

UoS Mod 07 – Disturbance Constraints on Generation Use of System Charges

<p><i>Organisation's Name:</i></p>	<p>EDF Energy Networks on behalf of EDF Energy Networks (EPN) plc EDF Energy Networks (LPN) plc EDF Energy Networks (SPN) plc</p>
<p><i>Details of Proposer:</i> Name: Organisation: Telephone Number: Email Address: Date:</p>	<p>Oliver Day Distribution Pricing Manager EDF Energy Networks 01293 657920 oliver.day@edfenergy.com 14 December 2006</p>
<p><i>Description of the Proposed Modification:</i></p> <p>Wording changes in the constraint to Generation Use of System Charges to enable:</p> <ul style="list-style-type: none"> • Charge reductions to be passed through immediately whilst leaving customers the protection of the upwards constraint and • allowing the upward constraint to be £1.00 per annum where the current charge is zero. 	
<p><i>A clear explanation of how the proposed change better meets the relevant objectives:</i></p> <p>This change does not alter the principles or methods within the approved charging methodology. It opens the downward constraints on Generation Use of System Charges to allow charge reductions to be passed on to customers immediately, whilst preserving protection against upwards disturbances in the developing distributed generation market.</p>	
<p><i>Proposed wording for the methodology statement and (if applicable) the charging statement:</i></p> <p>In paragraph 20 on page 9 delete</p> <p>"The introduction of Generation Use of System charges into a developing market creates the potential for volatility in prices. In order to minimise the impact of any disturbance any change in generation charges, where applied, will be restricted to no more than a 10% variation in any year between April 2005 and March 2010 (other than by agreement with the individual generator)."</p> <p>and insert</p> <p>"The introduction of Generation Use of System charges into a developing market creates the potential for volatility in prices. In order to provide some stability and predictability of generation charges it is proposed to minimise the upwards disturbance of generation charges by capping the change in nominal generation charges in any year up to March 2010 (other than by agreement with the individual generator). The cap will be plus ten percent per annum, except where the current charge is zero, in which case the cap will be plus £1.00 per export MPAN per annum."</p> <p>Please refer to the marked up draft statement showing revised wording on page 9.</p> <p>Please note that in order to facilitate ease of identification of the change I have used the proposed Statement arising from UoS Mod 04 as a start point.</p>	
<p><i>Illustrative charge, where the proposal results in changes, and details of which customers will be affected by the change:</i></p> <p>Revised forward looking cost forecasts have been prepared as a part of our April 2007 tariff review and the tariffs resulting indicate that setting the GDUoS charges to zero is appropriate</p>	

MODIFICATION TO USE OF SYSTEM CHARGING METHODOLOGY

Under Standard Condition 4 of the Electricity Distribution Licence

for G83 compliant microgenerators and other small non-half hourly metered generators.

Distributed Generation Export Tariffs for non-half hourly metered MPAN are currently 0.67p/MPAN/day and 2.28p/MPAN/day for domestic and non-domestic customers respectively.

If the Methodology change is Not Vetoed these charges would reduced to 0.00p/MPAN/day and 0.00p/MPAN/day for domestic and non-domestic customers respectively with effect from 1 April 2007.

If the Methodology change is Vetoed these charges would reduced to 0.60p/MPAN/day and 2.14p/MPAN/day for domestic and non-domestic customers respectively with effect from 1 April 2007

A timetable for the implementation of the modification and charge changes:

EDF Energy Networks will be submitting a number of Modifications to take effect from 1 April 2007. We intend to publish an amended statement prior to the 19th February 2007 (in time for the notification of final Use of System charges under the DCUSA and other use of system agreements for 1 April). This publication will incorporate all of the Modifications Not Vetoed by the Authority at that time.

Please note that the publication date and statement of approval are square bracketed, these will be removed if and when the modifications are Not Vetoed.

In order to facilitate potential implementation on 1 April 2007 of the revised use of system charges EDF Energy Networks will be issuing a note on 1 January 2007. This notice explain the impact that this modification would have to charges and include details of both set of charges shown above.

Details/copies of any responses received to consultation carried out prior to submission to the Authority:

Not Applicable