

To: Electricity Distribution Network Operators; interested stakeholders

Email: <u>RIIOED2@ofgem.gov.uk</u>

Date: 27 October 2023

Dear Company Secretaries and stakeholders,

Decision to modify Annex G Connections of the Regulatory Instructions and Guidance for RIIO-ED2

We have decided to modify Annex G Connections of the Regulatory Instructions and Guidance (RIGs) for RIIO-ED2.¹ Please find enclosed a direction, issued pursuant to Part C of Standard Condition 46 (Regulatory Instructions and Guidance) of the Electricity Distribution Licence, in respect of our modifications.

These modifications are made for the purpose of incorporating amendments to the Electricity (Connection Standards of Performance) Regulations 2015 as a result of Electricity (Standards of Performance) (Amendment) Regulations 2023 which came into effect on 1 October 2023, and to extend its effects from contestable demand connection services to non-contestable demand connection services as well as distributed generation connection services.

The sections which have been modified are:

- paragraph 3.19 to confirm the value of payment is set out in Appendix 1 and is based on the date payment is due;
- paragraph 3.20 to clarify the payment due if the dates that the failure occurred and when the payment is made cross regulatory years;
- paragraph 3.29 to update a reference to the Common Connection Charging Methodology;
- Appendix 1 to clarify how the updated payment amounts will be applied;
- Appendix 3 to confirm the deletion of 'Budget estimates' subheading; and
- Appendix 5 to clarify the applicable payment amount is determined by the date on which the Electricity Distributor confirms the quotation's inaccuracy or incompleteness.

These changes take effect from 1 October 2023. For the avoidance of doubt, this means that the data submitted in respect of the 2023/24 reporting year will use the RIGs as modified.

¹ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

Alongside this letter and direction, we have published the updated Annex G of the RIGs and an issues log outlining our answers to the responses received.

Yours faithfully,

David McCrone Head of Quality of Service, Onshore Networks Signed on behalf of the Authority and authorised for that purpose by the Authority To: **Electricity North West Ltd (ENWL)** Northern Powergrid (Northeast) Ltd (NPgN) Northern Powergrid (Yorkshire) plc (NPgY) London Power Networks plc (LPN) South Eastern Power Networks plc (SPN) Eastern Power Networks plc (EPN) SP Distribution plc (SPD) SP Manweb plc (SPMW) Scottish Hydro Electric Power Distribution plc (SSEH) Southern Electric Power Distribution plc (SSES) National Grid Electricity Distribution (West Midlands) plc (WMID) National Grid Electricity Distribution (East Midlands) plc (EMID) National Grid Electricity Distribution (South Wales) plc (SWALES) National Grid Electricity Distribution (South West) plc (SWEST) (each one a "Licensee", and together, "the Licensees")

Direction under Part C of the Standard Condition 46 (Regulatory Instructions and Guidance) ("SLC 46") of the Electricity Distribution Licence (the "Licence") granted under section 6(1)(c) of the Electricity Act 1989.

Whereas -

- The Licensees each hold an Electricity Distribution Licence (the "Licence") granted under section 6(1)(c) of the Electricity Act 1989 (the "Act") and are subject to the conditions contained in the Licence.
- 2. The RIIO-ED2 Electricity Distribution Price Control Regulatory Instructions and Guidance ("the RIGs") are the primary means by which the Gas and Electricity Markets Authority (the "Authority"²) directs the Licensees to provide information required by the Authority to administer the Special Conditions (and such Standard Conditions as may be relevant) of the Licence, and, where not referenced in the Special Conditions of the Licence, the RIIO-ED2 Final Determinations.³
- 3. In accordance with Part C of Standard Condition 46 of the Electricity Distribution Licence, the Authority gave notice to the Licensees on 29 August 2023 that it proposed to amend Annex G of the RIGs.
- 4. The Notice required any representations by Licensees on the proposals to be made on, or before, 28 September 2023.
- 5. Prior to the consultation period closing the Authority received seven responses. The Authority has considered the representations and has made a number of changes to Annex G of the RIGs proposed as part of the consultation.
- 6. Annex G of the RIGs issued as part of this Direction is published as version v1.1.

Now Therefore –

7. Pursuant to Part C of Standard Condition 46 of the Electricity Distribution Licence, the Authority amends Annex G of the RIGs.

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² The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

³ <u>RIIO-ED2 Final Determinations | Ofgem</u>

- 8. The reason for updating the RIGs as set out in this Direction is to collect information in line with our Final Determinations for RIIO-ED2 and to align with amendments that have been made to the Electricity (Connection Standards of Performance) Regulations 2015⁴ as a consequence of the Electricity (Standards of Performance) (Amendment) Regulations 2023.⁵
- 9. The modifications take effect from 1 October 2023.

David McCrone Head of Quality of Service, Onshore Networks Signed on behalf of the Authority and authorised for that purpose by the Authority

27/10/2023

⁴ The Electricity (Connection Standards of Performance) Regulations 2015 (legislation.gov.uk)

⁵ The Electricity (Standards of Performance) (Amendment) Regulations 2023 (legislation.gov.uk)