DCP 407 *‘*ACCESS SCR: SPECULATIVE DEVELOPMENT*’* PROPOSED LEGAL TEXT

***Add new paragraphs 1.421 and 1.43*** to ***Schedule 22 as follows:***

**Speculative Developments**

* 1. Developments which have one or more of the following characteristics may be considered as speculative:
     + their detailed electrical load requirements are not known;
     + the development is phased over a period of time and the timing of the phases is unclear;
     + the capacity requested caters for future expansion rather than the immediate requirements of (an) end user(s);
     + the capacity requested caters for future speculative phases of a development rather than the initial phase(s) of the development; or
     + the infrastructure only is being provided, with no connections for end users requested.
  2. Where we are asked to provide a connection to a speculative development then the cost of the work including any Reinforcement is charged in full and the CAFs do not apply. Additional charges to reflect ongoing operation, repair and maintenance costs may also be levied.
  3. We may, at our sole discretion, allow capacity to be reserved on the infrastructure provided to service the speculative development on the commercial terms agreed between you and us in respect of the development.
  4. An application will be assessed to determine whether it is Speculative or Non-Speculative by using the Speculative Developments scoring system, which will be applied as follows:

1 Note: the numbering of the existing paragraphs within Schedule 22 is likely to change as a result of the changes being proposed by DCP 406 and so may impact the final paragraph numbering for this CP.

 Consideration will be given to the fact that some aspects of an application may have a greater bearing on whether the application should be considered as being Speculative or Non-Speculative. In recognition of this, the criteria used in the scoring system are weighted as either High or Low significance.

 Only the points identified in the scoring criteria shall be placed against each respective criterion that is relevant to the application e.g. each High significance criterion shall be scored 2 points and each Low significance criterion shall be scored 1 point, without exception.

 The number of points entered in the ‘Speculative’ and ‘Non-Speculative’ columns shall be added up to give a total number for the respective column.

 If the total value of points for the Non-Speculative column is equal to or greater than the total value of points for the Speculative column, the application will be considered as being Non-Speculative.

 If there is no score in either column, the Company reserves the right to obtain additional information prior to making the assessment.

 All criteria may not apply to every application.

* 1. The criteria for the Speculative Developments scoring system are as follows:

 **Criterion 1: Loading requirements (non-domestic developments only).** This criterion is deemed to be of high significance. The Required Capacity must be assessed against relevant industry guidelines such as the CIBSE (Chartered Institution of Building Services Engineers) and BSRIA (Building Services Research and Information Association). However, other relevant guidance information and reference materials may also be used. An application will receive points in the ‘Non-Speculative’ column, if the Required Capacity is within 20% of the applicable industry guidelines or points in the ‘Speculative’ column, if the Required Capacity is 100% greater than industry guidelines.

 **Criterion 2: Programme (domestic and non-domestic developments).** This criterion is deemed to be of low significance. The application will receive points in the ‘Non-Speculative’ column, if (i) the development has an overall timescale of up to two years from the date on which the initial application is made to completion of the final phase or (ii) the applicant is able to provide a clear phasing plan for the complete development. The application will receive points in the ‘Speculative’ column, if (i) the development has an overall timescale of more than ten years from the date on which the initial application is made to completion of the final phase and (ii) the applicant cannot provide a clear phasing plan for the complete development.

 **Criterion 3: Programme (domestic developments only).** This criterion is deemed to be of high significance. The application will receive points in the ‘Non-Speculative’ column, if the complete development is limited to less than one hundred dwellings or requires less than three permanent LV substations beyond the POC,. The application will receive points in the ‘Speculative’ column, if the complete development includes more than five thousand dwellings or requires more than ten permanent LV substations beyond the POC.

 **Criterion 4: Load Profile.** This criterion is deemed to be of high significance. The application will receive points in the ‘Non-Speculative’ column, if the applicant provides a capacity ramp profile (see ‘Phased Capacity Site’ section) for the complete

development. The application will receive points in the ‘Speculative’ column, if the applicant does not provide a capacity ramp profile and a portion of the Required Capacity is for future expansion.

