



*Promoting choice and value for
all gas and electricity customers*

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Dear Colleagues

Re: Distributed generation, open letter requesting views on the process for getting connected.

Our open letter of 16 May¹ sought views from industry and interested parties in relation to the experience of getting distributed generation (DG) connected to the distribution network. The consultation closed on the 31 May.

The responses have highlighted a number of issues associated with the process of getting connected. A summary of the type of challenges that respondents encounter, is listed below.

- Some respondents complained of delays in the delivery of connection quotations. Respondents also indicated that the process for application is neither consistent nor transparent.
- Concerns were raised about the application of the Statement of Works process. These are required in those cases where it is felt that a connection may have a significant impact on the transmission network². It was felt that this process can significantly increase the uncertainty, cost and timeframe for getting connected.
- In some cases it was felt that Statement of Works requirements were incorrectly and inconsistently applied to certain levels of generation. Similarly there is some confusion surrounding the G83 and G81 standards and the consistency with which these are applied by DNOs.
- There are issues relating to the capacities of both the distribution and transmission systems that might restrict the ability to connect. It was felt by respondents that a lack of timely investment in the appropriate infrastructure can impact upon the timescale and cost for connecting projects to the network.
- Respondents felt that the charging methodologies were complex and that these could be more user-friendly and easier to interpret.
- Some complaints were raised over the transparency of costs and whether additional charges can be included without adequate explanation.
- Responses welcomed the provision of budget estimates but felt that more work could be done to make them consistent and fit for purpose.

¹

http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistGen/Documents1/DG%20Forum%20Open%20Letter_May.pdf

² http://www.nationalgrid.com/NR/rdonlyres/C27D5BF3-1EDA-4A13-9BD7A4E96BC02B86/44702/CUSC_Section_6_V119_31Dec2010.pdf

- Criticisms were made that DNOs are sometimes unresponsive and inconsistent in communicating with customers seeking a DG connection. Respondents commented that they occasionally encountered difficulties in making complaints and expressed concern that in doing so they may damage the commercial relationship they have with the DNO.
- There is sometimes a difficulty in obtaining the necessary information which DNOs hold and can appear to be reluctant to release. Very specific technical information can also be required by the DNO early in the process, to which developers may not yet have access.
- Generally, there is room for improvement in the service provided by DNOs towards DG developers. Some responses suggested the need for frequent, open stakeholder meetings to discuss regional issues and develop solutions.

We intend to review these issues and use them to inform the format of the DG Forum and its agenda.

We have received (and continue to receive) a large volume of responses through our open letter consultation. When we first issued our consultation, we envisaged the Forum being held in July. Given the volume and nature of responses, we have had to review the planned timescales for this event.

To this end, we are issuing this letter to advise parties that the Forum is likely to take place in September. This delay is required to allow for further consideration of the responses, to accommodate the usual down-time of the summer period and in order to ensure as wide a representation as possible at the Forum. In the meantime, we are continuing with the work of preparing the agenda and content of the Forum.

We have already received several notes of interest to attend the Forum via the formal responses to our open letter. If you have not already done so, we are now inviting notes of interest from those who wish to attend. Please signal your interest in attending this Forum by email, by no later than **Thursday 30 June**.

Notes of interest can be sent to Stacy Altman, stacy.altman@ofgem.gov.uk.

Should you have any queries regarding this letter or the forum itself, please do not hesitate to contact Stacy Altman, who is coordinating this event.

Yours Sincerely

James Veaney
Head of Distribution Policy