Optimised Energy

10-20%
deviation from the upper bound of consumption levels

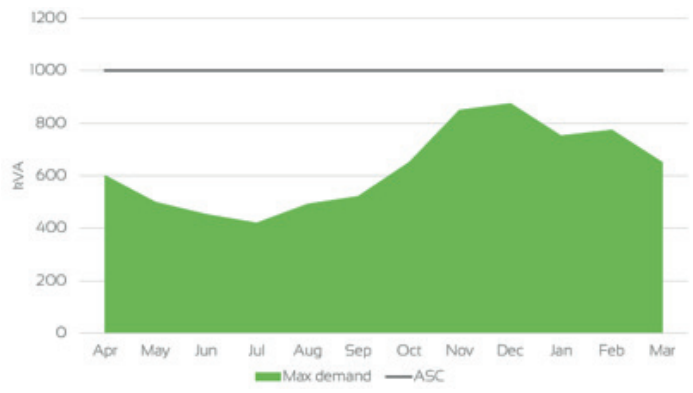
3x
ASC rates can be changed as much as three times

Capacity to Change? Available Supply Capacity Review

What is Available Supply Capacity?

Available Supply Capacity (ASC) contributes to all half hourly monthly electricity bills and is priced into Fixed, Flexible and Pass-Through contracts. The Available Capacity of a site is the upper limit of demand, agreed with the Distribution Network Operator to ensure this will be available for use. Maximum Demand is the highest load taken in a single half hour on the supply, doubled to cover a full hour. If the Maximum Demand figure exceeds the ASC, distributors will typically charge a penalty rate per unit of excess usage. From April 2018, the introduction of DCP 161 has meant distributors can charge as much as three times the ASC rate.

Figure 1: Demand against Available Supply Capacity (ASC)



As ASC is priced into all UK electricity contracts at a pence per unit rate, it is advised to set available capacities at a reasonable level relative to the site's usage, leaving room for unexpected spikes or increases in usage. It should be noted that, if the ASC is lowered, the original capacity may not be available in future without incurring further charges.

Quick facts

The Available Capacity of a site is the upper limit of demand.

If you reduce ASCs, this does not guarantee you can revert to previous higher ASCs at a later date.

Any sites exceeding their agreed ASC may incur significant penalties levied by their respective Distribution Network Operator (DNO).

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DCP 161

DCP 161 was introduced by Ofgem, in April 2018, to ensure that any sites exceeding their agreed Available Supply Capacity would incur significant penalties levied by their respective Distribution Network Operator (DNO) and passed through by the relevant supplier. The penalty charges have been increased to guarantee that the additional costs that DNOs incur when customers exceed their ASC can be recovered. Penalties charges vary by region and voltage and are published in advance by each DNO, as with other DUoS charges. This change provides significant reason for clients to ensure that their ASCs are set at the appropriate level to avoid unnecessary extra charges.

What Should You Do?

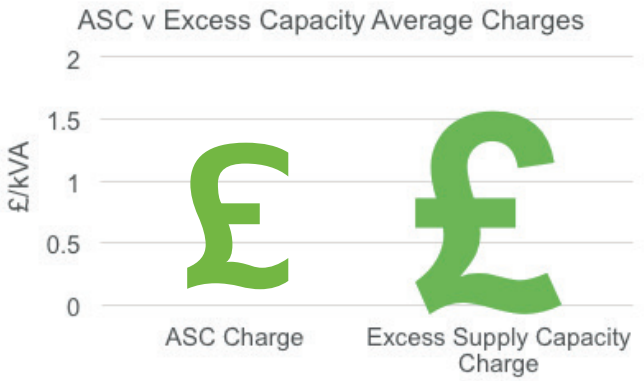
With the introduction of DCP 161 in April-18, it is important to ensure the ASCs at each of your sites is set appropriately for the required load, minimising additional costs and avoiding penalty charges. Analysis should be carried out on the usage of your sites, based on the current ASC and Maximum Demand data to structure a suitable array of ASCs. Please note, all analysis should be carried out accounting for any future consumption changes. It is important to note that if you are to reduce ASCs, this does not guarantee you can revert to previous higher ASCs at a later date. If you would like to discuss your ASCs and the next steps for your sites, please don't hesitate to contact one of our specialists.

Octego's Recommendation

Typically, Available Supply Capacities should be set to an adequate level in excess of the peak demand of a site's consumption pattern, preferably accounting for Maximum Demand figures. With DCP 161 legislation, the aim is to avoid future consumptions breaching the associated ASC level and incurring inflated charges.

Figure 2 demonstrates the increased average unit charges of Excess Supply Capacities with respect to ASC charges following the introduction of DCP 161. Basic analysis should allow ASCs to be set at roughly a 10 – 20% deviation from the upper bound of consumption levels inclusive of Maximum Demand figures.

Figure 2: Average ASC unit charge with respect to Average Excess Supply Capacity unit charges.



If you require any further information on available supply capacity reduction, or if you have any questions, please get in touch with Optimised Energy's Utilities Team on **01253 209000**

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