



Serving the Midlands, South West and Wales

**Western Power Distribution
(East Midlands) PLC**

**USE OF SYSTEM CHARGING METHODOLOGY
(Policy Relating to Network
Unavailability Rebates)**

This statement is effective from 1st January 2015

This statement has been approved by the Gas
and Electricity Markets Authority (the Authority)

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General Introduction

Contact Details

1. If you have any questions about this policy statement please contact us at the address shown below.

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WESTERN POWER DISTRIBUTION (East Midlands) plc

Network Unavailability Rebate Payments

- A compensation payment may be payable to customers for network outages
- For customers with generation connected at EHV and who have agreed a standard connection the following scheme will apply. This scheme is known as Distributed Generation Network Unavailability Rebate and payments will be calculated for each generator on the following basis:

$$\text{Payment} = A * B * (C - D)$$

Where:

A = the network unavailability price of £2 per MW per hour.

B = incentivised generator capacity; the highest active electrical power that can be generated (or the relevant incremental change of this amount in cases of the expansion of existing generation plant) by the generator for the year, according to the connection and/or use of system agreement(s).

C = network interruption duration; the total duration of all occurrences (in minutes) on the network each of which involves a physical break in the circuit between itself and the rest of the system or due to any other open circuit condition, which prevents the generator from exporting power. It excludes:

- 50 per cent of the total duration of cases where the DNO Party takes pre-arranged outages of its equipment for which the statutory notification has been issued to the generator;
- the cases where the generator has specific exemption agreements with the DNO Party in the connection and/or use of system agreement(s); and
- the cases which are part of exempted events in the quality of service incentive or the Guaranteed Standard Statutory Instrument (such exemptions include interruptions of less than three minutes duration and industrial action).

D = the baseline network interruption duration for the relevant year which either has a default value of zero or some other value agreed between the customer and the DNO Party and recorded within either; the connection offer, connection agreement and/or use of system agreement(s).

Distributed Generation Network Unavailability Rebate scheme payments will be calculated by the DNO Party on an annual basis (1st April - 31st March) and payments made shortly after the end of each year. This payment is automatic and does not need to be claimed by the generation

customer. The de minimis level of rebate is £5 (and below that amount no payment will be made).

- the cases which are part of exempted events in the quality of service incentive or the Guaranteed Standard Statutory Instrument (such exemptions include interruptions of less than three minutes duration and industrial action).

Pre-2005 Generators

For the avoidance of doubt, charging arrangements for designated EHV export customers with connection agreements dated pre April 2005 will be treated according to Ofgem's Decision Document dated 10 February 2012.