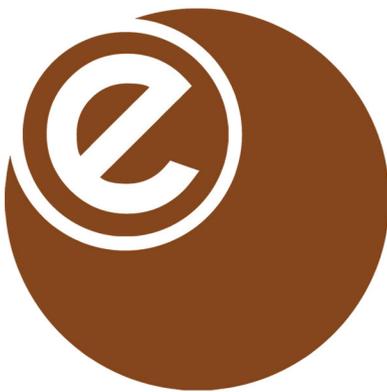


23.10.2017



Energy Live Policy Report

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Energy Live Policy Report



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Consultation on amending the waste electrical and electronic equipment (WEEE) 2013 UK regulations



DEFRA has issued a consultation on amendments to the WEEE Regulations. The proposed changes include changing the way that some types of waste are classified.

What does this mean to the end user?

This consultation introduces changes under the Open Scope requirements of the WEEE Directive, which were introduced to UK law under the 2013 Regulations.

The changes essentially broaden the remit of the WEEE Regulations to cover all types of electrical equipment, including those not previously mentioned within the legislation. This also includes a potential requirement to categorise and report electrical and electronic equipment and waste streams arising from such in six revised categories, compared to the 14 categories used in the current WEEE system.

These six revised categories are:

1. Temperature Exchange Equipment Screens
2. Monitors & Equipment Containing Screens Surface area >100cm²
3. Lamps
4. Large Equipment Any External Dimension > 50cm
5. Small Equipment No External Dimension > 50cm
6. Small IT & Telecom No External Dimension > 50cm

The consultation is in three parts:

Implementing Open Scope Requirements

The latest iteration of the Waste Electrical and Electronic Equipment (WEEE) Directive included a move to 'open scope' from 15 August 2018. This means that all electrical and electronic equipment will fall under the scope of the Directive unless explicitly exempt.

What options are put forward for implementing the open scope requirements?

Defra has presented three options for implementing the open scope requirements. The options are:

1. Option 1 - do nothing. Allow the existing WEEE Regulations to take effect, with the requirement to categorise and report EEE and WEEE in the six revised categories.
2. Option 2 - amend the UK WEEE Regulations to retain the current broader system of 14 categories, but improve the flexibility to

allocate products that were previously out of scope to one of the 14 categories. This is the preferred option.

3. Option 3 - Amend the 2013 WEEE Regulations to move to the 6 categories, but utilising three additional sub-categories, namely:

Category 1: Temperature Exchange Equipment Screens

Proposed sub-categories:

- i. Those containing refrigerants
- ii. Those not containing refrigerants

Category 4: Large Equipment Any External Dimension > 50cm

Proposed sub-categories:

- i. PV
- ii. Large household Equipment (LDA)
- iii. All Other

Government's preferred option is to use Option 2 and retain the existing WEEE categories. This is a deregulatory option and is preferred as the department claims to want to "minimise the costs to business as far as possible".

Moving to the six revised categories would mean producers have to separately record products above and below 50cm in size. Option two avoids the burden of categorising products by physical size.

Comment on other proposed regulatory amendments

The second section asks for comment on two planned regulatory amendments, both of which are intended to make the UK WEEE system fairer.

Producer Compliance Scheme (PCS) obligations to collect WEEE from local authorities

Government is seeking feedback on proposals to make membership of the Producer Compliance Scheme Balancing Scheme compulsory to all compliance schemes.

The Balancing System, known as the PBS, was established to deal with requests from councils for the clearance of waste electrical and electronic equipment (WEEE) in a collaborative way from CA sites, where local authorities and schemes have been unable to agree a contract to deal with the material.

Membership of the PBS has until now been voluntary.

However, Defra claims in this consultation that concerns have been raised by a number of stakeholders that because of this voluntary nature, the "financial burden" of dealing with requests from local authorities is not shared proportionately.

