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GBE:

Dear James

National Grid Overview on the proposed changes to the Statement of Works process

Background

National Grid attended the Ofgem led DG Forum in London and Glasgow last year to discuss with embedded generators Transmission related issues.

Feedback from Developers was primarily in relation to projects that were required to follow the Statement of Works process. Concerns were raised that the process was time consuming, incurred additional administrative cost and in parts of the GB network where there is significant constraints (Scotland) Developers were engaging in a process where the outcome was already known.

Proposal

The feedback from Developers was focused on the requirement to follow a process when it was known that the Developers Power Station would have an impact on the Transmission System.

CUSC section 6.5.5.3 requires the Distribution Network Operator (DNO) to submit a Statement of Works – Stage 1 where they believe there may be an impact on the Transmission System.

Our proposal is to allow the DNO to move straight to Stage 2 – Project Progression of the Statement of Works process where the DNO knows that the application from the Developer will have an impact on the Transmission Network. This process improvement will reduce the cost of the overall application fee by ~£2,000, save the Developer approximately 2 months in the connection process and increase the opportunity to contract capacity in highly constraint parts of the network.

Implementation

National Grid would like to introduce this process improvement and deliver the benefit to embedded customers as soon as possible. It is recognised that the formal process for this type of change to the CUSC is through the CUSC Modification Proposal (CMP), but undertaking a full CMP review including a working group would take about a year to conclude and implement.

To support the embedded Developers National Grid have proposed implementing this CUSC change on trial basis for 1 year from the date of implementation. It is our view that the trial would enable

embedded Developers to obtain connection offers sooner, cheaper and it would reduce the amount of administration on Developers, DNO, Transmission Owners (TO) and National Grid in their role as TO and System Operator (SO).

Allowing for a trial of 1 year would enable all stakeholders to understand if the process change was bringing about the level of benefit it was designed too and understand how else the process could be managed for the future with engagement from all stakeholders.

Post implementation

During the trial period National Grid will arrange a workshop with all stakeholders to seek their views on how the trial is working and consider further changes to the Statement of Works process. We will utilise associations such as the Energy Network Association (ENA) to communicate to embedded customers of such a workshop to increase their level of involvement.

Following the results of the trial and the outputs from meetings with all of the stakeholders, National Grid are likely to submit a formal CUSC Modification Proposal (CMP) to implement the changes associated with Stage 1 of the Statement of Works process and any further changes as agreed by the Industry.

Conclusion

National Grid is seeking a letter of comfort from Ofgem for the SO, TO and DNO activities related to CUSC section 6.5.5.3.

The implementation of a trial for 1 year will enable embedded Developers to obtain the benefit from the process improvement and it would facilitate the action given to National Grid from the DG Forum to review the Statement of Works process.

National Grid does not believe that there are any negative effects or disadvantages to any customer group or any cost impact on the consumer. We believe that this will remove the need for additional administration which will drive cost out of the process.

Yours sincerely

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FOR AND ON BEHALF OF
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