













| DCUSA Change Proposal (DCP) | | At what stage is this document in the process? |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <h1 data-bbox="164 405 624 488">DCP 424:</h1> <h2 data-bbox="164 533 995 667">Use of System charging for complex sites</h2> <p data-bbox="164 689 517 723">Date Raised: 10 May 2023</p> <p data-bbox="164 741 1007 775">Proposer Name: Mary Gillie (as proposer’s representative)</p> <p data-bbox="164 792 624 826">Company Name: Green Energy</p> <p data-bbox="164 844 536 878">Party Category: Supplier</p> | | <div data-bbox="1161 387 1326 450">01 – Change Proposal</div> <div data-bbox="1161 495 1390 521">02 – Consultation</div> <div data-bbox="1161 584 1422 611">03 – Change Report</div> <div data-bbox="1161 663 1326 725">04 – Change Declaration</div> |
| <p data-bbox="164 920 612 954">Purpose of Change Proposal:</p> <p data-bbox="164 981 1417 1245">This change proposal enables the correct DUoS to be paid by meters that are class F or G within a Class 5 or Class 6 Complex Site as described in BSC Modification P441 (where netting of Import and Export takes place for BSC Settlement purposes) in a practical manner. Under p441 where generation and demand are netted before settlement, the gross values must be added to the D0036 or D0275 to ensure the correct DUoS is charged. However, for class F and G the MPAN counts are included on the D0030 data flows but the volumes are zero. In order for the volumes to be correctly charged DUoS it is proposed that these volumes are included in the D0036 or D0275 using a pseudo MPAN for the gross value. </p> | | |
|  | <p data-bbox="268 1283 464 1317">Governance:</p> <p data-bbox="268 1339 1193 1373">The Proposer recommends that this Change Proposal should be:</p> <ul data-bbox="292 1395 927 1541" style="list-style-type: none"> • Treated as a Part 1 Matter • Treated as a Standard Change • Progressed to the Working Group phase <p data-bbox="268 1559 1326 1626">The Panel will consider the proposer’s recommendation and determine the appropriate route.</p> | |
|  | <p data-bbox="268 1664 536 1697">Impacted Parties:</p> <p data-bbox="268 1720 603 1753">Suppliers/DNOs/IDNOs</p> | |
|  | <p data-bbox="268 1794 552 1827">Impacted Clauses:</p> <p data-bbox="268 1850 676 1883">Section 1A and Schedule 16 Part 2</p> | |

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| | | Insert name |
| | |  email address. |
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Indicative Timeline

The Secretariat recommends the following timetable:

| | |
|----------------------------------------------|-------------------|
| Initial Assessment Report | 17 May 2023 |
| Consultation Issued to Industry Participants | July 2023 |
| Change Report Approved by Panel | 20 September 2023 |
| Change Report issued for Voting | 22 September 2023 |
| Party Voting Closes | 13 October 2023 |
| Change Declaration Issued to Parties | 17 October 2023 |
| Change Declaration Issued to Authority | 17 October 2023 |
| Authority Decision | TBC |