Produced Balancing System

DEFRA believes that because of these commercial concerns being raised by participants, the PBS is at risk. This means Local Authorities may struggle to access environmentally

sound disposal of electronic waste.

They propose making the PBS statutory so that all producer compliance schemes (PCS) that are approved to fulfil household WEEE obligations are mandated to be members.

This should be cost neutral, since PCSs are already obliged, under regulation 28, to fully cover the costs of collection, treatment, recovery and environmentally sound disposal of WEEE deposited at designated collection facilities (DCF).

Comments on how the Regulations are working

The final section invites stakeholders to share their views on how the regulations are working and whether the 2013 WEEE Regulations were effective in meeting the objectives set out when the legislation was first tabled.

To submit a response to this consultation, or to download the consultation documents please use the [online consultation portal](#).

The consultation closes on 8th December 2017.

There is also a consultation open on the WEEE Compliance Fee Methodology.

Consultation on WEEE Compliance Fee Methodology

DEFRA is seeking views on whether to set a WEEE compliance fee for 2017. The department also wants views on two proposals for managing the 2017 fee.

What does this mean to the end user?

This may indirectly impact environmental and compliance staff that work for organisations involved in manufacturing or selling electrical and electronic goods.

The UK Waste Electrical and Electronic Equipment (WEEE) Regulations 2013 require producers of electrical equipment to finance the cost of collection, treatment, recovery and recycling of WEEE arising from private households.

Annual collection targets are imposed on such producers via a series of Producer Compliance Schemes (PCSs).

Companies that don't meet their annual collection targets can comply with the 2013 WEEE Regulations by paying a compliance fee instead. The decision to use a compliance fee and how it is administered is agreed annually.

This consultation contains two proposals for a compliance fee methodology and administrator for 2017. These have been submitted by Valpak and the Joint Trades Association.

For more information or to download the consultation and associated documents, please [click here](#).

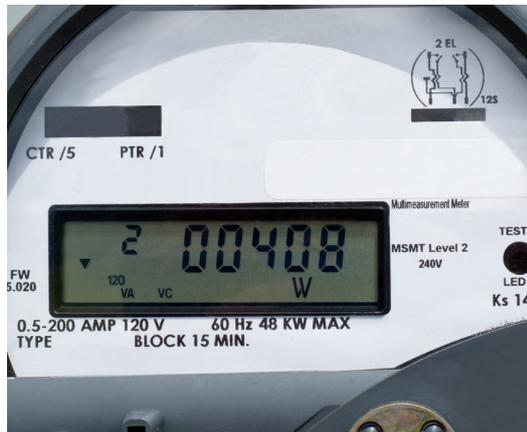
The consultation closes on 1st December 2017.

Consultation on the operational transition of smart meters, including draft legal text

BEIS is consulting on the options to install a limited number of SMETS1 meters after the SMETS1 end date.

What does this mean to the end user?

SMETS1 (standing for Smart Meter Equipment Technical Specification, version 1) are the first generation of energy smart meters. Initially, they were meant to be rolled out between 2011-2016 only. However, due to delays in laying out the required infrastructure for the second generation SMETS 2 meters, SMETS1 meters are still being installed. SMETS2 are supposed to resolve some of the problems that have been experienced with SMETS1.



Under current plans, SMETS1 meters installed after 13 July 2018 will no longer count towards suppliers' 2020 smart metering installation target.

Suppliers that have significant SMETS1 rollouts already underway may struggle to start installing SMETS2 by this date. This could impact the number of installations that take place and/or increase the costs for suppliers to meet their 2020 smart metering obligations.

BEIS is therefore consulting on the policy options to provide flexibility around this transition date and enable a limited number of SMETS1 meters to be installed for a limited time period after the SMETS1 end date.

For more information or to download the full consultation text and associated documents, please [click here](#).

The consultation closes on 10th November 2017.

Further reading

A House of Commons Briefing Paper on Energy Smart Meters was also published this week detailing the progress made in rolling out smart meters and establishing the Data and Communications Company.

