



DCP 161 A NEW TARIFF

**Have you got the capacity
to manage it?**

Ofgem is introducing a new measure on 1st April 2018 to ensure that half hourly demand that exceeds the assigned available capacity will pay significantly more. DCP 161 introduces higher Excess Capacity penalties.

SO, WHAT CAN YOU DO TO MINIMISE THESE EXCESS CHARGES?



The new DCP 161 tariff is being introduced from 1st April 2018 to recover additional costs that DNOs (Distribution Network

Operators) incur when customers exceed their available capacity levels. Capacity charges are kVA and are electricity bill listed.

At present, those consumers who exceed their contracted capacity are being charged at the same rate as their allocated capacity – meaning there has been no ‘incentive’ for the client to actively manage their available site capacity and Peak Demand. With DCP 161 this will change to financially penalise those who exceed contracted capacity. To mitigate these price rises the consumer can look to increase site capacity levels, or start actively managing peak demand, or a mix of the two.

DCP 161 means that users will be charged an excess penalty rate which could be over three times higher than the existing standard rate. If a site is regularly exceeding its assigned available capacity, DCP 161 could significantly increase the overall electricity charges depending on your consumption profile.

If you want to manage your Capacity charges by optimizing your available capacity, or are looking at ways to reduce your peak energy demand to avoid excess charges, Utility Alliance can help. Our Energy Monitoring software provides graphical views, alerts and metrics that are linked to your actual Capacity Demand and where it sits vs. your contracted limits.

Bob Moore, M.D of Utility Alliance commented:

“ Fortunately the balancing act of deciding on the correct available capacity and minimising excess demand charges is something our Utility Monitoring Plans can help you with. There are 2 easy management tasks site operators can undertake to make sure Capacity tariff charges and associated excess charges are kept in check.

Firstly, make sure your contracted capacity level reflects the capacity your site needs, or is planned to need. Secondly, if the site starts to be penalised for excess capacity breaches, the consumer needs to be alerted so they can start to plan to shift/shed demand to bring demand and excess charges back under control.

A successful application for additional capacity, particularly in supply limited areas, can take months to complete so action is needed now for at-risk capacity levels to complete this before the 1st April 2018 deadline. If you need help, our Energy Services team are here to assist. ”

Over the page are some Frequently Asked Questions (and useful answers) that may help you to reduce or completely remove these highly penalised Excess Capacity tariff costs.

Q1 HOW CAN I TRACK MY ACTUAL DEMAND VS MY CONTRACTED CAPACITY?



The view across is from the Utility Dashboard that uses kVA data from Smart or Half Hourly Meters to display Peak Demand vs. Available Capacity.

This view allows you to understand when and by how much kVA Demand exceeds your Available Capacity.

Q2 IF I NEED TO ADJUST MY CAPACITY, WHAT CAN I DO?



Contact your Energy Supplier or Broker and ask them to make the change. Sometimes they can help guide you on the appropriate kVA Capacity level, but the ultimate decision of what level of Available Capacity you need is down to you...of course it helps if you have a Utility Dashboard to assist your decision making!

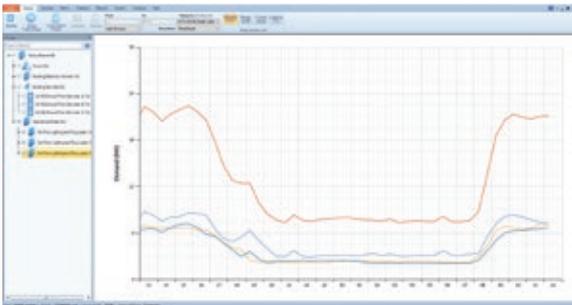
Some Energy Brokers such as Utility Alliance Ltd will provide proactive advice as they can actively monitor your ongoing Demand on your behalf.

Q3 HOW CAN I FIND OUT WHEN I'M EXCEEDING MY CAPACITY LIMIT?



Your monthly energy bill will tell you what your Capacity & Excess Charges have been in the previous month. If you want to be more pro-active in managing excess charges you can deploy the Utility Smart Dashboard. Utility Smart uses your Half Hourly or Smart data to display your site demand and alert you when demand exceeds your preset thresholds.

Q4 HOW CAN I FIND OUT WHAT'S CAUSING MY EXCESS CAPACITY CHARGES?



Site or Building Demand is caused by an accumulation of systems in use at any one time. Peaks occur when specific electrical systems turn on at the

same time, such as compressors, HVAC and other motors. Sub-monitoring systems such as our Modus Monitoring package help you understand what systems are causing your peak & guide you to possible demand side management strategies. The Analyst software image above examples several building systems contributing to Peak Demand.



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