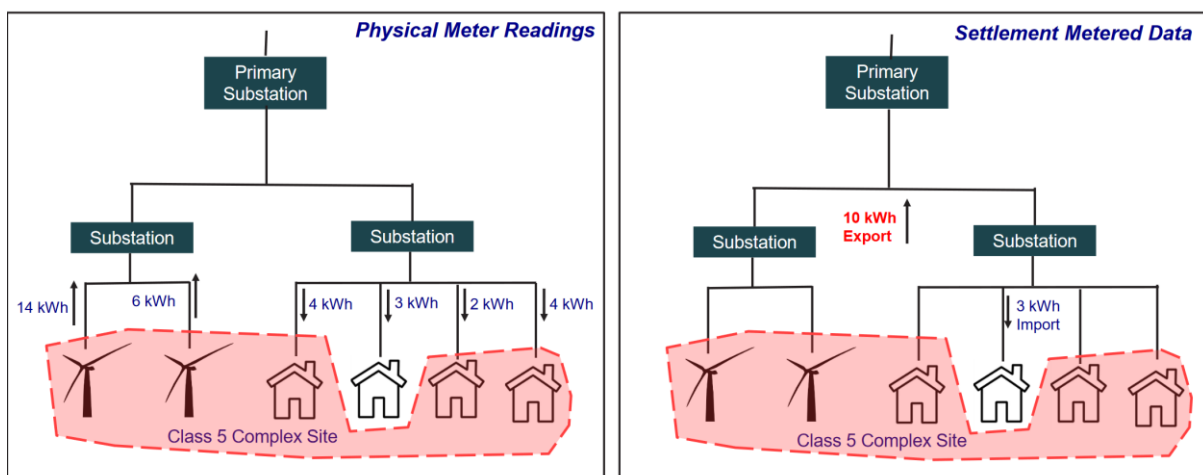
1 Summary

What?

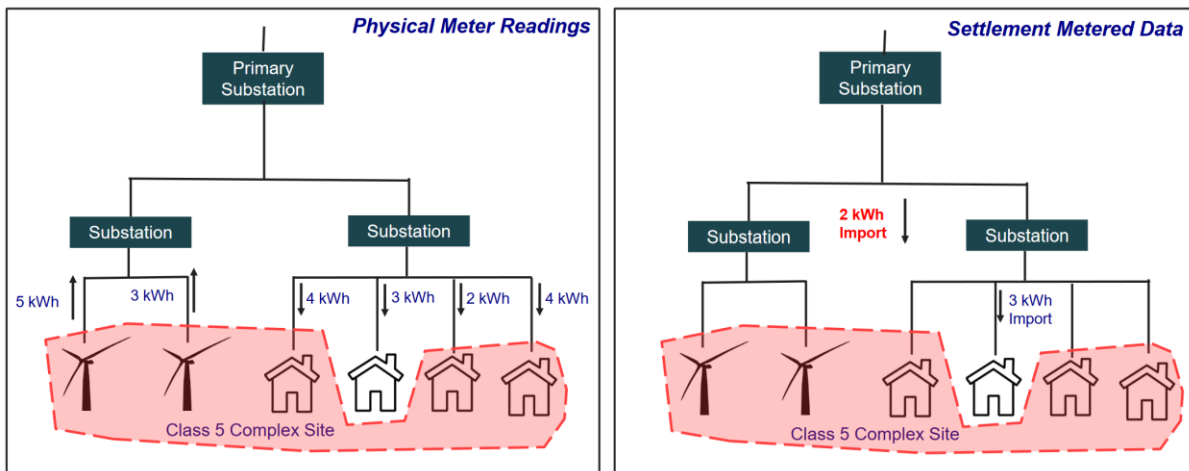
1.1 For certain types of Complex Site, Half Hourly Data Collectors (HHDCs) may (for BSC Settlement purposes) net off Import and Export values, provided that they represent exempt supply by a generator to a customer within a local area. For these types of Complex Site, the half hourly metered data submitted to BSC Settlement is netted, and therefore not appropriate for calculation of DUoS charges. This creates an issue for MPANs in Measurement Classes F and G, as the CDCM currently requires billing for such MPANs to be based on BSC Settlement data received on the D0030 data flow. The required change to the CDCM is therefore to allow charges for Measurement Class F and G customers within such Complex Sites to be calculated using gross metered data provided by the HHDC, rather than net Settlement data on the D0030 data flow.

Why?

1.2 BSC Modification Proposal P441 is establishing clearer criteria for where complex sites can be used, including criteria for Class 5 and Class 6 Complex Sites, in which half hourly metered data submitted to Settlement may 'net off' Import and Export, provided that it represents licence exempt supply by a generator to a customer beneath the same primary substation in which the electricity was generated. The diagram below illustrates an example, in which there is 20 kWh of Export, 10 kWh of which is supplied to customers within the Complex Site (as a licence exempt supply), and 10 kWh sold to a licensed supplier (to be supplied to customers outside the Complex Site). P441 will formalise existing arrangements in which only the 10 kWh of net Export from the Complex Site need enter Settlement (but the full 20 kWh of Export and 10 kWh of Import must still be subject to DUoS charges):



