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| **DCUSA Consultation** | | At what stage is this document in the process? |
| **DCP 424:**  **Use of System charging for complex sites**  **Date Raised:** 10 May 2023  **Proposer Name:** Mary Gillie (as proposer’s representative)  **Company Name:** Green Energy  **Party Category:** Supplier | | |  | | --- | | **01 – Change Proposal** | | **02 – Consultation** | | **03 – Change Report** | | **04 – Change Declaration** | |
| **Purpose of Change Proposal:**  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. | | |
| Description: Description: YES_GREEN | This document is a Consultation issued to DCUSA Parties and any other interested Parties in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 424  Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 1 to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) by **xxxx**.  The Working Group will consider the consultation responses and determine the appropriate next steps for the progression of the Change Proposal (CP) to the Change Report phase. | |
| Description: Description: YES_GREEN | **Governance:**  The Proposer recommends that this Change Proposal should be:   * Treated as a Part 1 Matter * Treated as a Standard Change * Progressed to the Working Group phase   The Panel will consider the proposer’s recommendation and determine the appropriate route. | |
| Description: Description: High_Impact | **Impacted Parties:**  Suppliers/DNOs/IDNOs | |
| Description: Description: High_Impact | **Impacted Clauses:**  Section 1A and Schedule 16 Part 2 | |

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1. Summary

**What?**

## 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. BSC Modification Proposal P441 [[1]](#footnote-2)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). The impact on DUoS charges for this example is illustrated in the example attached in Appendix X.
  2. The above relates to Settlements data and not data for reporting to the Distributor. The D0036 flow sent to the Distributor will contain gross data.

Diagram, schematic

Description automatically generated

* 1. 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):

Diagram, schematic

Description automatically generated

## 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.

## 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.
* For sites currently billed on a site specific basis the volumes will continue to be received on the D0036 (assuming the first bullet point above is met), so their charges and the mechanism currently used by Distributors to calculate those charges will not change, so no DUoS solution is required.
* 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).

## In the absence of a DCUSA change, paragraph 128 of the Schedule 16 of the DCUSA 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 in the D0030 under the P441 solution, 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.

## 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 Schedule 16.

* 1. 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 Schedule 16 that is required in order to support it.

**How?**

* 1. As explained above, the P441 Workgroup proposes that for Measurement Class F and G 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).
  2. 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. 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.

1. Governance

#### Justification for Part 1 and Part 2 Matter

## The Proposer considers that this Change Proposal should be considered a Part 1 Matter as it satisfies one or more of the following criteria:

1. it is likely to have a significant impact on the interests of electricity consumers;
2. it is likely to have a significant impact on competition in one or more of:
   1. the generation of electricity;
   2. the distribution of electricity;
   3. the supply of electricity; and
   4. any commercial activities connected with the generation, distribution or supply of electricity.

#### Requested Next Steps

## This Change Proposal should:

* Be treated as a Part 1 Matter;
* Be treated as a Standard Change; and
* Proceed to the Working Group phase.

## 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.

1. Why Change?

## 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 charges are charged.

* 1. 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.
  2. 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.

## This change proposal gives a clear and precise means for DUoS charges to be charged at the correct values with minimum change to existing processes.

* 1. DNOs will need to adapt their system to charge the right tariff for Measurement Class F and G customers on meters in the D0036/D0275 this could be akin to setting up a site specific rate. HHDCs participating would need to be able to add gross meter readings to the D0036/D0275. The supplier will receive the volumetric element of the DUoS charge from D0036/D0275 readings rather than the supercustomer D0030 data flow, and will continue to receive the fixed charge element of the DUoS charge based on MPAN counts in the D0030.

Question 1: Do you understand the intent of the Change Proposal?

Question 2: Are you supportive of the principles of this Change Proposal?

1. Working Group Assessment

#### DCP 424 Working Group Assessment

## The DCUSA Panel established a Working Group to assess/develop DCP 424. This Working Group consists of representatives from DNOs, Suppliers, IDNOs, Generators and National Grid Electricity System Operator (NGESO), as well as observers from a number of consultancies and Ofgem. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – [www.dcusa.co.uk](http://www.dcusa.co.uk).

