



Alasdair MacMillan
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Dear Alasdair

CONSULTATION ON CONNECTIONS END-END REVIEW

Thank you for the opportunity to comment on your proposals set out in the Ofgem Connections End-End Review Consultation.

This response is submitted on behalf of ScottishPower Renewables. Our answers to the consultation questions are set out in Annex 1.

Should you have any questions regarding any aspect of this response please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink that reads "D. MacPherson".

Deborah MacPherson
UK Grid Connections & Policy Manager

Theme 1 - Visibility and accuracy of connections data and network capacity

Question 1a. Do you agree with the issues we have set out under Theme 1 - Visibility and accuracy of connections data and network capacity? Are there any other issues under this theme that we should consider or be aware of?

Yes, we agree with the issues set out under Theme 1

Visibility and accuracy of connections data, as outlined under Theme 1, is vital for customers, especially under a reformed connections process. Information should be easy to access without the need to register for access for example. Network companies should ensure the information made available is done so on a consistent approach and where possible, that there is alignment across not only the DNO network areas, but across distribution and transmission.

Visibility of the queue is crucial in addition to the issues set out under this theme, we believe that in addition to making available the connections queue, network companies should be obliged to publish more information with respect to any associated enabling/reinforcement works – including the associated queue, completion dates, project updates and costs where applicable. This information would allow stakeholders to make more informed assessments as to the viability of developing projects in particular areas in conjunction with the other publicly available data. This will be especially important should the Connections Reform Proposals be implemented.

We do recognise the work network companies have already undertaken in this particular area; however, we believe more can be done. We would expect the network companies to engage with stakeholders to fully understand which areas need particular focus and improvement.

With a shift towards flexible connections being available, outage and network performance data is key for developers to make an assessment on the viability of such connections. Often network companies are reluctant to provide such information or will provide limited data. We would welcome an approach that sought to standardise the publicly available information in this area.

Question 1b. Do you agree with proposal 1a (new regulatory requirement on single digital view tools)? Do you have any views on how this should be implemented?

Yes, we agree with proposal 1a which would introduce a new regulatory requirement to create, maintain and continuously improve single digital tools to provide accurate, usable connections data to interested parties. This has been a key ask from industry for a number of years now.

Whilst DNOs have successfully delivered the now implemented Embedded Capacity Register across all DNO network areas, the delivery of a single view of the GB connected and contracted position has failed to move forward. To date, we have seen little appetite from NESO to commit to working with industry to deliver a single GB queue. Nor do we agree that this would be difficult to do with time and effort and commitment from all companies. We do recognise that network companies may argue this would require additional regulatory funding to deliver such an initiative due to the scale of data and resources involved in its delivery and continued upkeep.

We note also the specific items referenced in more detail within the RUK response which highlights several initiatives that have already taken place; however this does highlight the lack of a co-ordinated approach from networks to deliver information to stakeholders. A regulatory requirement would therefore make sense.

Question 1c. Do you agree with proposal 1b (new regulatory requirement on the creation of guidance / standards for data visualisation tools)? Do you have any views on how this should be implemented?

Yes, we agree with proposal 1b to introduce a new regulatory requirement on the creation of guidance/standards for data visualisation tools.

We believe that early stakeholder engagement will be essential to determine the scope of what the data visualisation tools will be required to cover, including understanding the types of tools that will be most useful to stakeholders. It is important that network representatives from a range of cross functional areas are part of the stakeholder engagement process and to work towards the development of a standard and common approach to deliver consistency of service.

Question 1d. Do you agree with proposal 1c (new regulatory requirement to provide connections data)? Do you have any views on how this should be implemented?

Whilst in principle the proposal could be a positive step, we do believe it could have some unintended consequences and therefore needs careful consideration ahead of any decision. It is not entirely unreasonable that network companies may, for good reason, require some discretion as to how some data is presented if it is relevant to their network configuration.

Question 1e. What are your views on the completeness and discoverability of connections data that would be useful to you? Are the existing resources clear and transparent?

As noted above – having clear and consistent connections data available from each DNO and across the transmission and distribution boundary is key. We would expect the ENA to take a leading role in ensuring the deliverability of this. The information currently available varies in both quantity and quality, with some easier to access than others which is frustrating.

Question 1f. Is there additional connections data that would be of use but legal barriers prevent it from being published? If so, do you consider that there are solutions that would enable this data to be made available, for example by aggregating it to appropriate levels / anonymising it etc.

Visibility and transparency around the queue are vital to stakeholders, however NESO have often advised they are unable to publish the queue due to legal restrictions. If this is in fact correct, we would expect NESO to work with Ofgem to overcome such barriers to ensure the queue can be published, as has been requested by stakeholders for many years now. This will be especially important to have under a reformed connections process.

Question 1g. Is there anything else regarding Theme 1 – Visibility and accuracy of connections data and network capacity that you consider we have missed?

No comment

Theme 2 - Improved standards of service across the customer journey (not including “minor connections”)

Question 2a. Do you agree with the issues we have set out under Theme 2 - Improved standards of service across the customer journey (not including “minor connections”)? Are there any other issues under this theme that we should consider or be aware of?

