

## **The Questionnaire – For customers**

Hello. Thank you for taking the time to complete our questionnaire.

We hope all the questions are clear, but if you have any difficulties please email [connections@ofgem.gov.uk](mailto:connections@ofgem.gov.uk).

Once you have completed the questionnaire please send it back to us to the email address above. You need to return the completed questionnaire to us by 31 July 2014.

After we have read your answers we might want to have a chat with you to understand a bit more. We'll try and do this in August.

### Part 1 - About you

Question	Your response
What is your name?	
What is your position?	
What are your contact details?	

### Part 2 - About your business

Question	Your response
What is your company's name?	Energy Power Resources Limited, also responding on behalf of sister company, CLP
What is the nature of your company's business?	Renewables power generation from biomass and landfill gas
Why do you need to make new connections to the electricity distribution network?	Business improvement and development

What past experience does your business have in getting new connections to the electricity distribution network?	<p>EPRL-New EHV connection for a 40MWe biomass plant project; upgraded/new EHV connection to an existing 40 MWe biomass plant; new EHV connection for a 22.5MWe on-shore wind farm repowering project;</p> <p>CLP - Newcastle under Lyme – 2MW new export connection and request for a quote for a further 1MW additional capacity. Hatfield – New 1MW export connection. Rugby – Request and Quote for additional 700kW capacity above existing 4.3MW – Initially commercially unacceptable now acceptable cost but not available until 2017. Glasgow - Request and Quote for additional 1MW capacity on existing 7MW connection – Commercially unacceptable and not followed up. Accrington – Request and Quote and installation of additional 2MW export capacity to existing 4MW</p>
What areas of the country does your business have facilities in that have required new connections to the electricity distribution network?	Across the UK
What type of connections do you make to the distribution network?	Distributed generation HV and EHV

### Part 3 - About how you get a new electricity connections to the local grid.

Question	Your response
Does your business manage the process of getting a connection using your own staff, or do you use a consultant to guide you through the process?	Initial work carried out in-house with detailed applications made with the support of consultants
What issues are important for you	

<p>when getting a connection? Please rank in order of importance, with 1 being the most important and 7 the least important.</p>		The cost of connection
	<input type="text" value="6"/>	Customer service
	<input type="text" value="5"/>	The time it takes to issue a connection quote
	<input type="text" value="3"/>	The time in which a connection can be made
	<input type="text" value="2"/>	The certainty around the cost of connection and the timetable for delivery
	<input type="text" value="4"/>	Ability to offer innovative connection solutions
	<input type="text"/>	Other _____ Value for Money? _____(please specify)
<p>In the past have you had quotes for connection(s) from a range of companies, or solely from the local DNO?</p> <p>Please tick one box.</p>	<input type="text"/>	A range of quotes – <u>please go to part 4</u>
	<input checked="" type="checkbox"/>	Just a quote from the local DNO – <u>please go to part 5</u>

## Part 4 – About how you choose between a range of quotes.

Question	Your response
You've indicated that you normally receive a range of quotes for	

<p>connection, both from your local DNO and other independent connection providers. When deciding which quote to accept, what factors do you consider?</p>	
<p>Please rank these factors that you described in the previous question in order of importance to you, with 1 being the most important.</p>	<p>1. 2. 3. 4. 5. Etc.</p>
<p>Please give an indication of who you have tended to award work to.</p>	<p><b>Please tick one box only.</b></p> <p><input type="checkbox"/> Always the DNO</p> <p><input type="checkbox"/> Mainly the DNO</p> <p><input type="checkbox"/> About half and half between the DNO and others</p> <p><input type="checkbox"/> Mainly an ICP or IDNO</p> <p><input type="checkbox"/> Always an ICP or IDNO</p>
<p>What do you think are the risks/problems with using an independent connections provider?</p>	
<p>How has your view on who to award work to changed with experience?</p>	

When would you only seek a quote from the local DNO?	
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## Part 5 – About why you chose to use the local DNO

Before engaging with this process, were you aware that you could use a company other than the local DNO to complete your connection?	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
What do you think are the benefits in using a company other than the local DNO to provide a connection?	Greater commercial awareness – including competitive pricing and awareness of project drivers; impartial advice on connection options;
What do you think are the risks/problems with using an independent connections provider?	Lack of local knowledge; inaccurate pricing and timing; operational support; bankability; time to quote when liaising with the DNO;
What would need to change in order for you to use a different connections provider?	Much greater transparency of network data; acceptance of different providers by financial institutions; clear indication that DNOs are prepared to engage with and not actively resist change.

## Part 6 - About how the cost of connections informs the location of new business development

How much opportunity is there for you to freely choose the location of new business developments?	For landfill gas generation there are no opportunities to vary the location and for biomass only limited opportunities as location is determined by cost and availability of land and fuel
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<p>How big a factor is the cost of connection in your decision on where to locate your business?</p>	<p>The connection cost is a significant factor in deciding to locate new projects. In the last 5 years the cost of connections appears to have risen dramatically and at the offer stage there is no guarantee from the DNO that the cost won't escalate until the final design has been completed. Often a more robust solution won't be chosen because it's too expensive even though it would give both parties greater security of supply.</p> <p>Under CDCM and EDCM, GDUoS charges were meant to provide a locational signal. We have never been provided with these from DNOs and this should be resolved. Once it is resolved, this would have to be linked to any third party quote for a connection – otherwise you are not getting the signal. Linked to this – a third party quote is also meant to send a location signal, so this would need to be linked back to the DNO – how is this supposed to work?</p>
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## Part 7- Other comments

The questions we've asked are designed for you to give us important information for our review. We'd also welcome any other comments about the market for new electricity connections, or problems you've experienced.

- Poor response to getting a line which has low fault tolerance upgraded to a new EHV connection, resulting in commercially unacceptable high costs and long lead time. No agreement could be reached to the detriment of both us and the DNO.
- Onerous commercial terms offered initially for a joint venture new EHV connection requiring the joint venture to provide the full cost of the connection up-front against unknown final costs. After significant re-negotiation payment milestones backed by company guarantees were arranged. No alternatives were considered until suggested by the joint venture, and then the cost of the alternative (which appeared to have a number of technical and economic benefits) provided by the DNO offered no advantage.