* 1. The Working Group developed this consultation document to gather information and feedback from market participants on this DCP.
  2. DCP424 is a consequential change of BSC change P441, and there is also a consequential change to the REC (R0133[[2]](#footnote-3)). There is a need for the timescales of all of these changes to align. To this end, P441 was on pause whilst this DCP and R0133 were defined.
  3. The current P441 solution is for the HHDC to aggregate and net off import and export for a group of MPANs in a Class 5 complex site. This goes into settlement on either two of the site MPANs or two pseudo MPANs.
  4. For sites currently billed on a site specific basis it is proposed that the gross data continues to be provided against the existing MPANs on a D0036, meaning the data received by the Distributor will be unchanged.
  5. For Measurement Class F and G the D0030 data flow will contain the MPAN counts but have zero volumes, and there is no easy way to ensure that gross data rather than net data for these MPANs is included on the D0030.
  6. The Proposed solution is that for Measurement Class F and G the fixed charge (p/MPAN/day) will still be calculated from the MPAN counts in the D0030, but the unit data will be aggregated for each DUoS tariff required and provided in a D0036 against a pseudo MPAN which will be used for billing.
  7. Schedule 16 of the DCUSA is split between aggregated data received on the D0030 and half hourly data received on the D0036. The draft legal text reflects this solution to allow aggregated class F and G data to be sent on the D0036 and charges to be calculated using the aggregated tariffs.
  8. The Working Group would like party views on the below question.

Question 3 - Do you agree with the solution for Measurement Class F and G customers in a Class 5 Complex Site, to receive MPAN counts on the D0030 and to receive aggregated volumes on the D0036? Please provide your rationale.

**Pseudo MPANs**

* 1. In order to bill the units for these sites correctly the units will need to be submitted to the Distributor using a pseudo MPAN, one for each tariff used within the complex site. There are two types of pseudo MPAN, and the Working Group would like views on which of these is suitable for this process. These are:
* Pseudo Settlements MPAN – this is …. An example of where these are currently used is for….
* Pseudo Billing MPAN – this is…. An example of where these are currently used is for billing of CVA sites.
  1. The Working Group considered the pros and cons of using pseudo billing and pseudo settlement MPANs for DUoS charging, as follows:

|  |  |  |
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|  | Pseudo Settlements MPAN | Pseudo Billing MPAN |
| Pros | - Pseudo settlement MPANs have automated stop billing processes i.e. disconnections, change of supplier etc triggered.  - Would only require the creation of one pseudo MPAN.- multiple pseudo MPANs are to be created for different DUoS tariff for DNO and P402 reporting purposes especially MC G banding requirements  - All parties will have visibility of the settlement MPAN via ECOES  -D0036 data will be provided to the DNO via the normal gateway processes and will be subject to normal validation process – incorrect or missing data  -Future proof for Market Wide Half Hourly migration | - Would create clear lines between what’s being used in billing and what’s being used for settlement.  - Distributors have the ability to set up as many MPANs for a site as needed. This gives the distributor the ability to bill, set up and work the MPANs as they see fit. It is also noted that Distributors usually have a list of MPANs create to be used for pseudo billing purpose.  - These are already in use, e.g. for billing CVA sites, so this would not require wider system changes. |
| Cons | -The pseudo MPAN may need to be manually setup on the distributors billing system as only half hourly MPAN with MC C, MC D and MC E are automatically transferred between MPRS and billing systems  -The identification of the pseudo half hourly MPAN may be limited to the MPAN address as standard LLFC for MC F and MC G will need to be used | - There may be a gap in Distributors being informed that a site required to stop billing, for example if a site changed supplier.  - The Distributors assign the pseudo MPANs and this MPAN will need to be manually communicated to relevant parties – such as supplier and HHDC  - D0036 flows will need provided by non standard processes and may need to be manually processed by Distributors  -The distributors can only load half hourly data per a full month instead of daily, resulting in increased manual processes  -The supplier will not be able to easily migrate these MPAN due the change to Market wide Half Hourly |

## One of the risks identified by the Working Group in regard to using pseudo billing MPANs was that there may be a gap in Distributors being informed that a site required to stop billing, for example if a site changed supplier.

## It was noted that what would happen in a scenario like this, eg in a change of supply and/or if the complex site is taken apart, that if one meter comes out, it wouldn’t make a difference from a Distributor point of view. The Distributor would require an updated supplementary information and the D0036 and D0030 would be charged as before, but the volume would change. To summarise that if one of the MPANs is affected, the Distributor would see a reduced volume. – if the complex arrangement is removed, then the HH reads would become zero and the pseudo HH MPAN will need to be disconnected? This only works if the complex sites remains but several MPANs have changed their individual status via COS, energisation or connection status such as disconnected.