1.3 Conversely, the diagram below illustrates a scenario in which there is a net Import to the Class 5 Complex Site. The customers within the Class 5 Complex Site use 10 kWh, of which 8 kWh is a licence exempt supply from generators within the Complex Site, and 2 kWh is licensed supply from outside the Complex Site. P441 will formalise existing arrangements in which only the 2 kWh of net Import to the Complex Site need enter Settlement (but the full 8 kWh of Export and 10 kWh of Import must still be subject to DUoS charges):



1.4 The solution proposed by the P441 Workgroup for settling this type of Complex Site can be summarised as follows:

- For BSC Settlement purposes, the HHDC may net Import and Export, but only to the extent that the netted values represent a licence exempt supply of electricity generated within the Complex Site to customer(s) within the Complex Site;
- The resultant net Import and/or Export values will be submitted to Settlement on an aggregated basis. In the example above, a single Import MPAN and a single Export MPAN might be used to submit the net values to Settlement. The proposed solution allows these to be pseudo MPANs (representing the Complex Site as a whole), but does not require it (e.g. the Supplier could alternatively choose that the HHDC should use one of the generators' Import and Export MPANs to submit the net data for Settlement);
- Although data is being submitted to Settlement on a single pair of MPANs, each Import and Export customer will retain their own MPAN(s). The half hourly metered data reported to Settlement for these MPANs will be zero for as long as they remain within the Complex Site (as their Import and Export is being reported on the aggregated MPAN instead). Requiring each customer to retain their individual MPAN(s) will facilitate their exit from the Complex Site (when/if they choose to do that), ensure that the registration system retains an accurate record of all Entry and Exit Points, and allow accurate reporting of MPAN counts.

1.5 The P441 Workgroup proposes that this approach of having the HHDC aggregate different customers' metered data and report the aggregated values on a D0036 (or D0275) data flow can also work for DUoS charging purposes, provided that:

- The HHDC system must be capable of reporting different half hourly metered values to BSC Settlement and to the DNO (as the aggregated data reported to the DNO must be gross Import and Export, whereas the aggregated data reported to BSC Settlement can net Import and Export under certain circumstances);
- In order to ensure that DUoS charges are levied in accordance with the Methodology, the data reported to the DNO may also need to be at a different level of aggregation. For example, suppose the Complex Site contained customers on a number of different DUoS tariffs. For BSC purposes their net Import and Export could be reported on a single pair of MPANs, but for DUoS purposes a separate (primary or pseudo) MPAN would be required for each DUoS tariff.

- An appropriate mechanism can be found for customers in Measurement Classes 'F' and 'G'. Currently, paragraph 128 of the CDCM requires DUoS charges for these customers to be calculated from the D0030 data flow received from Settlement (not a D0036 or D0275 data flow received from the HHDC).
- 1.6 In the absence of a DCUSA change, paragraph 128 of the CDCM would require DNOs to calculate DUoS charges using MPAN counts and consumption values from the D0030 data flow. Whilst the MPAN counts would continue to be included, the consumption values would either be zero, or (if the MPANs used to submit data to Settlement were themselves registered to Measurement Class F or G) would be net values.
 - 1.7 The P441 Workgroup meeting on 21 March 2023 discussed a number of potential solutions for DUoS charging of Measurement Class 'F' and 'G' MPANs in this type of Complex Site. Three of these (referred to as Options 1 to 3 in the P441 Workgroup material) would have reallocated consumption for these customers to a site-specific Measurement Class (such as 'C' or 'E'), leading to these MPANs being charged (wholly or partially) on site-specific tariffs. It would be hard to argue that these approaches are consistent with the CDCM.
 - 1.8 The other solution considered by the P441 Workgroup (Option 4) was for these MPANs to remain in their true Measurement Class ('F' or 'G'), but with the DNO charging using aggregated unit data provided on the D0036 (or D0275) for volumetric charges, rather than the D0030. The P441 Workgroup believes that this approach is the only one that allows correct DUoS charging of Measurement Class 'F' and 'G' customers within Class 5 and Class 6 Complex Sites, and this Change Proposal therefore proposes to make the minor change to the CDCM that is required in order to support it.

How?

