

DSBR Contract Terms

To accompany Annex 1 (Part 4 – Utilisation Fee)

Guidance Note

This Guidance Note accompanies Part 4 of Annex 1 to the DSBR Standard Contract Terms, and is intended to aid understanding of the methodology for calculation of Utilisation Fees associated with the issue by NGET of DSBR Instructions. In the event of any conflict or inconsistency as between this Guidance Note and Part 4 of Annex 1, the latter shall prevail. All paragraph references in this Note are to paragraphs in Part 4 of Annex 1 unless otherwise stated.

One of the key functions of Part 4 is to determine the Firm Delivery Period associated with each DSBR Instruction.

This is important because, whilst outside of Firm Delivery Periods the Utilisation Fee is a simple function of tendered Utilisation Rate and the DSBR delivered half hour by half hour [para 9], for the Firm Delivery Periods the application of the tendered Utilisation Rate is “staggered” as outlined below.

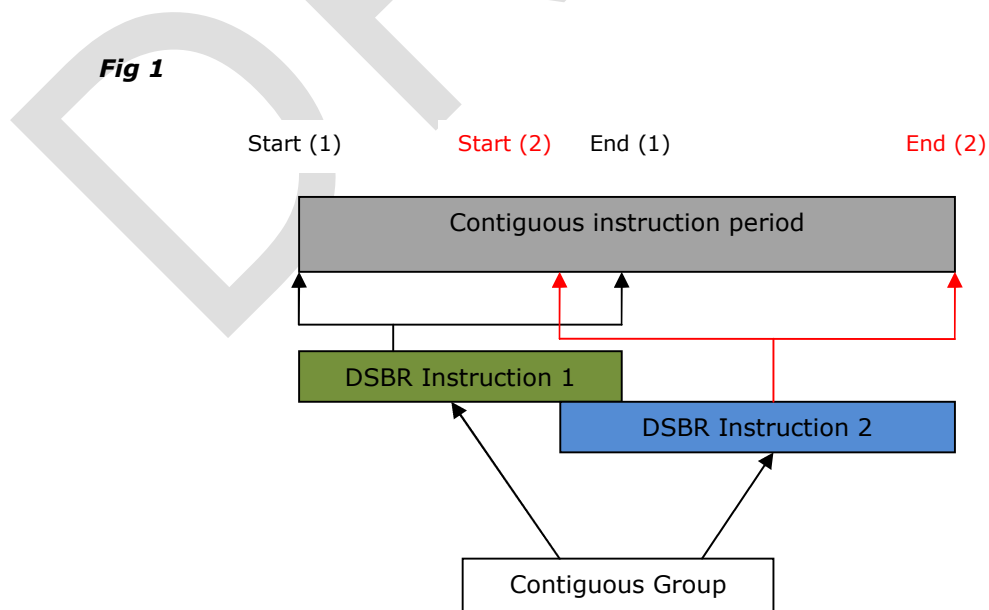
A Ascertaining Firm Delivery Periods

The Firm Delivery Period, over which the staggered payment of the Utilisation Rate will be applied, is a function of the “Contracted Service Window” tendered by the Service Provider (being all or part of the DSBR 4pm – 8pm service window), and entails identifying “contiguous groups” of DSBR Instructions, “eligible” contiguous groups, and the Firm Despatch Spell, as explained below.

(1) Contiguous Groups

Each DSBR Instruction will define a start time and an end time, being the instruction period for delivery of DSBR. However, DSBR Instructions will not always be mutually exclusive; NGET may issue a DSBR Instruction that effectively extends, or shortens, the delivery period associated with another DSBR Instruction.

For this reason, before a Firm Delivery Period can be ascertained, the related, or “contiguous group” of DSBR Instructions need to be identified [para 3a and b]. Each contiguous group will be associated with a “contiguous start time”, and a “contiguous end time”, and will have as its duration the consequent “contiguous instruction period”. This is shown in Fig 1 below.