* 1. It was also noted that these complex sites are very closely managed so it would be unlikely that a supplier wouldn’t know about these events happening in order to share with the distributor.
  2. It was queried what happens in the event of an erroneous transfer. It was confirmed that the BAU process would still be followed so it wasn’t a risk as that process wouldn’t be changed.
  3. The Working Group were unable to reach a consensus on whether to use pseudo billing or pseudo settlement MPANs and would therefore like to seek party views on what the risks and benefits to utilising these MPANs are and which of the two processes parties believe should be used.

Question 4: The Working Group identified two potential solutions for submitting gross demand data for class F and G sites in a Class 5 Complex Site to Distributors:

- to utilise Pseudo billing MPANs; or

to utilise Pseudo settlement MPANs.

Are there any additional benefits and risks to each of these approaches not already identified by the working group? Please provide details.

Question 5: Which of the two approaches of using Pseudo billing or pseudo settlement MPANs do you prefer? Please provide your rationale.

* 1. Working Group members checked internally the processes for requesting or setting up pseudo MPANs. Four Parties responded and noted the processes as below.
* DNOs:
  + Pseudo billing MPANs are used for difference metering and billing of CVA sites;
  + The DNO has to recognise the need for pseudo billing MPANs and raise these as necessary. Processes are in place for CVA sites which make these easier to spot as DNOs are provided the four character MSIDs for the sites when they are set up;
  + The process is currently very manual, with the pseudo MPAN having to be raised and setup in Durabill.
  + For CVA sites the pseudo MPAN is known only to the DNO and not the DC and as such the data has to be mapped onto the pseudo MPAN and loaded into Durabill manually.
  + For difference metering an aggregated D0036 is received by email from the supplier (as described in the DNOs’ LC14 charging statement) and is loaded manually into Durabill. The data in settlements for the site is not billed.
  + DNO processes for pseudo billing MPANs are currently extremely manual. Automation of the process would be beneficial.
  + Pseudo billing and pseudo settlements MPANs can be identified by the DNO because of the format of the MPAN used. In addition for pseudo settlements MPANs an identified can be placed into the address, such as including the word ‘Pseudo’, so that the MPAN can be easily identified.
* Suppliers:
  + It was explained by a supplier Working Group member that, a pseudo MPAN is created where there is no MPAN to bill to, so as soon as the correct MPAN is provided, the pseudo MPAN is replaced with the one provided by the DNO.
  + they have MPANs that are not billed up to the boundary point, but there will be third party network MPANs registered on ECOES but no tariff against them.
  + For CVA sites, there will be charges on the charging statements.
  + Pseudo billing MPANs are used for difference metering and billing of CVA sites.
  1. The Working Group would also like to seek party views on the process for a Supplier to request the creation of both pseudo billing MPANs (for DUoS billing purposes) and pseudo settlement MPANs (for settlement purposes) at the same time. This will only be a scenario that would occur if the approach was to utilise pseudo billing MPANs.

Question 6: Distributors Only What is the process for a Supplier to request both pseudo billing and pseudo settlement MPANs? This will be a scenario that would only arise if the option to use pseudo billing MPANs was taken forwards.

## The process for requesting, setting up and utilising pseudo billing MPANs is currently very manual.

## At present, in the process for difference metering, the supplier provides the aggregate data for the site on a D0036 which is provided via email to the Distributor. It was queried if DC created D0036’s would still require a manual process to upload it as there was a risk that if these pseudo MPANs were not set up correctly, it could result in double counting if both pseudo settlement and billing MPANs were to be used. It was confirmed that the settlement data is in the D0036, but this is not billed as only the data on the pseudo billing MPANs would be billed. This removes the risk of double counting/billing as only the Pseudo billing MPAN would be billed in the event of both pseudo settlement and pseudo billing MPANs being used.

