

Distribution licence holders Electricity supply licence holders Electricity consumers Related stakeholders

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Dear Colleagues,

Connection of Small-Scale Generation – revisions to the Distribution Code to replace Engineering Recommendation G83/1-1 with G83/2

Introduction

Engineering Recommendation (ER) G83/1-1 sets out the technical requirements for the connection of small scale embedded generation (SSEG), up to 16Amps per phase, to the public electricity distribution networks owned and run by the Electricity Distribution Licence holders¹ (the Licensees).

This letter explains our 'minded to' decision in response to the request by the Licensees to modify the Distribution Code so that ER G83/1-1 can be replaced by ER G83/2. The primary reasons for updating ER G83/1-1 are to address inconsistencies with ER G59/2 (Recommendations for the connection of generating plant to the distribution systems of the licensed distribution network operators), in particular to align protection settings and to make provision for the efficient type testing of mass market small scale generation. It is also intended to simplify the assessment, agreement and connection of small scale generation.

The approval process

The Licensees wrote to us on 19 April 2012 seeking our approval to update the Distribution Code to allow ER G83/1-1 to be replaced by G83/2. The report by the Licensees explained the reasons for this change and the process that had been followed to develop ER G83/2. In particular, it explained that an industry working group consisting of key stakeholders had been formed to progress this work. It also explained that a public consultation process was carried out between December 2011 and February 2012. The feedback/comments from this process had been considered by the working group and modifications to ER G83/2 made where considered appropriate.

Ofgem's consideration of the Licensees' report

We are very aware of the importance of ER G83/2. The deployment of small scale generation has increased significantly recently and it is likely that this trend will continue. It is therefore vital that the connection requirements for these generators are set to ensure the integrity of the system and are clearly communicated to the developers and installers of these devices. Also, as these devices are essentially mass-market products, the connection

 $^{^{1}}$ This includes the fourteen ex-PES licensees referred to as DNOs and all other licence holders referred to as IDNOs.

process needs to be as straightforward as possible within the constraints of ensuring a safe and secure system. ER G83/2 is intended to achieve these aims.

An independent third-party review of ER G83/2, as submitted to us by the Licensees, has now been completed by our consultant. We have also discussed the proposal with the Department of Energy and Climate Change and the Health and Safety Executive. As a result of this process we have made recommendations to the Licensees and the ER G83/2 working group for a number of changes to be made to ER G83/2. The working group has considered these recommendations and made changes to ER G83/2 as a result.

Next steps

We are aware that, as a result of our review process described above, the current version of ER G83/2 does include a number of changes from the version that was published for consultation in December last year. We have therefore decided to publish the current version of ER G83/2 and our consultant's report that highlights the changes that have been made. This will give stakeholders the opportunity to review the document and make representations to us if they have views on any of the changes made since the public consultation.

We are minded to approve the changes to the Distribution Code that will allow this current version of ER G83/2 to take effect and we plan to publish our decision letter after we have considered in full any responses to this letter.

During our review process, we have been made aware of a specific technology that is not currently capable of meeting all of the requirements of ER G83/2. This did not come to light in the industry consultation process. We will be considering this issue along with any other responses to this letter prior to reaching our decision.

If stakeholders do wish to make representations to us they should contact me by email at gareth.evans@ofgem.gov.uk by 28 September 2012.

Yours faithfully,

Gareth Evans

Head of Profession - Engineering