

DCUSA DCP 392 Change Declaration

Voting end date: 14 October 2022

DCP 392	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER
CHANGE SOLUTION	Reject	Reject	n/a	n/a	n/a
IMPLEMENTATION DATE	Reject	Reject	n/a	n/a	n/a
RECOMMENDATION	<p>Change Solution – Reject.</p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to reject the change solution was more than 50% in all Categories.</p> <p>Implementation Date – Reject.</p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to reject the implementation date was more than 50% in all Categories.</p>				
PART ONE / PART TWO	Part One – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				
Eastern Power Networks	Reject	Reject	<p>We do not believe that any of the DCUSA objectives are better facilitated by this change. In the decision for Access and Charging SCR Ofgem stated that transmission charges triggered by distribution-connecting customers would continue to be passed on in full to distribution-connecting customers, and that this issue would be considered within a future SCR to reform DUoS/TNUoS. It would seem more appropriate that the aspects in this change proposal should be considered together with this, rather than to act piecemeal and progress this change proposal now, ahead of a wider industry view on charging arrangements.</p> <p>We do not believe that there should be cost apportionment of this charge. It could be seen as a distortion if this change proposal is approved and there is no similar apportionment or socialisation of transmission charges when triggered by distributing-connecting customers.</p> <p>Currently, the transmission operator approaches the distribution operator to request whether a transmission-connecting customer triggers work on the distribution network. Where work is triggered, a contract will exist between transmission and distribution operating companies. There is no contractual relationship established between transmission-connecting party and DNO. With no contract in place, a distributor approaching a 2nd-comer transmission-connecting party to pay a 2nd-comer charge to the DNO will not be able to request this payment with any legal legitimacy. Section 6 describes a proposal that isn't workable:</p> <ul style="list-style-type: none"> 6.3 prescribes that the DNO will gain transmission-connecting party's name and contact details – the transmission operator would need to breach confidentiality to pass this on to DNO 6.4 describes the DNO requesting payment from the transmission-connecting party – DNOs have no power or authority outside of a contract to chase for 	None provided.
London Power Networks	Reject	Reject		
South Eastern Power Networks	Reject	Reject		

			<p>payment in this respect</p> <p>The timing of this change proposal will likely have meant that all DNOs will not have factored any of these costs into ED2 business plans; indeed, the change proposal wasn't raised until after the draft plans were submitted and the consultation was not until well after final business plans were submitted. If this change proposal was to be approved this will likely need Ofgem to allow re-openers in specific cases.</p>	
Southern Electric Power Distribution plc	Reject	Reject	<p>We do not believe that this proposal better facilitates any of the DCUSA objectives.</p>	None provided.
Scottish Hydro Electric Power Distribution plc	Reject	Reject		
Northern Powergrid (Northeast) Plc	Reject	Reject	<p>We do not believe that any of the DCUSA Objectives are better facilitated by this change.</p> <p>1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks. We believe this have a negative impact as this change is about providing DUoS funding to offset the cost of a transmission connection with no clear mechanism for cost recovery though DUoS. It also has no impact on the development, maintenance and operation of an efficient, co-ordinated, and economical Distribution Networks.</p> <p>2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity. No, as this refers to the distribution of electricity and not a transmission connection. This change is also taken in isolation of wider reforms in the cost for connecting to the distribution or transmission system and the ongoing charges for those connections (TNUoS, DUoS etc.). It also has the potential to exacerbate other distortions which make it preferable to connect generation to the transmission network rather than levelling the playing field between transmission and distribution connected generators.</p> <p>3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences. No, the distribution licence does not include obligations relating to connections to the transmission system.</p>	None provided.
Northern Powergrid (Yorkshire) Plc	Reject	Reject		