* 1. The working group considered whether requesting pseudo billing MPANs could be an automated process. It was explained that trying to move this into an automated process would potentially require a larger change than currently proposed which wasn’t the purpose for DCP 424. It was also highlighted that this larger change to processes and systems could put the implementation date at risk. It was suggested that automation of the request for a pseudo billing MPAN could be considered by a future Change Proposal.
  2. A vote was taken within the Working Group as to whether the solution developed by this group should only consider the ‘must have’ requirement, which is to capture the aggregated consumption data on the D0036. A majority of 7 out of 13 Working Group members agreed to prioritise the must have requirement for DCP 424 due to the complex nature of automating the process and to defer any more complex aspects to a later change is necessary.
  3. It was highlighted that for SVA sites would the D0036 would come through a DC and the CVA sites would require a manual upload so that would be a way of identifying which type of site the MPANs related too.
  4. Consideration was given to how pseudo settlement MPANs can be identified, and it was advised these MPANs have identifiers within the address that can be utilised to highlight if an MPAN is a pseudo MPAN or not.
  5. It was agreed that it would aid in the development of the solution if the process for identifying both pseudo billing and pseudo settlement MPANs was understood. The Working Group would like to seek views on the below questions.

Question 7: Distributors only- How do distributors identify pseudo settlement and pseudo billing MPANs?

Question 8: For Suppliers Only – How do Suppliers identify if an MPAN is a pseudo settlement or pseudo billing MPAN?

* 1. This solution requires aggregate data to be provided on a pseudo MPAN, however as the MPANs for each property within the Complex Site will remain on the D0030/D0036, then any fixed charge applied to the pseudo MPAN would be an additional charge not currently faced by the site. In order for the pseudo MPAN to not incur a fixed charge the Working Group believe there are two possible solutions:

1) Apply a set of tariffs with the existing unit charge and a zero fixed charge to the pseudo MPAN; or

2) Apply a flag for the pseudo MPAN in the billing system to not incur a fixed charge,.

* 1. In order to introduce a tariff with zero fixed charge which could be applied to the pseudo MPANs, changes would be needed to the CDCM model and schedule of charges. This would not require any changes to the calculations in the CDCM and would only be a change to the output, to add the zero fixed charge tariff to the outputs. Changes to the CDCM and charging statements would likely require a derogation or further legal text changes.
  2. It was noted that this would be a cosmetic change only and there would be no detrimental impact to customers.
  3. The Working Group agreed to seek additional legal advice on this by asking the following question to Gowlings ‘*’Customers will continue to pay the existing charges approved by Ofgem for Measurement Class F and G customers, but the standing and unit rate elements will be billed separately: standing charges through the supercustomer process, unit rates through the site-specific process using a pseudo MPAN. Are any additional legal text changes required to allow this?’’*
  4. The legal steer from Gowlings was that if the charging statements are being amended, a derogation would be needed even if the change was cosmetic.
  5. The working group would like views on whether option 1 or 2 above should be used to ensure that pseudo MPANs do not incur additional fixed charges.

Question 9: Which option should be used to ensure pseudo MPANs do not incur additional fixed charges:

- apply a set of tariffs with the existing unit charge and a zero fixed charge to the pseudo MPAN

– apply a flag in the billing system to ensure the pseudo MPAN does not incur a fixed charge.

Please provide your rationale.

- Is there another alternative solution that the Working Group haven’t considered. If so please provide details.

**Residual Charging Band Considerations**

## As the fixed charges will continue to be applied individually to each MPAN in the Class 5 Complex Site there should be no impact on current residual charging band allocations. If the pseudo MPAN is not charged a fixed charge, then the pseudo MPAN will not need to be allocated to a charging band.

## Consideration will need to be given to how Distributors receive the data necessary for the residual band review and allocation for Measurement Class G customers.

Question 10: Are there any additional/potential impacts to residual charging that the Working Group haven’t considered?

1. Code Specific Matters

#### Reference Documents

## Documentation for BSC Modification Proposal P441 can be found on the [Elexon website](https://www.elexon.co.uk/mod-proposal/p441/).

1. Solution and Legal Text

**Legal Text**

* 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).*

* 1. 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.**

* 1. 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.

Question 11: Do you have any comments on the drafted legal text?

Question 12: Do you believe there are further DCUSA schedules or legal text changes required to facilitate this change? Please provide further information if yes.

1. Relevant Objectives

#### Assessment Against the DCUSA Objectives

* 1. The Working Group will seek industry views in relation to the DCUSA Objectives as part of this consultation.

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|  | **DCUSA Charging Objectives** | **Identified impact** |
|  | 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 |
|  | 1. 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 |
|  | 1. 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 |
|  | 1. 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 |
|  | 1. 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 |
|  | 1. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration. | None |

* 1. Charging Objective one: no impact.
  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.
  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.
  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.
  5. Charging Objective five: no impact.
  6. Charging objective six: no impact.
  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).

