

James Veaney
Head of Distribution Policy
Ofgem
9 Millbank
London
SW1P 3GE

14 August 2015

Dear James,

**Open letter consultation on the Incentive on Connections Engagement:
Looking Forward reports 2015/16**

RenewableUK represents the UK's wind, wave and tidal sectors. Scottish Renewables represents the same sectors in Scotland, but also covers bioenergy, renewable heat, solar and hydro developers. The two trade associations therefore cover off a large section of the Distributed Generation (DG) community in GB and welcome the opportunity to comment on the DNOs' ICE workplans.

The ICE trials for DG have seen a wide-ranging and recognisable improvement in the DG customer experience, which, together with the DG-DNO Steering Group and DG fora is removing barriers to market entry for DG. We have noted a general continuous improvement in engagement from all DNOs.

Views on the particular work plans are noted in the following pages. Nonetheless, several cross-cutting issues have emerged:

- The DG/DNO steering group has proven to be a very useful and effective forum for ongoing engagement with the DNOs and the ENA, and we commend them all for their commitment to this group. Similarly, the annual DG fora are an excellent means of customer engagement.
- Our industries are being required to reduce costs at a fast pace. DNO commitments to seek to reduce costs where possible, facilitate competition, be more transparent in quotations and accountable for actual spend are particularly important.
- Transmission/distribution interface: increasingly transmission constraints and related process issues are impacting DG connections. We would ask that all DNOs- where they have not already done so- commit to improving information

6th Floor, Tara House, 46 Bath Street,
Glasgow, G2 1HG
☎ 0141 353 4980 📧 @ScotRenew
www.scottishrenewables.com

flows from the TOs to DG customers, aspire to do more than the minimum regulatory requirements, and to improve the Statement of Works process. Our response flags specific concerns we have in this area.

- Network constraint is affecting projects across the whole of GB. As raised at the 2014 DG Fora, we are seeking commitments for proactive and proportionate 'queue management' of contracted projects, and steps to ensure the registered capacity of operational sites reflects the installation.
- Consenting/land rights can act as significant barriers to connections at HV and EHV, therefore we would seek evidence of explicit efforts to seek to reduce timescales/risks.
- Urgent responses to CMP 223 and how it will be implemented should now additionally be included as a specific action by all DNOs.
- SSEPD's proposed online project tracker (or some equivalent) for signed connection customers would be of benefit in all DNO areas.
- A commitment to regularly update capacity registers and heatmaps is crucial to provide confidence that information provided is relevant and up-to-date - we would hope to see such a commitment in all workplans.

We have set out our response to the specified questions on each DNO ICE work plan in the attached paper.

1. [Scottish Power Energy Networks](#)
2. [SSE Power Distribution](#)
3. [Western Power Distribution](#)
4. [UK Power Networks](#)
5. [Electricity North West](#)
6. [Northern Power Grid](#)

We would be happy to contribute to any additional work arising from this consultation.

Yours sincerely,

Michael Rieley
Senior Policy Manager: Grid & Markets
Scottish Renewables

Nik Perepelov
Onshore Wind Development Manager
Renewable UK

Scottish Power Energy Networks

(a) Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate?

Members and the trade associations were happy with SPEN's engagement strategy, with specific face-to-face meetings valued.

(b) Do you agree that the licensee has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the licensee provided reasonable and well-justified reasons? What other activities should the DNOs do?

Yes. In particular we welcome

- The target to improve time to quote and connect by 20%
- Commitment to monthly updates of contacted capacity register
- Meeting timeliness (onsite and design) meetings
- 'Roll-out of ANM', commitment to engage industry on non-firm connections and engagement on connecting shovel-ready projects is most welcome.
- Dedicated T/D interface section (and actions therein) is welcome.
- The introduction of a formal policy (DG 24) for 'stalled projects' projects is helpful. However we would like to see similar commitment with regards operational capacity.
- More detailed cost breakdowns are welcomed and we would support this to be expanded to include revised offers. In addition, more accountability on communicating actual spend of monies received should be included.

(c) Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc .)?

Yes. The outputs are welcome and considered appropriate.

(d) Would you agree that the licensee's proposed strategy, activities and outputs have been informed and endorsed by a broad and inclusive range of connection stakeholders? If they have not been endorsed, has the licensee provided robust evidence that it has pursued this?

Yes, evidence is provided of wide-ranging consultation and changes implemented as a result.

SSE Power Distribution

(a) Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate

Yes.

(b) Do you agree that the licensee has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the licensee provided reasonable and well-justified reasons? What other activities should the DNOs do?

Overall, although the plan is perhaps not as ambitious as other DNOs the suite of actions is practical

In particular the statement of works online tracker is very welcome, as is the online project tracking facility. Also welcome is clear commitment to opening up competition for contestable works.

