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## ADE Response | Access and forward-looking charges – Updated minded to position | 21 February 2022

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### Context

The ADE is the UK's leading decentralised energy advocate, focussed on creating a more cost effective, efficient and user-led energy system. The ADE has more than 140 members active across a range of technologies, they include both the providers and the users of energy equipment and services. Our members have particular expertise in heat networks, combined heat and power, demand side energy services including demand response and storage, and energy efficiency.

### Response

#### Connection boundary

**Question 2a: i) Do you believe that it is necessary to introduce a High Cost Cap (HCC) for demand, and to retain one for generation?**

The ADE does not support the introduction of a High Cost Cap.

**Question 2a) ii) Do you believe that our proposals to do so represent sufficient and proportionate protection for DUoS billpayers against excessively expensive connections driven reinforcement?**

No. As above, the ADE does not support the introduction of a High Cost Cap.

**Question 2a) iii) What are your views on retaining the current 'voltage rule' to determine whether the HCC is breached (ie considering the cost of reinforcement at the voltage level at point of connection and the voltage level above)?**

The ADE does not have a view on this.

**Question 2a) iv) What are your views on the principles we have proposed to determine an appropriate HCC level for demand, including the potential for this to be set at a different level to generation under these principles?**

The ADE does not have a view on this.

**Question 2b: What are your views on our proposals to maintain the requirement for three-phase connection requests to pay the full costs of reinforcement, in excess of Minimum Scheme (ie lowest overall capital cost)?**

The ADE does not have a view on this.

**Question 2c: i) Do you agree with our proposals to maintain the current treatment of speculative connections and is there a need for further clarification on the definition of speculative connections?**

The ADE does not have a view on this.

**Question 2c: ii) Do you agree that our wider connection boundary proposals broaden the disparity between connections deemed to be speculative versus non-speculative? If so, do you believe this needs to be addressed and how?**

The ADE does not have a view on this.

**Question 2d: Do you consider that our proposed DUoS mitigations (a demand HCC, and retaining reinforcement payments for three phase and speculative connection contributions) present a cohesive package of protections for DUoS billpayers? Do you consider these proposals to interact in any way that could counter their effectiveness, and if so, how?**

The ADE does not have a view on this.

**Question 2e: Do our updated proposals to treat storage in line with generation for the purposes of connection charging simplify charging arrangements for these sites and better align with the broader regulatory and legislative framework?**

The ADE supports this.

**Question 2f: Do you agree with our proposals regarding the treatment of in-flight projects (ie that they should not be permitted to reset their connection agreement and retain their position in the queue), noting they retain the right to terminate and reapply from 1 April 2023 should they wish to be treated under the proposed connection charging boundary?**

The ADE supports this.

**Question 2g: Do you agree with our proposals to retain the existing arrangements for managing interactive applications? Do you agree with our proposals on the treatment of unsuccessful applicants (that the connection charges at original application date will continue to apply if queue position is retained)?**

The ADE does not have a view on this.

**Question 2h: Do you agree with continuing with the definition of the Minimum Scheme as currently set out in the CCCM? Do you believe this definition requires any further clarification or amendment, and if so, why?**

The ADE does not have a view on this.

**Question 2i: Are there any risks associated with our proposals to allow current non-firm connected customers to seek a firm connection following the changes proposed by our SCR? Do you agree that existing non-firm connected customers that do seek a firm connection should be processed through existing queue management processes as determined by DNOs?**

The ADE does not have a view on this.

**Question 2j: How necessary do you consider Ofgem intervention in Electricity Distribution Standard Licence Conditions 12, 15 and 15A? What duration might such**

**measures be needed, or acceptable, following 1 April 2023? What value do you place on certainty of connection timeframes compared with time to connect?**

The ADE does not have a view on this.

### **Access**

**Question 3a: Do you agree with our proposal to exclude customer interruptions and transmission constraints from the definition of curtailment with respect to distribution network access arrangements?**

The ADE does not consider that this places the risk in the right place. Regardless of the cause, a connectee should have a right to a fixed limit of curtailed hours under this better-defined access right. If this is exceeded as a result of issues further up the network, the ADE's view is that the connectee should still be compensated and then it should be between the DNO and the TO to negotiate who bears this cost.

**Question 3b: Do you agree that the curtailment limit should be offered by the network based on maximum network benefit and agreed with the connecting customer?**

The ADE does not have a view on this question.

**Question 3c: Do you have any views on the principles that should be applied to ensure curtailment limits are set in a consistent manner?**

The ADE does not have a view on this question.

**Question 3d: Do you agree with our proposal not to introduce a cap for flexibility payments made should any curtailment in excess of agreed limits be required?**

The ADE strongly supports Ofgem's decision not to introduce a cap. Prices for flexibility should be able to be formed in the market – not administratively constrained by the DNOs.

**Question 3e: Do you agree with our proposal to introduce explicit end-dates for non-firm arrangements? Are there any mitigations for DUoS billpayers we should consider?**

The ADE strongly supports this as a way of creating a broader approach to exiting the use of ANM to manage constraint and instead towards using fully technology-agnostic markets.

**Question 3f: Do you have views on whether the end-dates should take into account only current known or likely works, or if it should allow time for wider developments to take place?**

How this end limit is calculated should also take into account the development of flexibility markets in the area, not only timescales for reinforcement.

**Question 3g: Do you have any comment on our proposal not to further define or standardise time-profiled access arrangements?**

The ADE supports this.

### **General questions**

**Question 5a: Has the additional information in this consultation affected any of the views your previously submitted in response to our June 2021 consultation (if so, in what way)?**

No.

**Question 5b: Do you have any other information relevant to the subject matter of this consultation that we should consider in developing our proposals?**

No.

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**For further information please contact:**

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