Question 13: Do you consider the solution better facilitates the DCUSA objectives? Please give supporting reasons.

1. Impacts & Other Considerations

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

## 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.

* 1. 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.
  2. 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).

#### Impacts on other Industry Codes

## The Proposer and Working Group agree that there are potential impacts to the BSC and REC as explained earlier in this consultation.

|  |  |  |  |
| --- | --- | --- | --- |
| BSC……………... |  | MRA………… |  |
| CUSC…………… |  | SEC………… |  |
| Grid Code………. |  | REC………. |  |
| Distrbution Code.. |  | None………. |  |

1. Implementation Date

Question 14: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

## The intended implementation date is to align to the P441 and REC change R0133 implementation dates.

## The Working Group would like views on whether the implementation date is suitable.

Question 15 What date do you believe this change proposal should be implemented? Please provide rationale.

Question 16: For Distributors only-What are the potential impacts to billing systems based on the Working Groups approach?

Question 17: What do you believe the future MHHS consequential impacts/change requirements will be post this change being accepted and what could the solution look like post MHHS?

Question 18: Do you have any other comments?

1. Consultation Questions

## The Working Group is seeking industry views on the following consultation questions:

|  |  |
| --- | --- |
| **No.** | **Questions** |
|  | Do you understand the intent of the Change Proposal? |
|  | Are you supportive of the principles that support this Change Proposal? |
|  | Do you agree with the solution for Measurement Class F and G customers in a Class 5 Complex Site, to receive MPAN counts on the D0030 and to receive aggregated volumes on the D0036? Please provide your rationale. |
|  | The Working Group identified two potential solutions for submitting gross demand data for class F and G sites in a Class 5 Complex Site to Distributors:  - to utilise Pseudo billing MPANs; or  to utilise Pseudo settlement MPANs.  Are there any additional benefits and risks to each of these approaches not already identified by the working group? Please provide details. |
|  | Which of the two approaches of using Pseudo billing or pseudo settlement MPANs do you prefer? Please provide your rationale. |
|  | **Distributors Only-**What is the process for a Supplier to request both pseudo billing and pseudo settlement MPANs? This will be a scenario that would only arise if the option to use pseudo billing MPANs was taken forwards. |
|  | **Distributors only-** How do distributors identify pseudo settlement and pseudo billing MPANs? |
|  | **For Suppliers Only –** How do Suppliers identify if an MPAN is a pseudo settlement or pseudo billing MPAN? |
|  | Which option should be used to ensure pseudo MPANs do not incur additional fixed charges:  - apply a set of tariffs with the existing unit charge and a zero fixed charge to the pseudo MPAN  - apply a flag in the billing system to ensure the pseudo MPAN does not incur a fixed charge.  - Is there another alternative solution that the Working Group haven’t considered. If so please provide details.  Please provide your rationale. |
|  | Are there any additional/potential impacts to residual charging that the Working Group haven’t considered? |
|  | Do you have any comments on the drafted legal text? |
| 12 | Do you believe are there further DCUSA schedules or legal text changes required to facilitate this change? Please provide further information if yes. |
| 13 | Do you consider the solution better facilitates the DCUSA objectives? Please give supporting reasons |
| 14 | Are you aware of any wider industry developments that may impact upon or be impacted by this CP? |
| 15 | What date do you believe this change proposal should be implemented? Please provide rationale. |
| 16 | **For Distributors only**-What are the potential impacts to billing systems based on the Working Groups approach? |
| 17 | What do you believe the future MHHS consequential impacts/change requirements will be post this change being accepted and what could the solution look like post MHHS? |
| 18 | Do you have any other comments? |

## Responses should be submitted using Attachment 1 to dcusa@electralink.co.uk no later than, close of play on xxx 2023.

## Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

1. Attachments

* Attachment 1 – DCP 424 Consultation Response Form
* Attachment 2 – DCP 424 Change Proposal Form
* Attachment 3 – DCP 424 Draft Legal Text

1. [P441 'Creation of Complex Site Classes' - Elexon BSC](https://www.elexon.co.uk/mod-proposal/p441/) [↑](#footnote-ref-2)
2. [R0133 - Consequential Cross-Code Change for BSC P441 - Complex Site Classes Creation - REC Portal](https://recportal.co.uk/group/guest/-/r0133-consequential-cross-code-change-for-bsc-p441-complex-site-classes-creation?p_l_back_url=%2Fsearch%3Fq%3D133) [↑](#footnote-ref-3)