We would encourage specific actions on the Transmission/Distribution interface issues, Particularly the efficiency of SoW process, contracted queue management and operational site capacity to be included.

(c) Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc .)?

Yes the KPIs are generally clear.

(d) Would you agree that the licensee's proposed strategy, activities and outputs have been informed and endorsed by a broad and inclusive range of connection stakeholders? If they have not been endorsed, has the licensee provided robust evidence that it has pursued this?

Yes, SSE has engaged with number of trade associations and through the DG-DNO forum with a focus on the ICE work plan. However, would suggest that it may be useful to signpost the level of engagement more clearly in the plan.

Western Power Distribution

(a) Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate

Yes, though greater clarity on linkages between WPD's various groups and other outreach activities to the ICE would be useful.

(b) Do you agree that the licensee has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the licensee provided reasonable and well-justified reasons? What other activities should the DNOs do?

Overall, we welcome;

- Activities identified relating to engaging NGET and SoW.
- Queue management for future contracts is helpful however it would be useful if this was extended to include legacy contracts and operational site capacity.
- Focus on post-offer service and communications- not just contracting- is very welcome.
- Land rights process and timescale improvement commitments

Overall although this is a comprehensive and well-chosen suite of connection issues we are disappointed that there is no mention or specific activities related to resolving the issues highlighted in the WPD letter around connection limitations in the South West

In addition, we would suggest that the actions/KPIs should be reviewed to ensure that they are sufficiently clear and measureable.

(c) Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc.)?

Actions and KPIs should be written in such a way as to ensure stakeholders can track progress. Other DNOs have targetted outputs for each action, which is preferred.

(d) Would you agree that the licensee's proposed strategy, activities and outputs have been informed and endorsed by a broad and inclusive range of connection stakeholders? If they have not been endorsed, has the licensee provided robust evidence that it has pursued this?

Yes

UK Power Networks

(a) Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate

Yes.

(b) Do you agree that the licensee has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the licensee provided reasonable and well-justified reasons? What other activities should the DNOs do?

We welcome the proposed service level agreement obligations in the detailed design phase which should help drive higher standards and focus on this part of the process

In addition the commitment to review cost breakdowns and reduce times for acquisition of land rights is very welcome if long overdue; and we would strongly encourage that should be subject of further DG engagement.

However the lack of specific actions to address the 'Transmission – Distribution' interface is a concern, as is lack of explicit focus on contract management (queued contracted and operational site capacity).

(c) Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc .)?

Some detail is lacking, for example, with respect to adoption agreements.

(d) Would you agree that the licensee's proposed strategy, activities and outputs have been informed and endorsed by a broad and inclusive range of connection stakeholders? If they have not been endorsed, has the licensee provided robust evidence that it has pursued this?

Although we are aware that UKPN has engaged with RenewableUK and its members it is not clear from the plan that this engagement has taken place.

Electricity North West Ltd

(a) Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate

Unfortunately, we have had limited feedback on this point from our members.

(b) Do you agree that the licensee has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the licensee provided reasonable and well-justified reasons? What other activities should the DNOs do?

Introducing letters of authority for connection offers very welcome as is the information pack for post-offer acceptance and contract management/unused capacity.

However there is some concern with the lack of specific actions/KPIs that focus on Distribution – Transmission interface issues.

(c) Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc .)?

KPIs /actions are rather broad and therefore difficult to track progress against.

(d) Would you agree that the licensee's proposed strategy, activities and outputs have been informed and endorsed by a broad and inclusive range of connection stakeholders? If they have not been endorsed, has the licensee provided robust evidence that it has pursued this?

No comment.

Northern Power Grid

(a) Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate

Yes. This is noticeably strong.

(b) Do you agree that the licensee has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the licensee provided reasonable and well-justified reasons? What other activities should the DNOs do?

We were pleased to see recognition of the issues of unused capacity, particularly with regards operational sites.

A concern is the current inability to reserve capacity until GDUoS has been paid, which was raised through NPG's survey. We would ask that this is urgently addressed.

The relatively low level of ambition on activities relating to transmission system interactions and the Statement of Works is somewhat disappointing.

The plan fails to commit to regular updates of capacity register, which we consider an omission.

NPG's commitment to improving the clarity of quotation letters and fostering competition through part-funded connections is welcome.

(c) Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc .)?

As above, we feel that there are some key omissions that we would hope to see addressed and included as KPIs.

(d) Would you agree that the licensee's proposed strategy, activities and outputs have been informed and endorsed by a broad and inclusive range of connection stakeholders? If they have not been endorsed, has the licensee provided robust evidence that it has pursued this?

Some evidence of this has been provided, though we note above that some relevant and significant feedback (as mentioned above) has not been addressed.