

DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 411:</h1> <h2>Charging De-energised sites</h2> <p>Date Raised: 14 September 2022</p> <p>Proposer Name: Peter Waymont</p> <p>Company Name: Eastern Power Networks</p> <p>Party Category: DNO</p>	<div style="background-color: #00a651; color: white; padding: 5px; text-align: center;">01 – Change Proposal</div>	
	<div style="border: 1px solid #ccc; padding: 5px; text-align: center;">02 – Consultation</div>	
	<div style="border: 1px solid #ccc; padding: 5px; text-align: center;">03 – Change Report</div>	
	<div style="border: 1px solid #ccc; padding: 5px; text-align: center;">04 – Change Declaration</div>	
<p>Purpose of Change Proposal:</p> <p>To remove the different treatment of DUoS with respect to de-energised sites</p>		
	<p>Governance:</p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> Treated as a Part 1 Matter Treated as a Standard Change Progressed to the Working Group phase <p>The Panel will consider the proposer’s recommendation and determine the appropriate route.</p>	
	<p>Impacted Parties:</p> <p>Suppliers/DNOs/IDNOs/CVA Registrants</p>	
	<p>Impacted Clauses:</p> <p>Schedule 16, Clause 139</p>	

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Indicative Timeline			
The Secretariat recommends the following timetable:			
Initial Assessment Report		21 September 2-	22
Consultation Issued to Industry Participants		October 2022	
Change Report Approved by Panel		21 December 2022	
Change Report issued for Voting		23 December 2022	
Party Voting Closes		18 January 2023	
Change Declaration Issued to Parties		19 January 2023	
Change Declaration Issued to Authority		19 January 2023	
[Authority Decision]		TBC	

1 Summary

What?

- 1.1 Distributors have an obligation to maintain a connection. Associated to this is the maintenance of the capacity of the connection. DUoS is charged to recover the costs of maintaining the connection and the capacity but it is not charged for de-energised sites on site-specific billing or aggregated billing. The D0030 flow which contains aggregated billing data excludes de-energised MPANs in the counts.

Why?

- 1.2 De-energised sites, with site-specific billing, are able to retain capacity on the network without being charged for it under the current methodologies. The National Terms of Connection, at Section 3, do not allow DNOs to remove capacity except with the agreement of the customer. So other customers who are energised are faced with enduring capacity charges whereas any de-energised customers can continue to “reserve” the capacity at no charge. This leads to inefficient cost signals being given.
- 1.3 For aggregated billing, to ensure consistency across all customers, MHHS will cause the D0030 & D0315 flows to be replaced and so there is an opportunity to ensure that de-energised sites are included in that new interface, e.g. as a separate MSID count (one count for energised MSIDs and one count for de-energised MSIDs), such that they can also be billed DUoS.

How?

- 1.4 By removing the carve-out for de-energised site-specific billed sites in the methodologies such that these are billed from a point in time.
- 1.5 By adding a de-energised MSID count into the replacement for the D0030/D0314 (currently known as MHHS REP-002) via the MHHS programme to avoid rework afterwards. This latter would mean any de-energised MPANs that have migrated to MHHS should be charged DUoS. This is outside of DCUSA scope to achieve but should proceed in parallel via MHHS (having the count in the interface has other advantages for control and reconciliation even if this DCP to use that data for charging is not approved).
- 1.6 We are of the view that de-energised customers should be charged fixed and capacity charges in full, as their connection to the network is withholding their contracted capacity from being used by other customers. It is important that the fixed charge is applied to ensure that Customers with separate capacity charges (HH) are not charged differently to those without (NHH). The unit charge(s) which would clearly not apply to a de-energised customer, recover the costs to the network which relate to the ongoing use of the assets, and so we believe this approach maintains cost reflectivity.
- 1.7 Note that we recognise that there is a period after a connection is completed and before an MPAN is traded where a “de-energised” site is not charged DUoS. This DCP does not intend to change that and is only intended to apply to “Traded” MPANs.

2 Governance

Justification for Part 1 and Part 2 Matter

Requested Next Steps

- 2.1 This Change Proposal should:
- Be treated as a Part 1 Matter;
 - Be treated as a Standard Change; and
 - Proceed to the Working Group phase.
- 2.2 Methodology changes are Part 1 matters.

3 Why Change?

- 3.1 To remove the differentiation between energised and de-energised sites, to ensure that customers “holding-on” to network capacity bear the appropriate costs for doing so. To ensure all customers with “traded” MPANs pay for their ongoing connection to the network.

4 Solution and Legal Text

Legal Text

- 4.1 Revise Clause 139 from Schedule 16 (I believe Schedules 17 and 18 cross reference Schedule 16 for the application of the tariffs but if not anything similar should also be revised in those).

“139. There will be no charges applied to MPANs which have yet to be Traded in MPAS Registration System”.

Text Commentary

- 4.2 Revision of Clause 139 removes the differentiation between energised and de-energised sites. Aggregated billing does not appear to specify that de-energised sites are not charged but it references the Supercustomer methodology which is underpinned by the process and contents of the D0030/D0314.

Reference Documents

- 4.3 none.

5 Relevant Objectives

	DCUSA Charging Objectives <i>(please tick the relevant boxes. [See Guidance Note 10])</i>	Identified impact
<input checked="" type="checkbox"/>	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	Positive
<input type="checkbox"/>	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)	None
<input checked="" type="checkbox"/>	3. That compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business	Positive
<input type="checkbox"/>	4. That, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business	None
<input type="checkbox"/>	5. That compliance by each DNO Party with the Charging Methodologies facilitates compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and	None
<input type="checkbox"/>	6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	None

- 5.1 Objective 1 is better facilitated as the License requires Distributors to work towards efficient and economic operations by ensuring that charges are applied to all Customers connected to the Networks. Objective 3 is better facilitated as the different treatment of costs of the network, between energised customers who pay DUoS and de-energised customers who don't pay DUoS is removed.

6 Impacts & Other Considerations

- 6.1 none.

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?.

- 6.2 This change could be impacted by the expected DUoS SCR, but at the current time this SCR has yet to commence. Currently the work on MHHS is progressing at pace and so now would seem to be an opportune moment when the data and dataflows are changing to consider this change.

Does this Change Proposal Impact Other Codes?

BSC.....	<input checked="" type="checkbox"/>	MRA.....	<input type="checkbox"/>
CUSC.....	<input type="checkbox"/>	SEC.....	<input type="checkbox"/>
Grid Code.....	<input type="checkbox"/>	REC.....	<input type="checkbox"/>
Distribution Code..	<input type="checkbox"/>	None.....	<input type="checkbox"/>

Consideration of Wider Industry Impacts

6.3 MHHS programme interface definition and processes for compiling DUoS billing flows.

Confidentiality

6.4 no

7 Implementation

Proposed Implementation Date

7.1 1 April 2025 for site-specific customers and after their MHHS migration for aggregated customers.

8 Recommendations

The Code Administrator will provide a summary of any recommendations/determinations provided by the Panel in considering the initial Change Proposal. This will form part of a Final Change Report.