

## Proposed solutions for discussion and agreement during meeting on 20 February 2020

### SECTION 1 - VIEW OF THE PROPOSER:

#### 1. Final Demand

1.1 Final Demand will be defined in DCUSA Schedule 1A as:

*“electricity which is consumed other than for the purposes of generation or export onto the electricity network”*

#### 2. Single Site

2.1 Single Site proposed to be defined in DCUSA Schedule 1A as:

*“A customer that has a single metered Entry Point and/or Exit Point”*

2.2 There may be a need to reference MPANs e.g.:

*“A customer that has one or more MPANs associated with a single metered Entry Point and/or Exit Point”*

2.3 May need amending for the use of 'customer', potentially relative to user for the purpose of Schedule 16, and connectee for the purpose of Schedules 17-18. This gives consideration to the following terms:

*The CDCM is applicable to “Designated Properties”, as defined in Standard Condition 13A (Common Distribution Charging Methodology) of the DNO Party's Distribution Licences.*

*And within the EDCM there is the following:*

EDCM Connectee means a Connectee whose Connected Installation is a Designated EHV Property as defined in Standard Conditions 50A.11 and 13B.6 of the DNO Party's Distribution Licence.

EDCM Customer means a Customer whose Customer Installation is a Designated EHV Property as defined in Standard Conditions 50A.11 and 13B.6 of the DNO Party's Distribution Licence.

EDCM Generation means a Generator Installation that is a Designated EHV Property as defined in Standard Conditions 50A.11 and 13B.6 of the DNO Party's Distribution Licence.

2.4 Entry Point and Exit Point is defined in DCUSA Schedule 1A by reference to the distribution licence, and where:

*“Entry Point means a point on the licensee's Distribution System at which units of electricity, whether metered or unmetered, enter that system”*

*“Exit Point means a point on the licensee's Distribution System at which units of electricity, whether metered or unmetered, leave that system”*

2.5 A customer will always have an Exit Point, where electricity is imported from the distribution network, and may have an Entry Point, where electricity is exported to the distribution network.

2.6 The 'points' can be in the same place, where the Exit Point becomes an Entry Point as well.

- 2.7 The MPANs on a connection agreement *should* all relate to the same Exit Point, and if relevant, the same Entry Point.
- 2.8 The definition of Single Site will need to specifically reference that it relates only to a metered Exit Point or Entry Point, and where there is only one. This definition *should* be universally applicable to all DNOs, and formalise the existing arrangements used.
- 2.9 There will no doubt be some exceptions which need to be assessed (e.g. private networks and complex sites) where multiple fixed charges are levied on a 'single site' at present.
- (a) (e.g.) a 'single site' which receives multiple fixed charges due to multiple customer MPANs at each site, owing to a private network arrangement.
  - (b) (e.g.) a 'single site' which receives multiple fixed charges due to customer-elected SVA shared meter arrangement (primary/pseudo MPANs with primary and secondary suppliers).

### 3. Final Demand Site

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- 3.1 Proposal is to adopt a binary assessment, where if the Single Site has any Final Demand, it is a Final Demand Site, and therefore define Final Demand Site as:
- "A Single Site that has any metered Final Demand"*
- 3.2 Alternative is to define a threshold whereby if Final Demand is equal to or greater than non-Final Demand by (e.g.) 80%, it is a Final Demand Site, and where the definition of Final Demand Site may be:
- "A Single Site where Final Demand is equivalent to at least [80%] of all metered import consumption at that site"*
- (a) How do we determine what a sensible threshold is? Does it vary according to type of generator? Does it vary according to the voltage of connection?
- 3.3 Potential to be defined in Schedules 16-18 separately.
- (a) Does this replace the definitions of Eligible Electricity Storage Facility?
  - (b) Do they co-exist, and how?
  - (c) Does it become a part of the definition of Final Demand Site, or is that captured by default?
  - (d) Do we extend the Definition of Eligible Electricity Storage Facility to include an 'Eligible Electricity Generation Facility'?
- 3.4 Regardless of the first part of the definition (i.e. the 'what'), proposal is to maintain the requirement that there is no need for a generation licence, and certification is required from a Supplier Party that the Single Site meets the relevant criteria (i.e. the 'how').
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## SECTION 2 - DEFINITIONS PREVIOUSLY REVIEWED:

### 4. Example definitions collated For the Purposes of DCP 359

#### 4.1 TCR Decision:

- Ofgem proposed definition for **consideration**:  
*"One or a collection of buildings, structures or pieces of land in **close geographical proximity**, owned or occupied by **one customer** within a defined curtilage on **one site**, where each building, structure or piece of land **serves** the other in some necessary or **reasonably useful way**."*

**Commented [DT1]:** Working Group considered the highlighted text in the examples below to be ambiguous or to be open to gaming and hence will give further consideration as to how to tighten their definition for a 'site' which may include examples (text or diagrams)