For the purposes of the formulae, a single DSBR Instruction may comprise a contiguous group comprising only itself.

Some examples of contiguous groups are shown below (all assuming the Service Provider has tendered a Contracted Service Window which encompasses the entire DSBR Service Window of 4pm – 8pm):

Example 1: A single DSBR Instruction is given with a start time of 6pm and an end time of 8pm; no further DSBR Instruction is given. The DSBR Instruction is a contiguous group comprising only itself. The "contiguous start time" is 6pm, the "contiguous end time" is 8pm, and the "contiguous instruction period" is 2 hours

Example 2: An original DSBR Instruction is given with a start time of 6pm and end time 8pm; a subsequent DSBR Instruction is then given with a start time of 4pm and end time of 6pm. The "contiguous start time" is 4pm, the "contiguous end time" is 8pm, and the "contiguous instruction period" is 4 hours

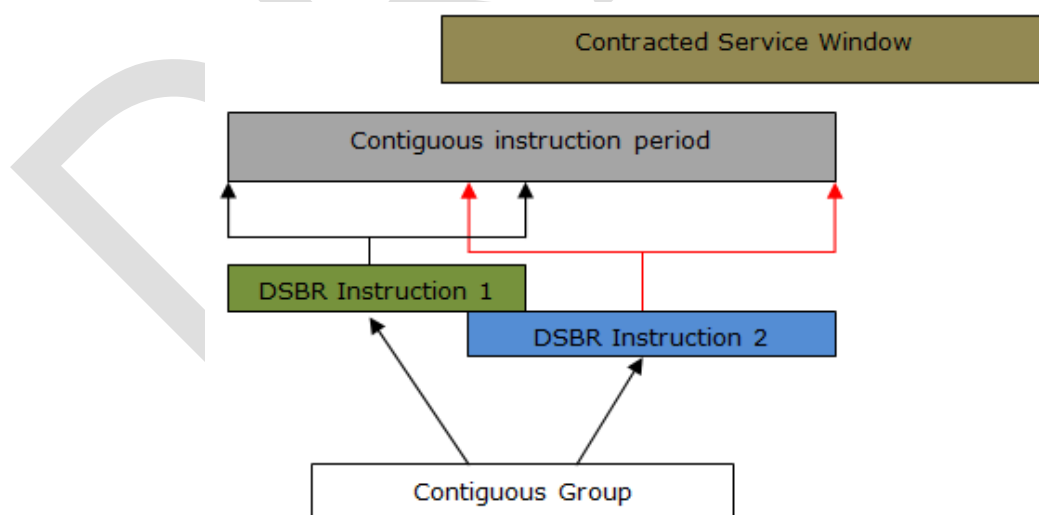
Example 3: An original DSBR Instruction is given with a start time of 6pm and end time of 8pm; a subsequent DSBR Instruction is then given with a start time of 5pm and end time of 7pm. The "contiguous start time" is 5pm, the "contiguous end time" is 8pm, and the "contiguous instruction period" is 3 hours

(2) Eligible Contiguous Groups

However, whilst a contiguous instruction period must fall within the DSBR 4pm – 8pm service window, it need not overlap to any extent with the tendered Contracted Service Window.

To be eligible for the purposes of ascertaining a Firm Delivery Period, the contiguous group must therefore stipulate a contiguous instruction period which overlaps at least in part with a Contracted Service Window [para 3c(1)] (and for which a Max DSBR Instruction has not been issued) [para 3c(4)]. This is shown in Fig 2 below.

Fig 2



It is a further requirement of an eligible contiguous group that it:

- stipulates a start time which is at least 2 hours after the end time of an earlier DSBR Instruction [para 3c(2)]; and
- gives the provider at least 2 hours prior notice of its start time [para 3c(3)].

Where, by reason of any of the above requirements, a contiguous group is not eligible, then as explained above the associated DSBR delivered during the contiguous instruction period will be paid as DSBR delivered outside of a Firm Delivery Period, ie on a non-staggered basis as a simple function of tendered Utilisation Rate and the DSBR delivered half hour by half hour.