- 1.9 As explained above, the P441 Workgroup proposes that gross Import and Export should be reported by the HHDC to the DNO on a D0036 (or D0275) data flow, aggregated up to DUoS tariff level. To facilitate this a separate pseudo MPAN would be registered for each aggregated DUoS tariff used within the Complex Site. The P441 Workgroup does not believe that this requires DCUSA changes for site-specific DUoS tariffs, but it does require a change for aggregated tariffs (where currently paragraph 128 of the CDCM requires that the D0030 data flow is used for billing).
- 1.10 To be clear, data used for charging aggregated tariffs to Measurement Class 'F' and 'G' customers in Class 5 Complex Sites (and Class 6 where appropriate) will be as follows:
 - The fixed (p/MPAN/day) charge will be calculated from the MPAN counts in the D0030 data flow. These counts will still include all the Measurement Class F and G customers and generators within the Complex Site, as they retain their own MPANs (albeit with zero volumes reported against them in the D0030).
 - The unit charges will be calculated from the aggregated volumes reported in the D0036 (or D0275). A separate aggregated value will be reported for each DUoS tariff. In order to calculate these unit charges, the DNOs may need to set up the aggregated tariffs in their site-specific billing systems (with zero capacity charges, and flagged to not incur a fixed charge), for use only by aggregated Half Hourly customers in Class 5 and Class 6 Complex Sites.

- 1.11 Our working assumption is that the pseudo MPANs (created for the purpose of reporting to the DNO aggregated consumption data for Measurement Class 'F' and 'G' customers in Class 5 and Class 6 Complex Sites) should be registered to the same Measurement Class 'F' or 'G' as the customers whose data they are being used to report.

2 Governance

Justification for Part 1 and Part 2 Matter

- 2.1 The Proposer considers that this Change Proposal should be considered a Part 1 Matter as it satisfies one or more of the following criteria:
- a) it is likely to have a significant impact on the interests of electricity consumers;
 - b) it is likely to have a significant impact on competition in one or more of:
 - i. the generation of electricity;
 - ii. the distribution of electricity;
 - iii. the supply of electricity; and
 - iv. any commercial activities connected with the generation, distribution or supply of electricity.

Requested Next Steps

- 2.2 This Change Proposal should:
- Be treated as a Part 1 Matter;
 - Be treated as a Standard Change; and
 - Proceed to the Working Group phase..
- 2.3 This Change Proposal is linked to BSC Modification Proposal P441, which seeks to formalise the arrangements for Complex Sites. P441 has been discussed by the Cross Code Steering Group, and requires changes to the Retail Energy Code (REC) as well as the BSC and DCUSA. We therefore propose that the BSC, DCUSA and REC solutions are progressed in parallel, so that they can be consulted on at the same time, and submitted to Ofgem for decision at the same time.

3 Why Change?

- 3.1 P441 will remove ambiguity around the current Complex Site arrangements and aid in more efficiently facilitating the advancement of community energy schemes. However to do this, it is important that it is clear how DUoS is charged.

- 3.2 This will better enable BSC Parties to innovate new solutions which then supports consumers through enabling better use with local energy schemes, provisioning for licence exempt supply arrangements to work with existing traditional licensed supply agreements in partnership. There are also environmental benefits as this will better enable consumer choice to take up low carbon, flexible energy solutions provisioned through local energy schemes supporting initiatives such as the joint Ofgem BEIS Smart Systems Flexibility Plan and future flexibility service provisions.
- 3.3 As well as market benefits that will help us reach net zero and give customers more choice there are a number of benefits that are particularly useful to running networks efficiently particular via local energy schemes. This change in the means to charge DUoS will help facilitate this. For example
- Encourages shift from peak load and reduces risk of imbalance;
 - Helps reduce network constraints via local balancing to use the network more efficiently, reducing costs;
 - Reduce costs of energy;
 - Innovative means of Demand Side Response (DSR) without the need for Balancing Mechanism (BM) or flexibility contracts.
- 3.4 This change proposal gives a clear and precise means for DUoS to be charged at the correct values with minimum change to existing processes.
- 3.5 DNOs will need to adapt their system to charge the right tariff on meters in the D0036/D0275 this could be akin to a setting up site specific rate. HHDCs participating would need to be able to add gross meter readings to the D0036/D0275. The supplier will receive more of the DUoS charge from D0036/D0275 readings rather than the supercustomer D0030 data flow.

