

Minutes of RIIO-ED1 Connections Working Group (ConWG)

Minutes of RIIO-ED1 ConWG meeting held at the Queen Elizabeth II Conference Centre, Little George St, London SW1P 3GEE.	From Date and time of Meeting Location	Stephen Perry 22 nd January 2014 13:30 to 16:00 Queen Elizabeth II Conference Centre, Little George St, SW1P 3GEE	22 January 2014
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1. Present

Ofgem

James Veaney
Stephen Perry

Stakeholders

Frank Gordon (REA) (by telecon)
John Christie (DECC)
Alex Spreadbury (MEUC)
Ray Farrow (HBF)

DNOs

Alison Sleightholm (WPD)
Sam Risdale (SSEPD)
John Davies (SPEN)
Susan Bradshaw (SPEN)
Steph Rogan (SPEN)
Brian Hoy (ENWL)
Paul Measday (UKPN)
Steve Wood (UKPN)
Ian Cobley (NPg)
Cathy Falconer (SSEPD)

2. Introduction

2.1. James Veaney (JV) welcomed everyone to the latest RIIO-ED1 ConWG meeting. JV noted that this session was focused on gathering feedback on our proposed approach to assessing DNO performance under the RIIO-ED1 Incentive on Connection Engagement (ICE).

3. ICE Assessment process

3.1. Stephen Perry (SP) provided an overview of our proposed approach to assessing DNO performance under the ICE.

3.2. SP noted that we have revised our proposed timelines to ensure that we are not rushed into a making a decision, just so that the penalty can feed into the subsequent year's DUoS charges. There was consensus from all stakeholders that it is useful to have a decision on whether to apply a penalty as soon as reasonably practicable, even if this was ahead of the actual penalty being applied. The majority of stakeholders considered when the penalty was applied of less importance.

3.3. The DNOs considered that separate submissions for each market segment was too burdensome and would not make the submission "stakeholder friendly". The DNOs suggested that they submit one application and outline the sections that apply for each market segment. JV supported the idea, but reaffirmed that it would be the DNOs' responsibility to demonstrate how they had met the minimum criteria for each market segment.

3.4. Brian Hoy (BH) presented an overview of the DNOs' views on our proposals.

3.5. The DNOs were supportive of assessing performance on an annual basis and trialling the arrangements this summer (2014) for Distributed Generation (DG) customers. BH provided an overview of the DNOs' proposed assessment timelines. BH considered that it was important that DNOs were able to update the "forward looking" section of their report following the publication of Ofgem's "minded to" consultation to apply the penalty in order to allow time to make improvements to cater for any deficiencies in approach.

3.6. BH considered that in market segments where the DNO has passed the Competition Test the focus should be on engagement with ICPs/IDNOs, rather than just non-contestable works. JV noted that if DNOs provide a better service to ICPs/IDNOs then non-contestable only customers should also benefit.

3.7. BH considered that Ofgem should give greater consideration to how the penalty is applied for DNOs that have proposed alternative market segments. SP believed that if we agree to accept alternative market segments then the maximum penalty will be split across the total number of market segments.

Action – Ofgem to consider the impact alternative market segments have on how the ICE penalty is applied, as soon as reasonably practicable.

Action – Ofgem to develop a trial Incentive on Connection Engagement Governance document, as soon as reasonably practicable. This document will be forwarded to the working group for them to review, in advance of the next working group.

Action – DNOs to submit “forward looking” ICE submissions for all distributed generation market segments, on a trial basis, for the regulatory year 2014-15.

4. Regulatory Instructions and Guidance (RIGs)

4.1. SP noted that over the next year we will need to develop RIGs for the Time to Connect Incentive. SP considered that although the overall RIGs development timelines had not been finalised, it could prove beneficial to start developing this section of the RIGs.

Action: DNOs to develop the Time to Connect RIGs, as soon as reasonably practicable.