

James Veanev
Head of Distribution Policy
Ofgem
connections@ofgem.gov.uk

Name: Fruzsina Kemenes
Regulation & Policy Manager
Phone: 075 577 58488
E-mail: Fruzsina.kemenes@rwe.com

August 2015

RE: 2015/16 Forward Looking ICE plans

Thank you for the opportunity to respond. With the trial of the ICE plans we recognise that these are very useful and an effective means for motivating and keeping track of DNO improvements in customer service. We have since the ICE plans have emerged seen a general increase in the number of new tools and changes to the way that DG customers are managed. We are keen to continue working with the DNOs to provide direction on where further improvements on service should be made.

RWE InnogyUK is a developer, owner and operator of EHV and HV DG projects. This sets the focus of our feedback here. Where we provide particular praise for an initiative we would like these adopted by other DNOs. The plans do vary in the extent that they provide detailed KPIs – those that set themselves more specific and ambitious improvements should be given recognition of this by Ofgem.

Kind Regards,

Fruzsina Kemenes

RWE Innogy UK
Electron
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB
T +44 (0)8456 720 090
I www.rweinnogy.com/uk
Registered office:
RWE Innogy UK Limited
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB
Registered in England and
Wales no. 2550622

RWE Innogy Feedback on SPEN

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

Yes in terms of collecting feedback and input in order to produce this plan. SPEN's team actively seeks out opportunities to build these ICE plans. Their engagement approach has been open and made it easy to engage – we attended one of the customer workshops.

☐ **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?**

RWE Innogy support the overall strategic objectives presented by SPEN on improving timely delivery of services, reducing cost and improving customer satisfaction. The target to improve time to quote and time to connect by 20% is very welcome. With the new CfD regime it is critical that contracted timescales for connection are reviewed regularly between DNO and customer and that connections are not late. This feedback applies to all DNOs.

In relation to PC9 we would ask for a commitment to improving DG customer communications and service for Welsh projects on the whole. Mid-Wales is another specific complex project that could benefit from a significant change in SPManweb's customer communications and service.

Information Provision

DG6 Monthly updates on contracted capacity register is very welcome and SP Manweb has set itself a commendable target date for delivery. It has been a quick adopter amongst the DNOs and we are pleased that it is committed to building on the good progress already made.

Communication

DG9 Concrete commitments on pre-construction and onsite technical meeting timelines are particularly welcome in this section. RWE Innogy has not been satisfied with the basic contract management and communications on SPEN DG connections so we are particularly keen for SPEN to improve its service from connection offer signature through to energisation.

We would like to call for more consistency and better hand-over and general contract management when during the pre-construction and construction phases. We hope that this will be a benefit to be delivered through the new district delivery model that is mentioned in the plan. However, SSE have proposed a measure that would be a positive improvement for SPEN too (as well as all other DNOs): introducing an online project progress tracker for signed connection customers. Failing this, a simple initial commitment for now would be for SPEN to provide regular bimonthly updates on major projects and to minute their customer meetings to share and keep records of these on file for successive staff to have to hand.

The commitment to more detailed breakdowns is welcome. We would also like to request that this improvement is made when revising existing offers and that SPEN provide the guidance for customers to easily compare and contrast the costs between different connection offer versions.

An additional 2015/16 target for SPEN would be improving the communications to customers on what has been done with the monies received by SPEN. This would especially suit the handling of major connection customers – fewer in number with large investments in place. There is currently

a lack of transparency on this front and it is difficult to see whether/what difference there is between forecasts and actual spend. Post- spend, it should be possible for SPEN to pass on information on the itemised costs for equipment just as other major contractors do.

Choice

DG18 We endorse the proposals here and are very interested in the ‘part funded connection’ trial outcomes. This seems like an excellent initiative to deliver the benefits of competition on cost to customers.

Enablers to Connection

DG19 Improvements in the work of landrights and planning officers is keenly sought – especially for complex projects.

DG21 Openness to discuss terms and conditions of connection offers will be a great improvement generally for working with all DNOs. We are very interested in how this can improve our customer experience.

DG22 ANM commitment welcome we would like to see this tested at EHV level.

Transmission Distribution Interface

We praise SPEN for selecting this as a key issue warranting its own section- it is the most challenging area of the times and is set to become an ever greater issue. Improving the interaction between transmission and distribution networks is very important and we have had some problems specifically on a SPEN project on this front.

