
Distribution Connection and Use of System Agreement (DCUSA) – DCP441: Proposal to increase the number of allowed Change Report alternative variations from two to three (DCP441)

Decision: The Authority¹ directs that this modification be made²

Target audience: DCUSA Panel, Parties to the DCUSA and other interested parties

Date of publication: 6 December 2024

Implementation date: Next DCUSA release date following Authority decision

Background

Currently, Section 1C 'Change Control' of the DCUSA only allows for a maximum of two alternative solutions to be proposed in addition to the proposer's solution. This caused an issue in the change proposal DCP406 'Access SCR: Changes to CCCM'³ which looked to present three alternative solutions in addition to the original solution.

As only two alternatives were allowed at the time of DCP406, the proposer of DCP406 deemed it necessary to raise another separate modification (DCP406A) to put forward all four solutions originally envisaged by DCP406.

DCP441 seeks to address this identified defect in the DCUSA on the number of alternatives allowed so that the issues faced in DCP406 are not repeated.

The modification proposal

This change proposal was raised by EDF (the Proposer) on 23 April 2024. It proposes to address the defect in the code identified during the development of DCP406 where more than two alternative variations were required to be raised in one change proposal. To achieve this, amendments are proposed to clause 11.23 in section 1C of the DCUSA to allow the Panel to include three alternative variations into the final Change Report as well as the original solution.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ CCCM is Common Connections Charging Methodology

The Proposer considers that DCP441 better facilitates DCUSA General Objective Four⁴ because there is efficiency in increasing the number of alternative variations from two to three. It is the Proposer's view that the modification proposal will avoid a similar situation as occurred for DCP406 where a separate but identical modification (DCP406A) had to be raised in order to allow for a third alternative variation to be presented to Ofgem for decision.

The Proposer considers the modification proposal to have a neutral impact on the remaining code objectives.

The DCUSA Panel (the Panel) conducted their initial assessment of DCP441 on 15 May 2024. The Panel agreed that the modification proposal should be progressed directly to the Report Phase without industry assessment. The reason for DCP441 being progressed directly to the Report Phase is because of the very narrow scope of the change and because the legal text amendments are simple in nature. The Panel's ability to progress directly to Report Phase was informed by some analysis carried out by the DCUSA code administrator into the number of previous change proposals which have progressed with one or two alternative solutions. The analysis looked to identify any instances where there had been discussions on the possible inclusion of more than two alternative solutions but that had not been taken forward due to the current DCUSA limit on alternatives. The analysis showed that other than the example of DCP406, there were no other instances of where the current maximum of two alternatives had caused an issue in progressing a DCUSA modification.

DCUSA Parties' recommendation

In each party category where votes were cast, there was majority (>50%) support for the proposal and for its proposed implementation date. In accordance with the weighted vote procedure, the recommendation to the Authority is that DCP441 is accepted.

The outcome of the weighted vote is set out in the table below:

⁴ DCUSA General Objective Four is the promotion of efficiency in the implementation and administration of the DCUSA arrangements.

	DNO ⁵ Accept	DNO Reject	IDNO ⁶ Accept	IDNO Reject	Supplier Accept	Supplier Reject
CHANGE SOLUTION	68%	32%	100%	0%	100%	0%
IMPLEMENTATION DATE	68%	32%	100%	0%	100%	0%

No votes were received from the party category for Offshore Transmission System Operator, Gas Supplier, Safe Isolation Provider or CVA⁷ Registrant.

Our decision

We have considered the issues raised by the proposal and the Change Declaration and Change Report submitted to us on 18 July 2024. We have considered and taken into account the vote of the DCUSA Parties on the proposal which is attached to the Change Declaration. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the Applicable DCUSA objectives;⁸ and
- directing that the modification is approved is consistent with our principal objective and statutory duties.⁹

Reasons for our decision

After assessing DCP441 against all of the DCUSA General Objectives, we consider it will better facilitate DCUSA General Objective Four and has a neutral impact on the other DCUSA Objectives.

Applicable DCUSA Objective Four – the promotion of efficiency in the implementation and administration of the DCUSA arrangements

The DCUSA Party voting view

We note that in the DNO party category, the vote to accept DCP441 was not unanimous. Three related distribution network operating companies voted to reject DCP441 on the

⁵ Distribution Network Operator

⁶ Independent Distribution Network Operator/Offshore Transmission System Operator

⁷ Central Volume Allocation

⁸ The Applicable DCUSA Objectives are set out in Standard Licence Condition 22.2 of the Electricity Distribution Licence.

⁹ The Authority's statutory duties are wider than matters that the Parties must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.

basis that the availability of another alternative solution could present Ofgem with an even split in voting for the options and potentially not provide a clear steer as to the views of the DCUSA Parties.

We also note the rationale for supporting the modification proposal provided by the other majority voting parties which supports the Proposer's view.

Our view

We agree with the majority of voting DCUSA Parties and the Proposer that DCP441 better facilitates DCUSA General Objective Four because it addresses the specific scenario identified in DCP406 by the Proposer. We also consider the addition of an alternative variation promotes efficiency in the implementation and administration of the DCUSA by allowing greater flexibility in the number of solution options that can be presented to us for decision in the DCUSA code modification process.

We do not share the views expressed by the three distribution companies in voting against the modification proposal. We do not consider the potential for votes to be split evenly to pose an adverse impact on our ability to make a decision. This is because, whilst we take into account the DCUSA Party vote recommendation in making our decision, we also undertake our own careful assessment of the change proposal using the relevant DCUSA General Objectives.

Therefore, we consider that DCP441 will better facilitate DCUSA General Objective Four than the current baseline.

Decision notice

In accordance with standard licence condition 22.14 of the Electricity Distribution Licence, the Authority hereby directs that modification proposal DCP441: Proposal to increase the number of allowed Change Report alternative variations from two to three be made.

Gavin Baillie

Head of Industry Codes

Signed on behalf of the Authority and authorised for that purpose.