

Industry stakeholders and
interested parties

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Dear Colleagues,

National Grid Electricity Transmission plc: proposed Statement of Works trial

This letter provides assurance that we will not enforce compliance with sections 6.5.5.1 and 6.5.5.3 of the Connection and Use of System Code (CUSC) during the period that National Grid Electricity Transmission plc (NGET) are undertaking a trial of a revised process for connecting distributed generation (DG) customers (the Statement of Works process). This assurance also applies to Distribution Network Operators (DNOs) participating in the trial.

Background

The CUSC constitutes the contractual framework for connection to, and use of, the National Electricity Transmission System. Included within the CUSC are various procedures that should be followed when it is identified that a generator seeking a connection to a DNO's network may have an impact on the transmission network. Section 6.5.5.1 of the CUSC¹ requires a DNO to request a Statement of Works (SoW) from NGET, where it believes that a new generation connection may have an impact on the transmission system. This procedure gives NGET the opportunity to assess the likely impact, on the transmission system, of the new connection at distribution level. Section 6.5.5.3 of the CUSC requires NGET to issue, within 28 days, a SoW that confirms whether or not the connection will have a significant impact on the transmission system (Stage 1). Under section 6.5.5.4, the DNO then has 90 days from the notification by NGET to return to NGET a signed Confirmation of Project Progression (Stage 2).

DG customers have raised concerns that the SoW process can be time-consuming and costly. NGET has identified a potential improvement to this process and would like to carry out a trial of a revised approach.

Proposal

NGET's proposed trial will apply to cases where a DNO knows that a request for a new connection will have an impact on the transmission system. Under the trial, in these cases, Stage 1 of the SoW process will no longer apply. Instead, the process will move directly to Stage 2 of the SoW process, whereby the DNO submits a Confirmation of Project Progression to NGET. More detail on the trial process is provided in the accompanying enclosures to this letter.

¹ <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/The-CUSC/>

NGET intends to pilot this revised process in mid May 2014 for 6 months and, if successful, submit a Connection and Use of System Code (CUSC) Modification Proposal within six months of commencement of the trial. A CUSC Modification Proposal will be required to formalise the changes to the SoW process.

In carrying out this trial in advance of seeking a formal modification of the CUSC, NGET would not be compliant with CUSC section 6.5.5.3. NGET therefore asked us to consider providing a letter of comfort, which provides assurance that we would not enforce compliance with this section of the CUSC whilst this trial is underway. This letter would also apply while any modification to the CUSC, as a result of the trial, is being developed.

Consultation

On 21st January 2014² we issued an open letter consultation on NGET's proposed trial. This consultation closed on 21st February 2014. All non-confidential responses have been published on our website alongside this letter.

There were no significant issues raised through the consultation, although several DNOs noted that in participating in this trial, they could be found to be in breach of section 6.5.5.1 of the CUSC. We acknowledge that while participating in this trial, the relevant DNOs would also require assurance that we will not enforce compliance against them in respect of CUSC section 6.5.5.1.

Next Steps

We recognise the potential benefits that these revised arrangements could bring to certain DG customers. As no other significant issues were highlighted through our consultation, we have decided that, for the purpose of this trial, we will not at this time enforce compliance with sections 6.5.5.1 and 6.5.5.3 of the CUSC against **NGET or participating DNOs**. This comfort letter is applicable for a period of one year, starting from the commencement of the trial and will include the time for the development of the CUSC Modification Proposal. We will review this position where any concerns are subsequently raised with us.

We require NGET to report to us on the progress and outcomes of the trial. This includes providing details of those DNOs participating in the trial, and measuring factors including, but not limited to:

- Time savings
- Administration fee savings
- Feedback from customers on the revised process.

As part of the review process, NGET is required to submit to us a progress report by 12th November 2014 and a final report by 11th May 2015, which must also include an update on the development of the associated CUSC Modification Proposal and details of those DNOs participating in the trial.

Yours faithfully,



Kersti Berge
Partner
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² <https://www.ofgem.gov.uk/publications-and-updates/open-letter-consultation-statement-works-sow-process>