

**Ofgem ECSG Sub-Group**  
**Utility Connections Provider**  
**Point of Connection Identification**

**Terms of Reference**

**Current Situation**

The Electricity Connections Steering Group (ECSG) was set up to advise Ofgem on the measures and changes required to introduce competition in the electricity connections market. The forum has taken forward a diverse working programme and a number of changes to extend contestability have been implemented. The Independent Connection Providers (ICPs), Independent Distribution Network Operators (iDNOs) and contractor representatives who operate in the metered and unmetered connections market and sit on the ECSG, have set out their aspirations to extend contestability further in the electricity connections market.

One of the general priorities for ICPs and iDNOs was to extend contestability by DNOs allowing suitably accredited ICPs and iDNOs to determine the Point of Connections (PoC) to existing Distribution Networks similar to the arrangements available within the Gas Competitive Connections Market. It was agreed that Ofgem, on behalf of the ECSG committee would convene an ECSG Sub-Group to consider the administrative, technical and practical issues surrounding the procedures and processes that would need to be put in place to allow this work to be undertaken by ICPs and iDNOs in this area of activity in the electricity connections market.

The ECSG committee will continue to look at how and when to extend contestability into activities that are currently considered to be non- contestable and the various support functions for these elements.

**Purpose and Scope of the Sub-Group**

The purpose of the Sub-Group is to examine the practicalities of developing an appropriate framework to enable ICPs/ iDNOs (the third party) to undertake PoC determination activities associated with existing Distribution Networks in the metered and unmetered connections market.

In recognition of timescale for deliverables and the complexity of the issues involved, the Sub-Group is to consider the following stages of development.

**Stage 1:** Initially examine the Customer benefits in relation to improvements in Standards of Service and the practicalities of enabling a third party to undertake PoC determination activities associated with existing Distribution Networks for LV, HV and EHV connections.

**Stage 2:** Subject to the output of the **Stage 1** assessment, to identify and recommend potential solutions. Develop a suitable framework to enhance the information exchange presently outlined within the Energy Networks Association (ENA) ER G81 and SLC 15 requirements and supporting documentation, between the DNO and the third party applicant.

The Sub-Group will provide a forum where ECSG appointed representatives can constructively discuss ideas in an open environment and jointly explore developing a supporting framework.

As part of the discussions that take place the Sub-Group will consider how similar regimes in gas have developed and consider whether there are opportunities to utilise these experiences in developing the framework to support this extension of contestability.

Work is likely to encompass reviewing existing processes and procedures, identifying DNO commercial and security risks and issues associated with access to their Systems and propose solutions as to how risks are best managed and the appropriate changes that may be required by the DNOs if extension of contestability is to be considered.

### **Membership**

The Sub-Group will be chaired by an Ofgem nominated individual and supported by the ECSG. Membership of the Sub-Group will consist of delegates from DNOs, IDNOs, ICPs, and other interested parties e.g. Lloyds Register.

### **Organisation**

Dates and locations for each meeting will be at Ofgem's London Office. Ofgem will not meet the expenses of any individuals invited to participate on the Sub-Group and no funds are available for the commissioning of studies, etc.

Ofgem will provide a Secretariat role for the Sub-Group and will produce a minute of the meetings which will be circulated to Members to ensure views have been accurately reflected. Where possible, the minute will be circulated 2 weeks after each meeting and these will then be used to produce a summary of key issues from each meeting, which will then be circulated to members of the Ofgem ECSG.

Where possible, agendas and any materials for discussion will be circulated to Sub-Group Members one week prior to each meeting.

Sub-Group Members are not under any confidentiality requirement and will be free to report back to other parties on the issues that have been discussed.

### **Compliance**

The Sub-Group will at all times comply with the requirements of the 1998 Competition Act and will not deal with any matter which will or is likely to prevent, restrict or distort competition or constitute an abuse of a dominant position as construed within the Act.

### **Deliverables**

The output of the Sub-Group will be an initial report following **Stage 1** deliberations for approval by the ECSG to consider progression to **Stage 2**.

The target date for production of the **Stage 1** report is the end of September 2010.

Timescales for the delivery of **Stage 2** to be determined by the Sub-Group and recommended within the initial report.