type 2 - Wide Area
Extension Assets for customer	You fund	You fund	You fund
End user control unit for the customer	You fund	You fund	You fund
Local system management unit	You fund	Shared equally between participants	We fund
Scheme management unit	You fund	Shared equally between participants	We fund
Central management unit	N/A	N/A	We fund
Scheme specific ongoing costs e.g. communications	We fund	We fund	We fund

Section 2 – Glossary of Terms

Curtaileable Connections	are connection arrangements whereby a Customer's maximum import capacity or maximum export capacity can be reduced to an agreed level for an agreed number of hours whilst Reinforcement is undertaken.
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