Decision to send back DCP268 'DUoS Charging Using HH Settlement Data

The Regulator has decided to 'send back' the Final Modification Report on Distribution Change Proposal 268, to the Distribution Connection and Use of System Agreement (DCUSA) Panel for further work by the industry before this modification can be approved.

DCP268 the higher afternoon consumption for the afternoon boost will fall in the red period. This will increase the annual DUoS charge for Economy 7 consumers with an afternoon boost.

However, standard Economy 7 consumers will see a reduced DUoS charge because they are not incurring any increased night rate average cost for the afternoon boost. Therefore, the proposed changes will benefit a standard Economy 7 customer.

What does this mean to the end user?

Distribution Change Proposal 268 sets out an intent to facilitate the transition to half-hourly (HH) settlement for non-half hourly (NHH) customer. It proposes to do this by moving to a time band charging basis, based on the HH (profiled) data used in settlement. This should be watched as, if approved, it will result in changes to the distribution charges for non-half hourly sites.

The DUoS tariffs are currently published in a form related to NHH and HH settlement. This difference is for historic reasons. However, half hourly data is increasingly available for use which will enable more accurate settlement and DUoS charging.

Microgeneration: Photovoltaic (PV) vs combined heat and power (CHP)

A customer with PV microgeneration will typically not import as much

The different charging structures lead to different charges for individual customers or for supplier portfolios. This may lead to anomalies in the charges for different groups of customers (which may trade NHH or HH), particularly for those that are not close to the 'average' customer assumed.

energy during the summer or daylight hours. Any energy not imported will reduce DUoS charges. The PV customer will be adversely affected by moving from non-settled to HH settlement.

DCP268 proposes to utilise the RAG (and Black, Yellow and Green (BYG) for unmetered supplies) framework, irrespective of settlement arrangement. This will reduce the number of distribution charging tariffs and make the charging model simpler (by not accommodating the historic NHH tariffs).

A customer with a CHP microgenerator will typically generate during the winter during the hour of darkness and therefore not import as much during the 'peak periods'. A micro-CHP customer will typically benefit from half-hourly settlement.

The same approach would be applied for import and generation tariffs. Reducing the number of legacy distribution tariffs, each with a greater volume, minimises the risk of under or over recovery if certain groups of customers (which would benefit from the different charging structure) move and therefore leave the less beneficial customers behind.

Why is it sent back?

Ofgem has noted two areas for concern:

1. Lack of information on the impact for generation customers. The impact assessment considers only the impact of the proposal on demand customers' DUoS charges. Any potential impact of the proposal on generation credits has not been provided.
2. Concerns over implementation date. The industry stakeholders have rejected the proposed implementation date of 1 April 2019. Ofgem thinks further assessment of the implementation date is needed in order for them to decide whether to progress this change proposal.

How does this translate into changes on the bill?

The customer types most affected will be those not already half-hourly settled and customers that have generation.

What happens next?

The industry members that make up the DCUSA panel will gather the outstanding impact data and resubmit the change proposal consideration. For more information, please download the decision letter using [this link](#).

Consumption: Economy 7 domestic consumers

Under the current day/night domestic CDCM tariff both customer groups are bundled together and are charged the same night p/kWh. Under the RAG approach proposed by

ENERGY LIVE EXPO

Energy Live Expo Speakers



Mark Gregory
Chief Economist, EY



Alan Whitehead MP
Shadow Energy & Climate Change Minister



Michael Gibbons
Chairman, ELEXON



Gab Barbaro
Managing Director, British Gas Business



Louise Kingham
Chief Executive, Energy Institute



Volker Beckers
Former Group CEO, RWE npower PLC

2.11.17

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We hope you have found this update useful.

Please let us know your views and do let others know if you think it might help them.

If you have a specific question please email policy@energylivenews.com

You can contact us on 0208 8815 9222