Yes, we agree with the issued set out under Theme 2.

We refer to additional themes raise as part the RUK response.

Question 2b. Do you have any views on proposal 2a (general principles-based licence condition and supporting guidance around standards of service throughout the entire customer journey)? Do you have any views on how this could be implemented? Consultation – Connections end-to-end review – consultation

Whilst we welcome the intention of the proposal 2a, we believe this could introduce some limitations in delivery of the intended benefits. It may be more appropriate for Ofgem to work with ENA and the network companies to set out their expectations and agree how this could best be delivered through guidance and process documents published to stakeholders.

Question 2c. Do you have any views on proposal 2b (new prescriptive condition(s) around standards of service)? Do you have any proposals for any specific areas of the connections customer journey that should be subject to such a requirement?

As noted as part of this response, the bar for developers has been raised considerably with the introduction of QM and the Connection Reform Proposals. It is therefore reasonable that defined minimum standards of performance should be considered for networks and NESO in parallel.

Question 2d. Do you consider that any of the existing standards of service requirements set out in the regulatory framework for provision of specific products / services should be revised or removed? Do you consider that there is any duplication or overlap of regulatory requirements across the regulatory framework that needs addressed?

No comment

Question 2e. Is there anything else regarding Theme 2 – Improved standards of service across the customer journey (not including “minor connections”) that you consider we have missed?

No Comment

Theme 3 - Requirement on networks to meet connection dates in connection agreements

Question 3a. Do you agree with the issues we have set out under Theme 3 - Requirement on networks to meet connection dates in connection agreements? Are there any other issues under this theme that we should consider or be aware of?

Yes, we agree with the issues identified under Theme 3. The lack of focus or detail on network delivery millstones makes it difficult for network companies to be held to account or challenge when project connect dates are delayed. Project costs have become a concern with many projects faced with significant increases ranging from 50% to over 200%. The lack of transparency or accountability on network companies to justify or manage cost increases leads to projects faced with critical decisions on its viability. Sometimes at a late development stage.

Question 3b. Do you have any views on proposal 3a (strengthened principles-based licence condition around meeting connections dates)? Do you have any views on specific wording that would achieve the intended outcome?

Having confidence in connection dates, key milestones and costs being delivered in line with expectations, is critical for the development of projects and on-going viability assessment. As noted elsewhere in our response, many factors can affect a party's ability to meet connection dates and often dates can change by agreement. However, it is important that developers have greater transparency provided to them with respect to the programme milestones being undertaken by network companies and early visibility of any identified risks and what mitigation steps are being taken to manage them, in particular where impact to the connection date leads also to impact on costs.

Question 3c. Do you have any views on proposal 3b (minimum standards / SLAs around meeting connections dates)? Do you have any views on specific standards that could be introduced and how they would work in practice?

Please see our response to Q3b.

The creation of timeliness metrics for meeting of connection dates and key milestones on the customer journey and keeping customers informed is a positive proposal which we would support.

Question 3d. Do you have any views on proposal 3c (a financial instrument designed to offer recourse to connecting customers who face detriment due to delays)? Do you have any views on how this should be implemented?

Where poor practice can be demonstrated on the part of the regulated party, leading to delayed connections dates, or indeed poorly planned outages, we believe it is reasonable for Ofgem to consider a route to compensation for the impacted customer(s).

Based upon the information available however, it is difficult to give a view as to how this would work in practice, in particular how cross T-D boundary delays would be managed.

Question 3e. Is there anything else regarding Theme 3 - Requirement on networks to meet connection dates in connection agreements that you consider we have missed?

No comment

Theme 4 - Quality of connection offers and associated documentation

Question 4a. Do you agree with the issues we have set out under Theme 4 - Quality of connection offers and associated documentation? Are there any other issues under this theme that we should consider or be aware of? Proposals: Consultation – Connections end-to-end review – consultation

We agree with the issues outline under Theme 4. Whilst network companies are incentivised on meeting licensed timescale to meet offers, the quality and form of resulting offers varies greatly across different DNO network operators. We believe more work could be done to standardise the form of offers issued and to make them clearer for stakeholders to navigate and understand.

Our experience with transmission offers is one area where we have experienced multiple offers which have either not been correct at the time of issue, or include numerous mistakes. Often the timescales involved to rectify this takes a considerable amount of time due to the delays experienced between the TOs/NESO. We believe all network companies should be required to resolve any issues with offers within a defined and measured period to avoid situations where customers are forced to request extensions to validity periods which then result in delays being applied to connection dates.

We believe transmission offers should include a detailed cost breakdown. Our reasoning for this is due to the significant cost increases customers have faced over the past couple of years. Often the notification has come with little or no explanation. Due to the pass-through nature of the transmission agreements, we believe there is little incentive on TOs to ensure the keep the costs monitored and their customers fully apprised of the costs risks that might arise. We have challenged the NESO and TOs on this matter and we do recognise the work that has been undertaken to date to improve on the communication of cost increases, however the approaches are not consistent and that needs to change.