 **Criterion 5: Financial Commitment.** This criterion is deemed to be of high significance. The application will receive points in the ‘Non-Speculative’ column, if the applicant makes a financial commitment in support of the

application. A financial commitment is made where:

* The assets installed at initial connection are sized sufficiently to accommodate the complete future development rather than just the capacity to be utilised in the early phases of construction.
* The applicant agrees to pay any Operation & Maintenance costs for the complete development which may be included within the connection offer prior to the initial Energisation of the connection.
* Upon the initial Energisation of the connection, the applicant agrees to commit to the Use of System residual banding allocation in accordance with DCUSA Schedule 32 ‘Residual Charging Bands’ that is applicable to the Required Capacity up to that of the complete development. For example, if the connection will be ramped from 1MVA to 5MVA over 10 years, the applicant will agree to pay to Use of System charges for a 5MVA connection from initial Energisation of the connection (when the capacity is ramped to 5MVA).

 **Criterion 6: Future Provision.** This criterion is deemed to be of high significance. The application will receive points in the ‘Non- Speculative’ column if more than 75% of the total connections or 75% of the total load are delivered in the first phase of the development. The application will receive points in the ‘Speculative’ column, if the infrastructure only is being provided, with no connections for end users requested, and the development is not within the relevant Local Authority’s development plans.

* + - **Criterion 7: Planning Permission. T**he application will receive points in the ‘Non-Speculative’ column reflective of a high significance criterion, if the complete development (inclusive of all phases) has achieved Full Planning Permission. The application will receive points in the ‘Non-Speculative’ column reflective of a low significance criterion, if the complete development (inclusive of all phases) has achieved Outline Planning Permission.

***Add new paragraphs 1.56 to 1.59 to Schedule 22 as follows***

**Capacity Ramping for LDNOs**

* 1. For an LDNO the Required Capacity (expressed in kVA) is the Maximum Capacity to be provided at the boundary between the LDNO’s embedded network and the Distribution System. This value will be agreed with us and stated in the Bilateral Connection Agreement for the relevant LDNO’s embedded network.
  2. When a connection is provided to an LDNO the take-up of capacity may increase over a period of time as the LDNO’s embedded network develops and individual customers are connected. In such circumstances the Bilateral Connection Agreement shall include a phased Required Capacity based on the Development Phase.
  3. During the Development Phase a review may be undertaken annually on the anniversary of the date of Energisation of the embedded network. Any unused capacity identified in such a review will be released for use by other Customers and the Maximum Capacity reduced to an agreed level within the Bilateral Connection Agreement.
  4. The Required Capacity agreed with us as being required at the end of the Development Phase shall be used to determine the Required Capacity for determination of the Cost Apportionment Factors where applicable.
  5. Should additional capacity subsequently be required, the LDNO will be charged additional Connection Charges for any Reinforcement based on the increase in capacity.

**Phased Capacity Site**

* 1. A phased Required Capacity can be agreed, if a Customer has a requirement for capacity to increase over a period of time and has, or will have, a Bilateral Connection Agreement in place for the connection.

1.57 The DNO will use the phased Required Capacity to assess the needs of the Distribution System and what, if any, reinforcement is required. Any reinforcement will be charged in accordance with the Charging Methodology for a Demand Connection or Generation Connection, as appropriate.

1.58 The DNO will use the phased Required Capacity, updated in the Bilateral Connection Agreement as applicable, as the Maximum Capacity for the purposes of calculating the Customer’s Use of System Charges.

1.59 During the Development Phase a review may be undertaken annually on or around the anniversary of the date of Energisation of the connection. The results of that review will be discussed and the Customer will agree any changes to the phasing as a result of that review, unless it is not reasonable in all of the circumstances for the Customer to not so agree.

\*It is noted that some of the numbering above already exists and therefore all numbering within schedule 22 will need to be reviewed. This review will take place at the Change Report stage when all four SCR CPs are taken into consideration together and an appropriate numbering system will be provided. For the purposes of this review, we are seeking feedback on the wording only not the numbering.