DG27 – Improving SOW is needed. A specific KPI we seek is a commitment for all DNOs to assess whether SOW is required and to have initiated the SOW within 30 working days of a connection offer being signed as accepted.

In our experience a key difficulty has been the communications between transmission network companies and DNOs on complex projects and the relaying on of information to the DG customers from this – we would like to see a commitment to improving basic communications on this front in the plan for all DNOs.

DG29 Regarding CMP223, in light of Ofgem’s swift final decision that has already been published we request that SPEN’s communications on their policy is delivered as soon as possible, ideally September 2015. We would hope that the benefits of CMP223 are passed through to DG customers as per the intentions of the WG that SPEN itself actively participated in.

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

Yes. Please see above for additional detail on where we are particularly satisfied and where we would like to see more.

☐ **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.

RWE Innogy response regarding NPG:

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

Yes in terms of collecting feedback and input in order to produce this plan. NPG's team actively seeks out opportunities to build these ICE plans. Their engagement approach has been open and made it easy to engage – we responded in writing to a questionnaire they sent out, spoke to them over the phone to explain our views and answer any questions.

We appreciate not all points raised by all customers will be addressed by the ICE commitments, but it would be useful to have a 1:1 dialogue with NPG about what other ways we can resolve outstanding issues that we highlighted. There have been a couple of important points of feedback that we provided that did not make it in to the final ICE plan. These relate to stability studies, offer terms for reserving capacity and improving the post acceptance to connection communications. You can find details of this under the next question.

☐ 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 have commented on sections of the plan that we are particularly interested in:

Provision of information

Wayleaving and consents guidance will be useful to have in a formalised document this is a good proposal on behalf of NPG.

RWE Innogy are pleased to see that NPG have since their draft ICE plan accelerated their launch of a contracted capacity register – from November 2016 to August 2016. It is not mentioned in the plan what the commitment to refreshing this is, but we would hope to see a similar monthly update that many other DNOs are committing to delivering during the 2015/16 period.

Improving our application process

RWE Innogy welcome NPG's commitment to producing a process guide on interactivity – we look forward to reviewing details via their upcoming consultation on this.

NPG have clearly taken in to account our feedback that we find NPG connection offers repetitive and difficult to follow. We really welcome commitment 3.2.1. to redesign the DG quotation letters and information pack to provide clear and more understandable information this summer.

We can see the benefits of Quote Plus in order to enable an informed choice of connection Option and support NPGs proposal to introduce their own version. As part of NPG's Quote Plus equivalent we have expressed in our response to the draft plan that improvements to the feasibility studies are key. Feasibility studies should be offered within a minimum agreed timeframe and to a standard that customers can make informed decisions on. In our view feasibility studies need to cover as a minimum a capacity check at nearby substations, indicative routes (underground and/or overhead, as appropriate), and from there, an initial estimate of cost for a full works connection for indicative routes and as necessary, an understanding of the wayleaving requirements. Where applicable the feasibility study should look at a range of connection options, particularly where grid constraints indicate that curtailment could be a possibility. We hope to see this included in the detail of NPG's quote plus solution when it is released later this year.

In our response to the draft ICE plan we raised a particular issue that has not been addressed in the final nor has NPG contacted us to follow it up. We seek improved terms of offer in relation to reserving capacity: It is unreasonable that capacity on the NPG network cannot be reserved, even following offer acceptance and subsequent payment of the Contract Estimate and relevant staged payments. It is unreasonable that capacity is not reserved until energisation has taken place and the correct level of DUOS has been paid. This policy should be overturned by NPG as it is different to terms offered by any other DNOs and is a major concern for the financibility of projects.

As acknowledged, we have sought NPG's commitment to making the DNO side of the SOW process more efficient. However, we had had a discussion that we would like this to go beyond carrying out the changes that NGET's CUSC mod has achieved (i.e. Moving straight to Mod app stage where necessary). We would like to see a proactive commitment from all DNOs to improve the efficiency of any other component of the SOW process that is within their powers (even where this involves seeking further changes to regulations). We also specifically discussed the intra-network invoice process as an area of improvement and the potential for DNO's to commit to determining whether or not SOW is required within a set timeframe of say a 30 days (i.e. in areas of the network where the need is ambiguous).

Improving communications

Looking back, we note that since the first ICE plans we have experienced improvements in NPGs customer communications. The ICE plans are an important and effective driver for change.