#### 4.2 Class Exemptions:

- Definition of 'Premises' from Electricity (Class Exemptions from the Requirement for a Licence) Order 1990:  
*(2) (e) Premises shall be treated as on the same site as each other if they are —*
  - the same premises;*
  - immediately adjoining** each other; or*
  - separated from each other only by a road, railway or watercourse **or by other premises occupied by the consumer in question**, by any other person who together with that consumer forms a qualifying group, or by the person seeking to fall within the class in question specified in Schedule 2 or 4.*

#### 4.3 CUSC:

**NOTE: Site appears to be in effect whatever is stated in the connection agreement.**

- *"Connection Site" each location more particularly described in the relevant Bilateral Agreement at which a User's Equipment and Transmission Connection Assets required to connect that User to the National Electricity Transmission System are situated (or, in the case of OTSDUW Build, each location that will become such from the OTSUA Transfer Time and, until the OTSUA Transfer Time, is the location where the User's Equipment connects to the OTSUA). If two or more Users own or operate Plant and Apparatus which is connected at any particular location that location shall constitute two (or the appropriate number of) Connection Sites;*

**NOTE: Definition of Station Demand describes how multiple premises may be considered on the same site.**

- *"Station Demand" in respect of any generating station and Generator, means that consumption of electricity (excluding any supply to any Customer of the relevant Generator who is neither such Generator nor a member of a qualifying group of which such Generator is a part) from the National Electricity Transmission System or a Distribution System at premises on the same site as such generating station, with premises being treated as on the same site as each other if they are:*
  - the same premises;*
  - immediately adjoining each other;*
  - separated from each other only by road, railway or watercourse or by other premises (other than a pipe-line, electric line or similar structure) occupied by the consumer in question or by any other person who together with that consumer forms a qualifying group; and for the purpose of this definition "generating station" and "qualifying group" shall have the meanings given those expressions when used in the Electricity (Class Exemptions from the Requirement for a Licence) Order 1990;*

## SECTION 3 - SECRETARIAT'S ATTEMPT:

### 5. Definition of Site (single & multi) / Final Demand Site / Eligible Electricity Generation Facility or an Eligible Electricity Storage Facility

- 5.1 Whilst putting notes and documents together, I had some thoughts about a definition for 'Site'. The basis of which was the CUSC Definition of a **Connection Site**, which may be able to be adapted by the CUSC Working Group such that the defined terms effectively have the same meaning but will likely diverge on specific terminology.
- 5.2 In attempting to draw out the appropriate terms for Distribution, I may have been a bit heavy on the use of other defined terms (those in **bold** below). The defined terms I have used, have come from either the NTCs or Section 1A and some of those point to definitions within the MRA/BSC. Because of this and just to keep it simple for you to view, I've stripped out the definitions that are being built into the text for DCP358-360 and added this to a separate document for use alongside this document. Within the separate document I have added rows with existing defined terms and an extra column that shows which terms have come from where, in order for the build the definitions below:

**Commented [DT2]:** "Connection Site" each location more particularly described in the relevant Bilateral Agreement at which a User's Equipment and Transmission Connection Assets required to connect that User to the National Electricity Transmission System are situated (or, in the case of OTSDUW Build, each location that will become such from the OTSUA Transfer Time and, until the OTSUA Transfer Time, is the location where the User's Equipment connects to the OTSUA). If two or more Users own or operate Plant and Apparatus which is connected at any particular location that location shall constitute two (or the appropriate number of) Connection Sites;

<b>Site</b>	<p>means each <b>Metering Point</b> or <b>Metering System</b> at an <b>Exit Point</b> and/or <b>Entry Point</b> more particularly described in the relevant <b>Connection Agreement</b> at which a <b>Customer Installation</b> and the <b>Connection Equipment</b> (being the <b>Company's Equipment</b>) required to <b>Connect</b> that <b>Customer</b> to the <b>Company's Distribution System</b> are situated.</p> <p>Where more than one <b>Metering Point</b> or <b>Metering System</b>, exists in respect of any particular <b>Exit Point</b> and/or <b>Entry Point</b>, and more than one legal entity falls within the definition of <b>Customer</b> at that <b>Exit Point</b> and/or <b>Entry Point</b>, and separate <b>Connection Agreements</b> have been created between the <b>Company</b> and each such <b>Customer</b>, each <b>Metering Point</b> or <b>Metering System</b> shall constitute a <b>Site</b>.</p> <p>Where more than one <b>Metering Point</b> or <b>Metering System</b>, exists in respect of any particular <b>Exit Point</b> and/or <b>Entry Point</b>, and one legal entity falls within the definition of <b>Customer</b> at that <b>Exit Point</b> and/or <b>Entry Point</b>, and a single <b>Connection Agreement</b> has been created between the <b>Company</b> and any such <b>Customer</b>, all <b>Metering Points</b> or <b>Metering Systems</b> shall constitute a <b>Site</b></p>
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- 5.3 I also figured that the methodology would need to provide a distinction between which sites will have residual charges applied and those sites that won't. My assumption, given the TCR Decision was that this should be on the basis of whether there is any final demand associated with any given site, thus using the required definition in combination with 'Site' as follows:

