









DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 464:</h1> <h2>IDNO Connection Applications: Treatment of Existing Assets</h2> <p>Date Raised: 08 September 2025</p> <p>Proposer Name: Rob Gladstone</p> <p>Company Name: Scottish & Southern Energy Networks</p> <p>Party Category: DNO</p>	01 – Change Proposal	
	02 – Consultation	
	03 – Change Report	
	04 – Change Declaration	
<p>Purpose of Change Proposal:</p> <p>The intent of this Change Proposal (“CP”) is to clarify and align the DNO approach to the charging methodology applied to network asset(s) for IDNO applications when the IDNO is the sole user of specific network asset(s).</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 Definition phase (via a Working Group) <p>The Panel will consider the proposer’s recommendation and determine the appropriate route.</p>	
	<p>Impacted Parties:</p> <p>DNOs/IDNOs</p>	
	<p>Impacted Clauses:</p> <p>Schedule 22</p>	

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Indicative Timeline		
The Secretariat recommends the following timetable:		
Initial Assessment Report	17 September 2025	
Consultation Issued to Industry Participants	November 2025	
Change Report Approved by Panel	21 January 2026	
Change Report issued for Voting	22 January 2026	
Party Voting Closes	12 February 2026	
Change Declaration Issued to Parties	16 February 2026	
Change Declaration Issued to Authority	16 February 2026	
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1 Summary

What

- 1.1 Independent Distribution Network Operators (IDNOs) can apply to increase the Requested Maximum Import and/or Export Capacity as specified in the Bilateral Connection Agreement (BCA) for an existing embedded connection.
- 1.2 In some cases, to satisfy the IDNO's Requested Capacity increase, the existing distribution system may need to be reinforced, and/or additional security may need to be provided.
- 1.3 Paragraph 1.17 of the Connection Common Charging Methodology (CCCM) states "Reinforcement is defined as assets installed that add capacity (network or fault level) to the existing shared use Distribution System."
- 1.4 Where an IDNO requests to increase its capacity and no other DNO customer are connected to the existing connection arrangement, the IDNO could be considered as the sole user and therefore not meet the above shared use definition meaning they could be charged the full cost of any reinforcement works.
- 1.5 This change seeks to clarify whether or not an existing IDNO connection as set out in the scenario above should be consider as sole or shared use.

Why?

- 1.6 The scenario described in section 1.1 - 1.4 has occurred and is likely to occur more frequently as the IDNO market share continues to grow. As existing charging policy through the CCCM is open to interpretation, this change shall provide increased certainty to IDNOs when applying to for an increase in capacity and aims to ensure consistency across DNOs when applying the charging methodology.

How?

- 1.7 This Change Proposal provides two options, and points for consideration:
- 1.8 Option 1: The IDNO shall be considered a sole use user and therefore network upgrades to DNO owned assets are not considered shared use assets. Where only the IDNO is connected as the IDNO is the only party in contract with the DNO through a BCA, the IDNO shall fully fund network upgrades.
- 1.9 Option 2: The DNOs shall take into account how many end users are connected to the IDNO network. The DNO owned assets could be considered as shared use assets if there is more than one end user connected downstream of the DNO/IDNO boundary.

2 Governance

Justification for Part 1 and Part 2 Matter

- 2.1 This CP will impact the connection charges levied to IDNOs by DNOs and therefore shall be treated as a Part 1 matter

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 Definition phase (via a Working Group).

3 Why Change?

- 3.1 As set out in paragraph 1.6, unless the relevant legal text is changed, there risks a situation arising that Schedule 22 does not address.

4 Solution and Legal Text

Legal Text

- 4.1 On agreement of Option 1, Option 2, or if a different preferred Option is agreed upon, the non-selected options will be removed from this section.
- 4.2 Option 1a: CCCM 1.17 to read "Reinforcement is defined as assets installed that add capacity (network or fault level) to the existing shared use Distribution System. *Where our assets are connected to an IDNO network require reinforcing, and no other DNO customers are connected to those assets, the IDNO shall be treated as a single connection customer and our existing assets shall not be considered a shared use Distribution System.*"
- 4.3 Option 1b: CCCM 1.17 to read "Reinforcement is defined as assets installed that add capacity (network or fault level) to the existing shared use Distribution System. *For the purposes of assessing whether the existing Distribution System is shared use, any IDNO connection shall be treated as a single connected customer.*"
- 4.4 Option 2a: CCCM 1.17 to read "Reinforcement is defined as assets installed that add capacity (network or fault level) to the existing shared use Distribution System. *Where our assets are connected to an IDNO network require reinforcing, and no other DNO customers are connected to those assets, we shall consider the number of end user customers connected to the IDNO network to determine if our existing assets are to be considered as a shared use Distribution System.*"
- 4.5 Option 2b: CCCM 1.17 to read "Reinforcement is defined as assets installed that add capacity (network or fault level) to the existing shared use Distribution System. *For the purposes of assessing whether the existing Distribution System is shared use, any IDNO connection shall be treated based on the number of connections to the IDNO Distribution System.*"

Text Commentary

- 4.6 Option 1 adds clarity to the treatment of assets when the connection is via an IDNO. Option 1 adds clarity to the treatment of assets in these scenarios by considering the IDNO as a single connected customer and does not consider customers connected to the IDNO under separate connection arrangements.
- 4.7 Option 2 adds clarity to the treatment of assets when the connection is via an IDNO. Option 2 adds clarity to the treatment of assets in these scenarios by considering the IDNOs connected customers and consider those connections as part of the shared use network.

5 Code Specific Matters

Reference Documents

- 5.1 None

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 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)	Neutral
<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 checked="" type="checkbox"/>	6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	Positive

- 6.1 Charging Objective 3 will be better facilitated by ensuring that a DNO party applies a consistent approach to the application of reinforcement charges.

- 6.2 Charging Objective 6 will be better facilitated by ensuring that a DNO party applies a consistent approach to the application of reinforcement charges.

7 Impacts & Other Considerations

- 7.1 This issue has been discussed on the ENA Connections Commercial Operating Group (COG) and also presented to Ofgem for consideration and/or guidance. No further guidance has been provided.

Impacts on any Significant Code Review (SCR) or other significant industry change projects

- 7.2 We do not believe that this CP impacts upon any current SCR or other significant industry change projects at this time.

Impacts on Other Codes

- 7.3 We have considered whether any other industry codes might be impacted as a result of this Change Proposal, and our view is that there is no impact on any other industry codes.

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

Impacts on DCUSA Owned Data Flows

- 7.4 We do not believe that this change will require any amendments to DCUSA owned data flows or data items

Consumer Impacts

- 7.5 We do not believe that this change will impact consumers directly.

Environmental Impacts

- 7.6 In accordance with DCUSA Clause 10.4.5A, we have assessed whether there would be a material impact on greenhouse gas emissions if this CP were implemented and have concluded that it won't.

8 Implementation

- 8.1 This should be implemented at the earliest opportunity once approved by the authority.

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.