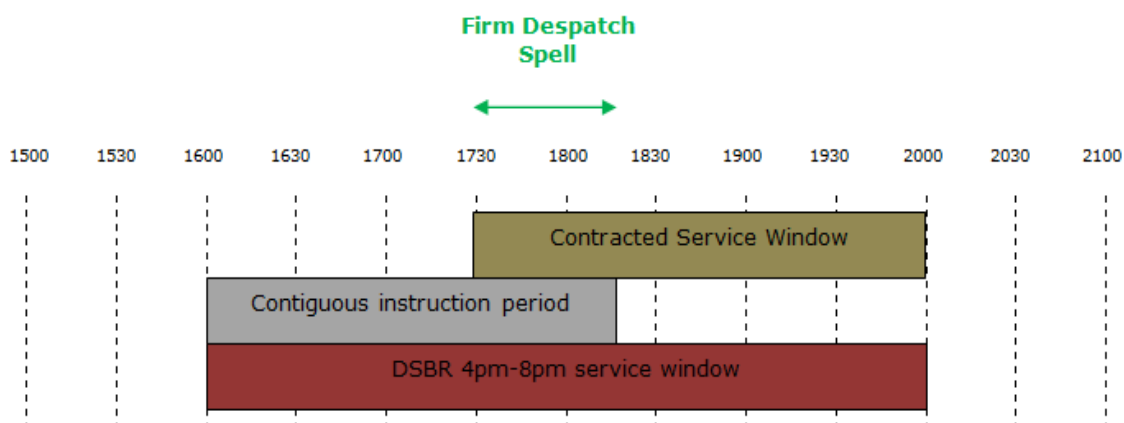
(3) Firm Despatch Spell

For each eligible contiguous group, the Firm Despatch Spell is the period of time over which the contiguous instruction period overlaps with the tendered Contracted Service Window. [para 4] This is illustrated in Fig 3 below (where, for illustrative purposes, the tendered Contracted Service Window is for part only of the DSBR 4pm – 8pm service window).

A Firm Despatch Spell must, however, meet certain requirements:-

- it cannot extend beyond expiry of the Sustainability Duration stipulated in the tender (being the minimum period over which DSBR is expected to be delivered on instruction) [para 4biii]; and
- it cannot encompass any period which extends beyond the tendered Contracted Service Window, and it must end at the start of any Settlement Period in which another DSBR Instruction is given [para 4biv].

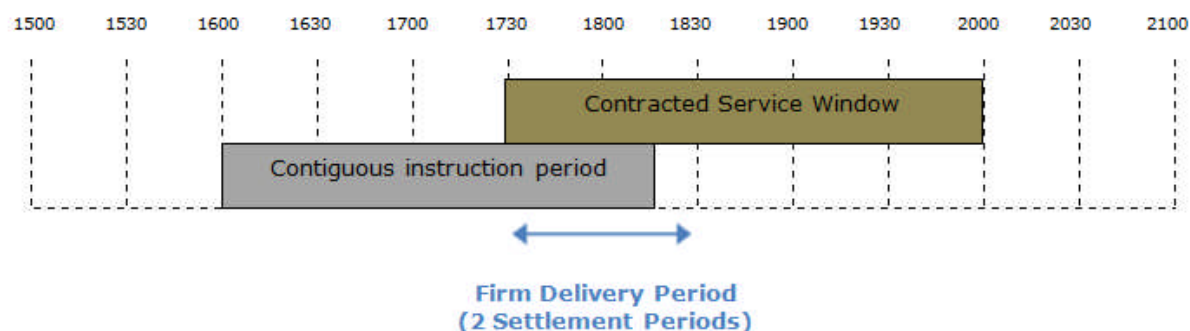
Fig 3



(4) Firm Delivery Period

Finally, since the Firm Despatch Spell will be a period defined by a “spot” start time and a “spot” end time, the Firm Delivery Period will therefore be the consecutive whole Settlement Periods in which those spot times fall [para 5]. This is illustrated in Fig 4 below.