<b>Final Demand</b>	means electricity which is consumed other than for the purposes of generation or export onto the electricity network
<b>Final Demand Site</b>	means any Site which has associated Final Demand

5.4 Using the understanding that I took away from the TCR Decision document, and the work that I put into assisting the DCP 341/342 Working Group, I concluded that it would be appropriate that residual charges won't be applied to an Eligible Electricity Generation Facility and/or an Eligible Electricity Storage Facility. I combined them into a single definition, but these could be split into separate defined terms or somehow re-named.

<p><b>Eligible Electricity Generation Facility or an Eligible Electricity Storage Facility</b></p>	<p>means a facility at which Electricity Storage or Electricity Generation occurs and that:</p> <ul style="list-style-type: none"> <li>(a) has an export MPAN and an import MPAN with associated metering equipment which only measure export from Electricity Generation and/or Electricity Storage and import for or directly relating to Electricity Generation and/or Electricity Storage (and not export from another source or import for another activity);</li> <li>(b) all metering equipment referred to in point (a) above is CT metering; and</li> </ul> <p>is subject to certification from a Supplier Party that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party.</p>
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5.5 **Please note:** At the Panel meeting held on 19 February 2020, the Panel were presented with three new CPs, all of which were approved by the Panel to enter in the DCUSA Change Control Process. One of these CPs ([DCP 363 'Refining the definition of 'Eligible Electricity Storage Facility' in the EDCM'](#)) will likely interact with the defined term above (except only related to the version within the EDCM) as it seeks to amend the defined term to the following:

<p><b>Eligible <u>EHV</u> Electricity Storage Facility</b></p>	<p>means a facility <u>that is a Designated EHV Property</u> at which Electricity Storage occurs, and if registered in an MPAS Registration System:</p> <ul style="list-style-type: none"> <li>(a) has an export MPAN and an import MPAN with associated metering equipment which only measure export from Electricity Storage and import for or directly relating to Electricity Storage (and not export from another source or import for another activity);</li> <li>(b) all metering equipment referred to in point (a) above is CT metering; and</li> <li>(c) is subject to certification from a Supplier Party that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party;</li> </ul> <p>or, if registered in CMRS:</p> <ul style="list-style-type: none"> <li>(a) has an import Metering System and export Metering System which only measure export from Electricity Storage and import for or directly relating to Electricity Storage (and not export from another source or import for another activity);</li> <li>(b) all metering equipment referred to in point (a) above is CT metering; and</li> <li>(c) is subject to certification from the customer that the facility meets the above criteria, which certificate has been provided to the DNO/IDNO Party.</li> </ul>
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## SECTION 4: As agreed during meeting on 20 February 2020

- 5.6 The Working Group has preferred option, and this is likely to sit with two further ones. The second being the same definition but with the inclusion of the Ofgem definition as a sub term, to cover off if premises is not defined in the BCA (it will be). The third will be the standalone option of the Ofgem definition.
- 5.7 The consultation will set out the pros and cons of each drawing out why the preferred solution is justified over that if the Ofgem definition and ask industry to select their preference.

<b>Site (WG preferred option)</b>	means the premises that is associated with a Bespoke Connection Agreement or the National Terms of Connection
<b>Site (Alternative Option)</b>	means <ul style="list-style-type: none"> <li>(a) the premises that is associated with a Bespoke Connection Agreement or the National Terms of Connection; or</li> <li>(b) where a premises is not defined in the above, then the following will be considered a premises: <ul style="list-style-type: none"> <li>i. One or a collection of buildings, structures or pieces of land in close geographical proximity, owned or occupied by one customer within a defined curtilage on one site, where each building, structure or piece of land serves the other in some necessary or reasonably useful way.</li> </ul> </li> </ul>
<b>Site (as proposed by Ofgem in TCR decision document)</b>	means one or a collection of buildings, structures or pieces of land in close geographical proximity, owned or occupied by one customer within a defined curtilage on one site, where each building, structure or piece of land serves the other in some necessary or reasonably useful way.
<b>Final Demand</b>	means electricity which is consumed other than for the purposes of generation or export onto the electricity network
<b>Final Demand Site</b>	means a Single Site that has any metered Final Demand

Commented [DT3]: This assumes that the bespoke connection terms contain the defined term 'Premises'

Commented [DT4]: Post meeting tweak to the text which may help with any legal review because we are effectively saying the DNO will agree with the customer the site parameters as part of the connection agreement discussions.