

DCUSA CHANGE DECLARATION

DCP 137 - Introduction of Locational Tariffs for the Export from HV Generators in Areas Identified as Generation Dominated

VOTING END DATE: 8 September 2014

DCP 137 - Introduction of Locational Tariffs for the Export from HV Generators in Areas Identified as Generation Dominated	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
CHANGE SOLUTION	Accept	Accept	Accept	n/a	n/a
IMPLEMENTATION DATE	Reject	Accept	Reject	n/a	n/a
RECOMMENDATION	<p>Change Solution – ACCEPT. 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 accept the change solution was more than 50% in all Categories.</p> <p>Implementation Date – REJECT. 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 accept the implementation date was less 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				
Electricity North West Ltd	Accept	Accept	We agree with the working group's view contained within the change report that this change proposal better meets DCUSA general objectives 1 and 2 and charging objectives 2, 3 and 4. We believe the rest of the objectives are neutral	n/a
Northern Powergrid - Northern Electric Distribution Ltd	Reject	Reject	We do not believe this change sufficiently demonstrates that either the DCUSA Charging objectives or the General objective are better facilitated in terms of improved cost reflectivity and it would introduce a level of complexity that does not deliver any significant benefits.	We do not think the penetration of Generation Dominated Areas currently (or forecast) is sufficient to warrant this change to be progressed at this time and feel that it would be more prudent to monitor the situation over the next few years. This change introduces an additional level of complexity and uncertainty to the CDCM charging model which currently has average charges for most customers and introduces semi-site specific tariffs for this group of customers. It is also potentially at odds with the current desire for simpler more transparent, predictable charges.
Northern Powergrid - Yorkshire Electricity Distribution plc	Reject	Reject		
Scottish Power - Manweb	Reject	Accept	n/a	The complexity of this change proposal results in less transparent charges and also could result in increased volatility as demand and generation forecast data used change year on year.
Scottish Power - Distribution	Reject	Accept		

SSE - Scottish Hydro-Electric Power Distribution plc	Accept	Reject	We believe that this Change Proposal better facilitates Charging Objective 1, as the CP responds to a condition placed by Ofgem when approving the CDCM, which required the DNOs to review charges associated with generation where networks were or are forecast to become dominated by generation.	<p>Change Proposal</p> <p>We have voted to accept this CP, on the basis that we believe that it can be argued to better facilitate certain DCUSA Objectives as we have noted above. However, we do so with significant underlying concerns.</p> <p>Whilst the CP has responded to the CDCM condition requirement, we believe that in a wider perspective the Proposal is overly complex, unwieldy and disproportionate for the scale of resulting economic signals. In our view, it would also have a negative impact on efficiency of charging and administration, taking all aspects of implementation into account.</p> <p>The CP has significant implementation challenges, not least the requirements to establish and process all of the relevant data (potentially covering a two year period) and to adequately communicate the change (in sufficient detail) directly to all affected parties. The likely period of time to achieve this would be very limited and quite possibly inadequate, should the proposed implementation date be approved.</p> <p>Communication of future tariff changes and inevitable movement between GDA categories would be an ongoing requirement, adding a burden to industry participants and unhelpful uncertainty for customers. The potential charging</p>
SSE - Southern Electric Power Distribution plc	Accept	Reject		

				<p>volatility and additional complexities arising from this CP are unlikely to be appreciated by customers and may result in disputes, for example where forecast levels of GDA fail to materialise but lower credits have been applied.</p> <p>In addition, we are not fully comfortable with the proposed application of localised charging arrangements to a single customer group in CDCM, namely HV connected generators, particularly when demand charging has no equivalent approach.</p> <p>The perpetuation of credit payments to intermittent generation in GDAs (but also perhaps generally in CDCM) is also questionable in view of the generally understood basis of such payments (perceived avoidance of reinforcement and network 'support' benefits). As these payments are funded by charges to other customers, the basis and fairness of these payments perhaps requires fresh debate.</p> <p>Implementation Date</p> <p>This CP requires the use of a very large number of additional Line Loss Factor Codes, particularly for IDNOs and our two DNO entities which operate embedded networks across GB. We do not believe it is appropriate to implement this CP until the industry agrees to and implements a replacement for the current LLFC system.</p>
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UKPN - Eastern Power Networks	Accept	Accept	DCUSA charging objectives 3 and 4 are better met through the recognition of generator driven reinforcement costs in paying credits to generators.	It should be noted that reducing generator credits will correspondingly result in lower charges to demand customers.
UKPN - London Power Networks	Accept	Accept		
UKPN - South Eastern Power Networks	Accept	Accept		
Western Power Distribution - East Midlands plc	Accept	Reject	n/a	The amount of extra working in initially setting this would mean implementing this for April 2015 would be impractical and it should be April 2016 at the earliest or April 2017 if DCP 178 is approved.
Western Power Distribution - South Wales plc	Accept	Reject		

Western Power Distribution - South West plc	Accept	Reject		
Western Power Distribution - West Midlands plc	Accept	Reject		
IDNO PARTIES				
GTC	Accept	Accept	n/a	n/a
SUPPLIER PARTIES				
EDF	Accept	Reject	DCUSA objective 3 is better facilitated by this change proposal.	We have rejected the implementation date as we do not think there will be sufficient notice for generators who will have their credits reduced. Any change should have at least a years notice therefore we would propose an implementation date of 1st April 2016.
DISTRIBUTED GENERATOR PARTIES				
N/A				
GAS SUPPLIER PARTIES				
N/A				