Fig 4



B Ascertaining Energy Delivered

Once the Firm Delivery Period has been ascertained, it is necessary to establish the amount of energy treated as the DSBR delivered during each half hour in that Firm Delivery Period (termed the "Delivered Quantity"). This energy is calculated as the difference between the baseline demand profile and the metered consumption, but capped at the tendered Indicative DSBR Capability.

This delivered quantity is then aggregated across each half hour in the relevant Firm Delivery Period as follows:

To calculate the DSBR delivered for any contiguous group (termed "the Total Delivered Quantity"), the delivery quantity in each half hour associated with those DSBR Instruction(s) is derived (termed "the Delivered Quantity")

This half hourly Delivered Quantity is the difference between the baseline demand profile and the metered consumption for that half hour, but capped at the Indicative DSBR Capability (unless a Max DSBR Instruction is given) [para 8a]

The Delivered Quantity so derived, for each relevant half hour associated with the DSBR Instruction(s), is then summated across the Firm Delivery Period to give the Total Delivered Quantity [para 8b]

Calculating Utilisation Fee

This Total Delivered Quantity is then multiplied by the tendered Utilisation Rate to determine the Utilisation Fee due to the provider, but on a "staggered" basis [para 6] as follows:

Bands are determined by reference to the Indicative DSBR Capability summated across the Firm Delivery Period (termed the Total Target Quantity)[para 7]

For that portion of the Total Delivered Quantity represented by 25% of the Total Target Quantity, 0% of the Utilisation Rate is applied

For that portion of the Total Delivered Quantity represented by the next 25% of the Total Target Quantity, 50% of the Utilisation Rate is applied

For that portion of the Total Delivered Quantity represented by the next 25% of the Total Target Quantity, 150% of the Utilisation Rate is applied, and

For the final portion of the Total Delivered Quantity represented by next 25% of the Total Target Quantity, 200% of the Utilisation Rate is applied to the final 25%.

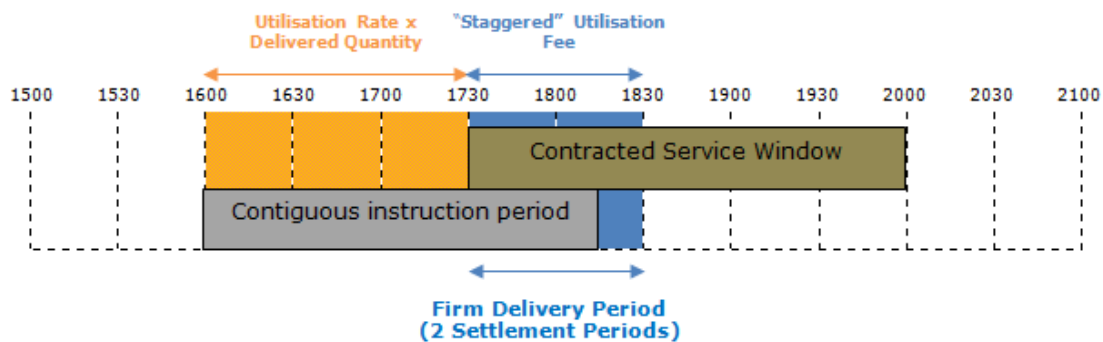
For these purposes, the Utilisation Rate is deemed to be zero for any DSBR delivered during a DSBR Proving Test.

Calculating Utilisation Fee outside of Firm Delivery Periods

As mentioned, for energy delivered as DSBR outside of Firm Delivery Periods, the Utilisation Fee is a simple product of the tendered Utilisation Rate and the DSBR delivered half hour by half hour [para 9]. This will include DSBR delivered in response to a Max DSBR Instruction.

This is illustrated by Fig 5 below.

Fig 5



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