With the delays to introducing key account managers it would be important for NPG to clarify in the interim what smaller/alternative measures they will take to improve the experience of customers between offer signature and connection. This is the period during which improvements in communication are often most desired when it comes to high value EHV DG connections. We would like to see NPG commit to introducing new measures to improve the EHV customer experience once a connection offer has been signed – for example in the form of consistent, clear engagement and provision of updates to the customer between the offer acceptance and connection delivery. An online contract management – progress tracking tool like that being developed by SSE would be welcome from all DNOs.

A specific request is in relation to Stability Studies: NPG should set out a clear process on establishing the need for and also for conducting stability studies. The current lack of formalised approach leads to unnecessary delays and frustration.

Technical and commercial Developments

RWE Innogy welcome NPG ANM innovation plans and also think that the programme to release capacity through dialogue with operational customers with excess reserved is a good idea.

Enabling competition

RWE Innogy welcome all measures to improve the competitiveness of the connections market. We endorse the proposals and are very interested in the 'part funded connection' trial outcomes. This seems like an excellent initiative to deliver the benefits of competition on cost to customers.

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

Yes. Please see above for additional detail on where we are particularly satisfied and where we would like to see more.

☐ **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.

RWE Innogy Feedback on WPD

This work plan is a significant improvement on last year's. WPD have taken on board the feedback regarding the ambiguity of the commitments related to the last version and have also significantly improved the presentation of their ICE plan so it is easy to follow.

RWE support the key objectives that WPD has set as its priorities.

To provide a faster and more efficient connections service

To improve communication with customers

To enhance engagement with major customers

To achieve guaranteed standards of performance

To enable facilitation of the competitive market

Given the ever challenging investment environment for distributed generation projects we would like to see WPD, like some other DNOs also committing to connection cost reduction. This is important for facilitating the transition to a low carbon energy system.

We are surprised and disappointed that the problem caused for WPD Southwest by the constraints on the transmission network have not been acknowledged in this document. As a recent very frustrating development for WPD customers, it would make sense for WPD to add some new commitments on resolving/ avoiding/ improving such a situation for prospective WPD customers. WPD could learn from Scottish DNOs that have had similar experiences and a plan for how WPD will work better with NGET generally in the future is not sufficiently covered in this ICE submission.

Detailed Response:

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

Yes in terms of collecting feedback and input in order to produce this plan. WPD's team actively seeks out opportunities to build these ICE plans. Their engagement approach has been open and made it easy to engage – we attended one of the DG customer workshops to feed in.

☐ **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 have commented on sections of the plan that we are particularly interested in:

Communication and engagement

1.1 and 1.10 We agree that WPD should be focusing on improving SOW process from the DNO side as well as working together more effectively with NGET on this process.

1.3 The feedback opportunity provided by running a DG survey with a split for Major DG EHV schemes with significant sample size to assess service levels specific to this segment is very welcome. This is important as we have felt that the EHV customer voice is lost in the volume of other applications. RWE Innogy hope to be included in this.

1.8 A complete list of all DNO policies for Legals & Consents to highlight differences by Q1 2016 is a good KPI. We seek to see what specific KPIs emerge from this exercise for WPD in Q1 2016.

2.3 Monthly updates on contracted capacity register is very welcome and WPD has set itself a commendable target date for delivery. It has been a quick adopter amongst the DNOs and we are pleased that it is committed to building on the good progress already made.

3. Service provided post Connection Offer Acceptance

We praise WPD for selecting this as a key issue warranting its own section – while DNOs have significantly improved the customer experience for contracting a new connection – many of the issues that we are faced with come in the period between signing an offer and its delivery. Clearly this is the more demanding service provided by a DNO and we are very pleased of WPD’s recognition of this.

3.1 & 3.2 RWE Innogy are particularly keen to see an improvement from WPD on the process of gaining legals and consents. The commitment to “Develop set of internal standards and/or monitors for the WPD legals and consents process to help improve speed and efficiency” is welcome. The DNO should have regard to the connection date when completing consenting and legal works and provide regular progress reports.

In terms of specific KPIs- while we appreciate this is difficult because consenting/ gaining legal rights is so different for different projects we have some recommendations:

- Within a calendar month of signing a connection offer, a meeting should take place between the developer and the DNO to discuss the likely consenting route and the time-scales associated with this.
- This meeting should conclude on which date it is necessary to commence works on consenting/ legal rights.
- One month prior to the date agreed at the above meeting, the DNO and developer should discuss whether work should commence.

