

UNC 08XX:

Releasing of unused capacity under a specific set of circumstances



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Why change?



In some instances, capacity is booked but still remains unused years later . Where there is limited capacity available on the same part of the system this can cause an issue for other shippers and end consumers. This can potentially include:

- Denied capacity increases
- Denied new connections
- New and/or existing site having to pay for cost of reinforcement works
- Cost of Network having to pay reinforcement works (which is included in DN charging, and therefore potentially recovered from all end consumers).

Options



- **Supply Point Offtake Rate (SPOR) Review Process (aka 390 process) TPD UNC TPD Annex B-3 11**
 - This relies on shipper and site negotiations to result in site requesting a reduction in booked capacity
 - where this is unsuccessful then capacity remains limited/unavailable for other sites/shippers
- **Releasing of unused capacity under a specific set of circumstances (This modification proposal)**
 - Reduction of capacity charges for Site that is holding excess capacity
 - Increased competition due to capacity being made available to other shippers in areas where limited/none was available
 - Reduction of potential costs to site (reduction in need for specific reinforcement)
 - Reduction in potential costs to end consumers (reduction in need for network reinforcement)

Solution: Eligibility criteria



- Reduce Capacity for sites meeting **ALL** of the following criteria:
 1. Site must be Class 1 (daily metered).
 2. Site must be directly connected to DN network (ie not NTS or CSEP)
 3. Site must NOT be on an area of network where capacity is freely available (subject to 1 in 20 conditions)
 4. History of usage must show that site has consistently under used capacity for a minimum of [3] years. *(This will increase to take into account exceptional circumstance (eg Covid))*

Identified sites would be reduced to 150% of peak SHQ capacity offtake as identified over site history analysis above *(SOQ will be calculated as SHQx16 unless otherwise stated)*.

Solution: Information to shippers



- the new SHQ & SOQ that the capacity is to be reduced to, which cannot be less than [150%] of the highest the single highest offtake rate (in kWh/day) recorded at the DM Supply point over the past [3] years. The SOQ will be calculated as SHQ x 16 unless otherwise stated;
- the existing SHQ & SOQ for the time being held by the Registered User (the “Existing Supply Point Offtake Rate”);
- the single highest hourly offtake rate (in kWh/hour) recorded at the supply point over the past [3] years
- The Supply Meter Point Reference Number;
- the address details; and
- any further information relating to the DM Supply Point Component that the DN considers would assist the Registered User

Solution: Timings



- **Month 1 & 2** – The Transporter identifies site, carries out relevant analysis, and provides the information relating to sites where capacity is proposed to be reduced, to the relevant shipper
- **Month 3** – Appeal process, this is where the Shipper can provide any relevant information they have (including from the site) in relation to plans for the capacity to be utilised at a point within the next [3] or less years. This can include a counter capacity reduction figure if the appeal evidence warrants a different reduction figure.
- **Month 4** - DN to consider appeal and confirm outcome to Shipper. (Any sites successfully appealed to be removed from the process will not progress any further)
- **Month 5** – Shipper to notify site of final outcome.
- **Month 5 + 1day** – CDSP to reduce capacity (SOQ & SHQ) to DN confirmed value *Ratchet 'soft Landing' period to apply*

Recommended Steps



- The Proposer recommends that this modification should be:
 - As this modification could have a material impact on efficient use of network and/or end consumer funds in relation to provision of available capacity, the Proposer recommends that this Modification should be Authority Direction.
 - Workgroup assessment to develop the modification for 6 months