A further frustration with offers issued from NESO is the way in which contract variations are issued. We have discussed with NESO in the past that it would be cleaner and more transparent for all parties if a complete suite of grid appendices were issued as part of any contract variation to ensure the full and agreed contracted position was restated as opposed to issuing only those appendices impacted by change.

We believe such an approach if adopted would result in a more efficient process for all parties concerned.

Question 4b. Do you have any views on proposal 4a (principles-based licence condition on the completeness / quality of the offer and supporting documentation)? Do you have any views on specific wording that would achieve the intended outcome?

The Incentive of Engagement (ICE) Plans delivered by DNOs up until 2023 was an effective approach at driving improvements in connections through a number of positive initiatives to improve customer service as a result of the engagement with stakeholders who identified areas for improvement. Failure to deliver on the ICE plans resulted in financial penalty which focused network companies to deliver on published outputs.

Overall, the ICE plans were seen as a step towards better engagement and service delivery by DNOs, contributing to a more efficient and customer-focused electricity distribution network.

Question 4c. Do you have any views on proposal 4b (minimum standards / SLAs on the completeness / quality of the offer and supporting documentation)? Do you have any views on specific standards that could be introduced and how they would work in practice?

In light of our comments noted above, we believe that some measure should be introduced to drive standards or quality and performance by network companies with respect to grid offers.

Question 4d. What do you consider would constitute a ‘high quality offer’?

At a basic level, an offer that is clear and well-structured with all key elements set out and without errors/mistakes, or with an agreed commitment to resolve all issues within a defined timeframe. The offer should include details on capacity requested, description of works (customer and DNO/TO), clear programme, any transmission impact dependency for distribution connections, cost of connection with detailed cost breakdown and detailed milestones payments (timing and amount)

Question 4e. Is there anything else regarding Theme 4 - Quality of connection offers and associated documentation that you consider we have missed?

No comment

Theme 5 – Ambition of connection offers

Question 5a. Do you agree with the issues we have set out under Theme 5 - Ambition of connection offers? Are there any other issues under this theme that we should consider or be aware of?

We agree with the issues set out under Theme 5 – Ambition of Connection Offers.

However, if the proposed changes to the connections process are approved and implemented, and the anticipated reduction in the queue is realised, this should help deliver more achievable connection dates offered by network companies.

We believe network companies do try to offer dates in line with the requirements of the customer and their project, but the reality of the queue/required upgrade works often dictate this is not possible.

Question 5b. Do you have any views on proposal 5a (strengthened principles-based licence condition around offering earliest achievable connection dates)? Do you have any views on specific wording that would achieve the intended outcome?

We agree that there is a risk that by introducing a regulatory framework that incentivises network companies to offer ambitious/achievable connections dates, the connections dates offered will take account of some protection to avoid penalty where slippage in timescales occurs.

We believe it would be more appropriate to consider how for network companies to be appropriately incentivised to meet the dates agreed with customers. Whilst we have been supportive of the introduction of Queue Management and the Connection Reform proposals and recognise the benefits both will deliver if implemented and managed effectively, this places all focus on customers to change how they develop and construct projects with little focus/expectation on the network companies to do similar.

That said, we do recognise the pressures that all projects face, and delays are often encountered for various reasons, often beyond the control of those managing the project.

Question 5c. Is there anything else regarding Theme 5 - Ambition of connection offers that you consider we have missed?

No comment

Theme 6 – Minor connections

Question 6a – Do you agree with the issues we have identified? Are there any other issues under this theme that we should consider? Please provide data and evidence to support your views if possible.

We have no comments on this theme

Question 6b – What are your views on our proposals designed to address these issues? Are there other proposals you consider would achieve the intended outcomes?

We have no comments on this theme

Question 6c – Do you have views on how poor performance could be addressed under these proposals to ensure the smallest scale customers are protected and LCT roll out is supported?

We have no comments on this theme

Theme 7 - Provisions and guidance for determinations Consultation – Connections end-to-end review – consultation

Question 7a. Do you agree with the issues we have set out under Theme 7 - Provisions and guidance for determinations? Are there any other issues under this theme that we should consider or be aware of?

We agree with the issues outline under Theme 7.

Question 7b. Do you have any views on proposal 7a (Ofgem to review the guidance for connection determinations)?

We agree and support Ofgem's proposal to review the guidance for determinations. We would like to see NESO tasked with greater ownership and accountability to effectively manage the contractual interface between its customers and the relevant TOs to ensure that the standard of engagement from each TO is consistent and held to the same standard of performance.

Question 7c. Is there anything else regarding Theme 7 - Provisions and guidance for determinations?

No comment

RIIO T3 – Electricity Transmission Network Incentivisation

Question 8a - What are your thoughts on each of the three ideas we have presented? In your response, please identify positives and negatives you see in each of the proposals, and if you have a favoured option and why that is.

No comment

Question 8b - With reference to our Future Considerations, do you have any further ideas on how TOs could be incentivised through a financial penalty and reward model, to deliver faster connections times, a more effective overall connections process in RIIOET3 and drive behaviours that have a positive long-term impact on the network?

No comment