

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.

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?	[REDACTED]
What is your position?	[REDACTED]
What are your contact details?	[REDACTED]

Part 2 - About your business

Question	Your response
What is your company's name?	RWE Innogy UK
What is the nature of your company's business?	RWE Innogy is a leading Developer, Constructor, Owner and Operator of large-scale renewable energy projects.
Why do you need to make new connections to the electricity distribution network?	To provide our generation with a route to market.

What past experience does your business have in getting new connections to the electricity distribution network?	Vast experience. With a total of 32 onshore and offshore wind farms and 22 hydro projects in operation RWE Innogy is one of the largest developer and operators of renewable energy generation in the UK.
What areas of the country does your business have facilities in that have required new connections to the electricity distribution network?	England, Wales, and Scotland.
What type of connections do you make to the distribution network?	Distribution Generation: LV, HV, EHV, and LV auxiliary supplies.

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?	RWE Innogy UK have an internal expert team who advise staff on the process.
What issues are important for you when getting a connection? Please rank in order of importance, with 1 being the most important and 7 the least important.	<div>1 The cost of connection</div> <div>5 Customer service</div> <div>4 The time it takes to issue a connection quote</div>

	<input type="checkbox"/> 2 The time in which a connection can be made <input type="checkbox"/> 1 The certainty around the cost of connection and the timetable for delivery <input type="checkbox"/> 6 Ability to offer innovative connection solutions <input type="checkbox"/> Other _____(please specify)
In the past have you had quotes for connection(s) from a range of companies, or solely from the local DNO? Please tick one box.	<input checked="" type="checkbox"/> X A range of quotes – <u>please go to part 4</u> <input 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 connection, both from your local DNO and other independent connection providers. When deciding which quote to accept, what factors do you consider?	<p>Ability to deliver in line with what is quoted, including certainty around the costs and quality of the work. Experience delivering large scale DG connections is an important consideration in this regard. Transparency of costs and reasonableness of the prices quoted.</p> <p>We feel that the timescales to make a decision between non-contestable only and full works are short. We suspect that for an ICP to return the highest quality possible offer they may need more time to factor for the need to get information from the DNO. We are also concerned that we cannot by default revert to a full works offer, after agreeing a contestable only connection offer. This does not allow for the thorough valuation of ICP offers and forces us to make a quick decision with a bias towards the DNO offer due to</p>

	<p>the experience we have working with them and the perception that they are less risky.</p> <p>Best practice to facilitate the review of competitor alternatives is where a DNO automatically issues two offers in every case, an “all works quotation” together with a “non-contestable works” only quotation. The developer is then allowed to either accept the full works offer or accept the non contestable only quotation under the condition that the full works is left open as an option for a set period of time allowing the review of ICPs.</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>1.Ability to deliver in line with what is quoted, including certainty around the costs and quality of the work.</p> <p>2. Transparency of costs and reasonableness of the prices quoted.</p> <p>3. Experience delivering large scale DG connections Etc.</p>
Please give an indication of who you have tended to award work to.	<p>Please tick one box only.</p> <p><input type="checkbox"/> Always the DNO</p> <p><input checked="" 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>
What do you think are the risks/problems with using an independent connections provider?	<p>Risks around wayleaving: DNOs have deemed planning permission for performing works/wayleaving rights which an ICP would not have. These rights significantly reduce risk to the developer.</p>

	<p>Adoption risks: If the DNO is not happy with the ICP work this could lead to delays/cost. Regular, visible communication between the two could overcome this.</p> <p>Uncertainty around competence.</p> <p>More interfaces to manage – not a major barrier but is a consideration.</p>
How has your view on who to award work to changed with experience?	Don't have enough experience of giving work to ICP's to answer. The company is considering more ICP work.
When would you only seek a quote from the local DNO?	Always ask for both. Unless point of connection is so close to the DNO system there isn't an economical benefit of involving a 3 rd party.

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?	<div> <input checked="checked" type="checkbox"/> Yes </div> <div> <input type="checkbox"/> No </div>
What do you think are the benefits in using a company other than the local DNO to provide a connection?	Potentially better prices and better customer service. Putting pressure on DNOs to deliver full works at better value.
What do you think are the risks/problems with using an independent connections provider?	See response in section 4.
What would need to change in order for you to use a different connections provider?	See response in section 4.

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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?	Business developments for DG are primarily driven by the availability of the natural resource – e.g. hydro source, wind speeds, local community infrastructure and attitudes towards renewable project development. Within a narrow geographical area we then consider grid options. We would not have the option of picking to work in a different DNO area based on the fact that competitive alternatives are more viable elsewhere (unless we are on the border between two DNOs)
How big a factor is the cost of connection in your decision on where to locate your business?	Cost of connection is a critical component of any decision on whether to progress a site. When grid costs are too high they contribute to undermining project economics. Costs that are accurately forecast will become ever critical with the introduction of CfD's where sites will be in increasing competition with each other.

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.

Now that some DNOs have successfully trialled the automatic two part quote with the option of converting to full works, this should be implemented without delay in all DNO areas. There is no valid excuse for not adopting this practice with immediacy.

Offers should be modularised where this is practically possible so that customers can choose the DNO for some components and assign other parts to ICP's – thus driving the competition in each section. We acknowledge that complete unbundling of the components of work may not be practical. However, we particularly request that wayleaving should be split into a separate module so that we can buy in this important element of work from the DNO while also being able to opt for an ICP to deliver the contestable works.

While we have seen improvements in most DNO quotes regarding the breakdown of costs, this is an area that further progress can

be made. Ideally quotes provided are clear, transparent and automatically provide a detailed breakdown of assets and other costs for example adoption fees - this would be essential for customers to make an informed comparison and decision.