3.4 Improve transparency and communication of post-acceptance timetable is also worth highlighting as a positive focus from WPD.

Specifically we would like to see joined up thinking by WPD to recognise the actions and time-scales that are involved in meeting the connection date that they have committed to in the signed connection offer. For example, where the consenting timetable is up to 5 years in length, it cannot be started 2 years before the connection date.

Communication needs to take place on an ongoing basis with the developer to understand work timescales, and WPD need to take action to achieve their connection dates in accordance with those timescales committed in a schedule. A project tracker web portal similar to that proposed by SSE is one solution that WPD could consider, although alternative plans for maintaining regular customer project dialogue are also welcome.

4. The extension of contestability is generally welcome.

5. Offers & Agreements

We would like to see WPD, like some other DNOs also committing to connection cost reduction. This is important for facilitating the transition to a low carbon energy system.

6. Innovation

ANM and intertrips form a good focus for innovation.

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

Yes. Please see above for additional detail on where we are particularly satisfied and where we would like to see more.

☐ **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.

RWE Innogy Feedback on ENWL

We have not provided feedback on ENWL's plans at earlier stages of the ICE plan formulation.

The plan is more succinct plan compared to the others – perhaps as it repeats fewer of previous year's commitment categories. To aid the reader, a short summary of last year's achievements – looking back – would be good. The number of commitments is far smaller and the detail of the commitments is not explained.

The commitments that are made certainly target the right areas but they are so broad that it is difficult to see what KPIs Ofgem will assess performance on at the end of the year for ENWL. For example: Engaging on transmission issues – some more specific actions and KPIs would be desirable here. We would like to see DNO led action to improve SOW by making some specific pledge as well as the commitment to aid the implementation of the National Grid Mod for the removal of Stage 1 of SOW. In the autumn of 2015 we would request all DNOs to establish their policy on implementing CMP223 (pass-through of security requirements and liability terms for relevant distributed generators with an impact on the transmission system).

We welcome the proposal to introduce letters of authority as a requirement for the issue of Connection Offers – consultation is good and we hope that decision making and implementation can be swift.

The post-acceptance information pack is an excellent idea. We feel it is especially important that the process from offer signature to connection involves clear communication and a proactive push from DNOs to ensure progress is on track to suit the customers desired connection date. In addition Communication needs to take place on an ongoing basis with the developer to understand works timescales – customer service between the point of contract signature to connection should be a target for improvement for all DNOs.

As a large scale DG developer we also particularly welcome the proposals on improving the inter-activity process, the process for managing unused capacity and clearer information on land-rights and wayleaving.

The plan seems patchy compared to others – for example there are no new commitments on better facilitating competition.

No commitments on innovation – this needs to be DNO led rather than reacting to customer feedback which may not consider this avenue.

RWE Innogy Feedback on SSEPD-

We have not provided feedback on SSEPD's plans at earlier stages of the ICE plan formulation due to resource constraints. We are aware that SSEPD's team actively seeks out opportunities to build these ICE plans with customer input.

This is an excellent ICE plan, outstanding user-friendly format enabling a quick overview and expanding into sufficient detail via hyperlinks– the commitments are well targeted to what customers want, there are clear and ambitious KPIs.

RWE Innogy particularly endorse the commitments on:

Improving transparency and detail of cost breakdown, a more customer friendly generation connection offer format, customer-focused acceptance process for interactivity, online statement of works tracker – this excellent example of the DNO being proactive on improving SOW process for customers that the other DNOs should emulate, there are further commitments that we would seek from SSE in relation to transmission-distribution interface management– for example a swift decision is needed on how to exactly implement CMP223. ICP staff to become an approved designers – seems like a sensible improvement alongside the other pledges for improving access to alternative providers, we commend that SSE appears ahead of other DNOs stating they will ensure their Alternative Provider has the opportunity to complete for these reinforcement works (suggesting this is not just on a trial basis). Online project tracking facility – fantastic idea this is good for ensuring smooth handover of work between SSE staff and keeping the customer informed of project progress, upcoming milestones both on works completed and contractually in terms of payments due. We are not familiar with the detail of these plans but it would be ideal if it can cover:

- Most up to date signed offer for the site
- System studies data or model.
- Minutes of progress meetings
- Pass-through information on Statement of works requirements and any wider/ attributable payment schedules from NGET
- Pre and post energization test
- Compliance documents etc

We would very much like to see other DNOs provide a similar service too.