4 Solution and Legal Text

Legal Text

- 4.1 Update the following:
- Schedule 16, Part 2 should be updated to include the following:
Users in Measurement Class F and G that are included within a Class 5 Complex Site or Class 6 Complex Site where netting of Imports and Exports occurs across the network will be charged on an aggregated basis, using aggregated data provided on the D0275 or D0036 industry data flows in accordance with BSC Procedure BSCP 502 established under the BSC (and any replacement or substitute BSC Procedure from time to time).
- 4.2 Proposed legal text (for Schedule 16) is included in Attachment 1. Relevant definitions (Class 5 Complex Site, Class 6 Complex Site) will also need to be added to Section 1A.

Text Commentary.

- 4.3 In order for MC F and G customers within a Class 5 or Class 6 Complex Site to be billed correctly for their volumes it is proposed that pseudo MPANs are used to aggregate their volumes and these volumes are then submitted on a D0036 data flow. At present only site specific tariffs are available for volumes on a D0036 flow. It is proposed that the legal text is amended to allow volumes for Measurement Class F and G MPANs within a Class 5 or Class 6 Complex Site to be included in a D0036 flow and billed on the existing LV Domestic Aggregated and LV Non-Domestic Aggregated tariffs.

5 Code Specific Matters

Reference Documents

- 5.1 Documentation for BSC Modification Proposal P441 can be found on the [Elexon website](#).

6 Relevant Objectives

| | DCUSA Charging Objectives | Identified impact |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <input 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 | None |
| <input checked="" 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) | Positive |
| <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 checked="" 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 | Positive |
| <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 |

- 6.1 Charging Objective one: no impact.

- 6.2 Charging Objective two: better met, as the change will ensure that charges for customers within a complex site are not distorted by the application of inappropriate use of system charges in respect of some or all customers within the complex site arrangement.
- 6.3 Charging Objective three: better met, as the change will ensure that the charges faced by suppliers supplying customers on a complex site are broadly equivalent to the charges faced by suppliers supplying the customer without complex site arrangements in place.
- 6.4 Charging Objective four: better met, as the introduction of complex site class 5 will result in an increase in these kinds of arrangements for DNOs. Without the change and the regulatory clarity it seeks to create, there is a risk of a divergence in application of the common charging methodologies across DNO licensees.
- 6.5 Charging Objective five: no impact.
- 6.6 Charging objective six: no impact.
- 6.7 As detailed above the market and the distribution network must evolve to facilitate and support renewable generation to become zero carbon. One mechanism that supports this are local energy markets and these are facilitated by complex sites. Local energy markets will help distribution networks that they run more efficiently (for example by encouraging local balancing) (objective 1, general) whilst facilitating competition (objectives 2, general and charging). The proposed change ensures the correct charges are made in a fair and transparent manner (objective 3 charging) to charging process is proportionate and will enable DNOs to carry out the implementation of DCUSA in an efficient manner (objective 1 and 6 charging).

7 Impacts & Other Considerations

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

- 7.1 We do not believe that this CP (or the related BSC and REC changes) have any impact on SCRs or other significant industry change projects.
- 7.2 The P441 Workgroup did discuss whether P441 (and related BSC and REC changes) has an impact on the Market-Wide Half Hourly Settlement (MHHS) Programme, and concluded that there is no direct impact, as P441 is just formalising Complex Site arrangements that are already in use. There is an issue with the MHHS design not fully capturing current Complex Site requirements (which has been captured as Work Off Item D-008), but that issue is independent of P441.
- 7.3 We also believe that this CP does not impact the DUoS Charges SCR, as it is a technical change to the data flows used for charging (and does not have any impact on what DUoS charges are payable).

Does this Change Proposal Impact Other Codes?

BSC..... MRA.....
CUSC..... SEC.....
Grid Code..... REC.....
Distribution Code.. None.....

Consideration of Wider Industry Impacts

7.4 This issue has been discussed within the BSC modification P441 working group and this is where the need for a change to DCUSA was identified to facilitate the modification to the BSC proposed. This issue has also been discussed by the Distribution Charging Methodologies Development Group.

Confidentiality

7.1 This change is non-confidential.

8 Implementation

Proposed Implementation Date

8.1 Align to P441 implementation date.

9 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.