			4 The promotion of efficiency in the implementation and administration of the DCUSA. No, because transmission connections are not covered by either the DCUSA or the ECCR.	
SP Distribution plc	Reject	Reject	We agree with the working group assessment included in the Change Report that this CP will have a negative impact on the DCUSA General Objectives and that none are better facilitated.	<p>There are several dependencies that have not been clearly addressed, namely:</p> <ul style="list-style-type: none"> • The proposed change has not clarified how costs borne by the DNO are recovered from DUoS customers and request Ofgem's direction. • No information has been provided on the potential impact (i.e. materiality of costs). This should be assessed prior to acceptance. • Possible Licence changes and CUSC modifications have been referred to but not specifically identified. Any necessary changes would need to be aligned and the implementation date updated to accommodate required changes. • Similarly, any impact on the ECCR, which would require legislative change, also needs to be considered and aligned with implementation. A current change is being progressed to accommodate the Access SCR project and any change would need to be included within this review to be completed by the proposed date.
SP Manweb plc	Reject	Reject		
National Grid Electricity Distribution East Midlands	Reject	Reject	National Grid Electricity Distribution do not believe this better facilitates any of the DCUSA Objectives listed below.	None provided.
National Grid Electricity Distribution West Midlands	Reject	Reject		
National Grid Electricity	Reject	Reject		

Distribution South West				
National Grid Electricity Distribution South Wales	Reject	Reject		
Electricity North West Limited	Reject	Reject	None. We agree with the majority view of the working group that this DCP would have a negative impact on the DCUSA General Objectives.	We believe that the intent of DCP 392 falls outside of the scope of DCUSA and the CCCM and it seems wrong that as it is for a transmission connection, distributors are voting to introduce new processes when CUSC would seem a more appropriate place.

IDNO PARTIES				
The Electricity Network Company Limited	Reject	Reject	<p>We do not believe that any of the DCUSA objectives are better facilitated by this change proposal.</p> <p>We believe that this proposal has a negative impact on the second and fourth DCUSA General objectives.</p> <p>We believe that this change proposal negatively impacts the second objective because this change, taken in isolation of wider reforms in the cost for connecting to the distribution or transmission system and the ongoing charges for those connections (TNUoS, DUoS etc.) may have a negative impact on the competition in generation and supply of electricity. The idea that distribution connected generators pay a lower distribution connection charge than transmission connected generators would do for work on the distribution system does not, in itself mean that change is required to facilitate effective competition. Our view is that this change has the potential to exacerbate other distortions which make it preferable to connect generation to the transmission network rather than levelling the playing field between transmission and distribution connected generators.</p> <p>This change proposal is also likely to negatively impact the fourth general objective as the duplication of connection charging rules in two different places (i.e. two schedules) is likely to negatively impact the administration of the DCUSA.</p>	<p>We have made comments previously that we do not think that DCUSA is the right place in which to codify the rules for transmission connectees' contribution to distribution system works.</p> <p>Although the DCUSA legal advisor has confirmed that the DCUSA is capable of holding these rules we still believe that the CUSC is a more appropriate place for this relationship to be governed.</p> <p>We are concerned that this change proposal does not consider the wider implications of the work which has been and is being undertaken in and around this area. Without understanding the fuller picture of the interplay between transmission connections and distribution connections and understanding the best solution for the total system we believe that this change proposal, in isolation, may cause distortions and have unintended consequences on the total system.</p>
ESP Electricity	Reject	Reject	We do not believe any of the DCUSA General Objectives are	We do not think this change proposal has made

			better facilitated by this change proposal.	<p>any case for change.</p> <p>Firstly, we do not believe the scope of work targeted by this change lies within the remit of DCUSA. Transmission connected customers are not party to DCUSA which is codified through the Distribution Licence.</p> <p>Secondly, no rationale has been provided for why Distribution customers should pay the resultant costs and whether any of the benefit of this reinforcement is ultimately of benefit to customers. In an environment of rising costs, this does not seem like a pragmatic approach of cost socialisation as it is at odds with wider government intention to curb customer costs.</p> <p>Thirdly, supplementing our rejection of the proposed solution, we do not believe IDNOs should be explicitly mandated to carry these obligations. These can be limited to the Common Connection Charging Methodology which IDNOs can then assess and implement within their own businesses. This is particularly notable as IDNOs operate smaller networks as the 'last mile' of the distribution network system and are unlikely to see these impacts on their networks materialising.</p>
SUPPLIER PARTIES				
Not Eligible				
CVA REGISTRANT PARTIES				
Not Eligible				
GAS SUPPLIER PARTIES				
Not Eligible				