

Annex 1 – Open letter consultation on the Incentive of Connections Engagement

- 1.1. We would like to hear the views of interested parties in relation to any of the issues set out in our open consultation letter.
- 1.2. We would especially welcome responses to the specific questions in our consultation, which are replicated below.
- 1.3. If you have any questions on this document please contact:

James Veaney
Head of Connections and Constraint Management
Ofgem, 9 Millbank, London, SW1P 3GE
020 7901 1861
Connections@Ofgem.gov.uk
- 1.4. **Responses should be sent, preferably by e-mail by 27 July 2017 to the address above.**
- 1.5. Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website www.ofgem.gov.uk. Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.
- 1.6. Respondents who wish to have their responses kept confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. Respondents are asked to put any confidential material in the appendices to their responses.
- 1.7. Next steps: We will consider the responses to this consultation and these will be used alongside other evidence for our assessment of the ICE plans.
- 1.8. Each of the questions asked by this consultation is set out in the template below.
- 1.9. Please ensure that you **indicate the DNO group or specific licence area** to which your experiences relate.
- 1.10. Please ensure that you indicate clearly the type of connection you generally require.
- 1.11. When considering your responses to these questions, please consider your experiences, the actions that the DNO has undertaken or committed to undertake, and the actions that you consider it could reasonably undertake.

Response template – Incentive on Connections Engagement June 2017

Question	Response																								
About you and your work																									
1. What is the name of your company?	Premier Energy Services Ltd																								
2. Which DNO's ICE submission is your response related to (see Annex 2 for DNO map)? Please indicate clearly in your response to the questions below whether your comments refer to the DNO's plans as a whole, or to one of the DNO's licence areas. If you wish to provide a response to the ICE submission of more than one DNO, please use a separate template for each DNO.	Scottish and Southern Energy Networks All answers provide relate to the SSE Southern Licence Area. During the 2016/17 Regulatory Year we have made 61 connection applications to SSE covering all Metered Demand Connections categories. We also have an interest in the CiC services offered by SSE and the effective and efficient working of the competitive connections market.																								
3. What type of connection do you generally require? And for each type of connection, how many connection applications, including total MVA (Mega Volt Ampere) of connections have you made in the past year? Please note that we will assess storage within the relevant metered generation market segment.	<table border="1"> <thead> <tr> <th>Type of connection</th><th>Total number of connections</th><th>Total MVA of connections</th></tr> </thead> <tbody> <tr> <td rowspan="4">Metered Demand Connections</td><td>Low Voltage (LV) Work</td><td>See 2.</td></tr> <tr> <td>High Voltage (HV) Work</td><td>See 2.</td></tr> <tr> <td>HV and Extra High Voltage (EHV) Work</td><td>See 2.</td></tr> <tr> <td>EHV work and above</td><td>See 2.</td></tr> <tr> <td rowspan="2">Metered Distributed Generation (DG)</td><td>LV work</td><td></td></tr> <tr> <td>HV and EHV work</td><td></td></tr> <tr> <td rowspan="3">Unmetered Connections</td><td>Local Authority (LA) work</td><td></td></tr> <tr> <td>Private finance initiatives (PFI) Work</td><td></td></tr> <tr> <td>Other work</td><td></td></tr> </tbody> </table>	Type of connection	Total number of connections	Total MVA of connections	Metered Demand Connections	Low Voltage (LV) Work	See 2.	High Voltage (HV) Work	See 2.	HV and Extra High Voltage (EHV) Work	See 2.	EHV work and above	See 2.	Metered Distributed Generation (DG)	LV work		HV and EHV work		Unmetered Connections	Local Authority (LA) work		Private finance initiatives (PFI) Work		Other work	
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Consultation questions	
Section 1: Looking Back report 2016-17	
We want your views on how well the DNOs have performed over the last year	
1. Are you satisfied that the DNO had a comprehensive and robust strategy for engaging with connections stakeholders? Do you consider that the DNO implemented its strategy? If not, are you satisfied that the DNO has provided a reasonable and well-justified explanation?	<p>Yes.</p> <p>SSE have a comprehensive engagement strategy. We have regular meetings with our Account Manager to discuss issues of interest and are offered the opportunity to attend regular Forum's and Workshops.</p>
2. Are you satisfied that the DNO had a comprehensive work plan of activities (with associated delivery dates) to meet the requirements of its connections stakeholders? Do you consider that the DNO delivered its work plan? If not, are you satisfied that the DNO has provided a reasonable and well-justified explanation?	<p>Overall Yes, we believe that SSE have a comprehensive plan that addresses the issues that are important to Metered Connection customers. However, we are concerned that during 2016/17 we have experienced a deterioration in the connections service from our perspective with a higher proportion of issues and elongated timescales for quotation provision.</p> <p>We have been concerned about the way SSEN tie in Diversions with New Connections and then use the 65 day backdrop on diversion quotes as an excuse not to progress with Section 16 quotes. There is inconsistency where on some projects they are separated and on other combined. It seems to be whatever the designer feels like in order to meet the GSoP standards.</p>
3. Do you consider that the DNO's work plan provided relevant outputs (e.g. key performance indicators, targets etc.)? Are you satisfied that the DNO has delivered these outputs? If not, do you view the reasons provided to be reasonable and well justified?	<p>In many cases yes but there are a number of initiatives that lack any validation that a change introduced has had a positive impact for customers. For example, improving the disconnection cost breakdown on Page 41 doesn't offer any quantitative customer feedback on the impact.</p>
4. Do you agree that the DNO's strategy, activities and outputs have taken into account ongoing feedback from a broad and inclusive range of connections	<p>Yes although there could be more focus on impact assessment of the initiatives delivered.</p> <p>We do think that there are issues with the new type of connections stakeholders. The newer technologies, solar, pv and now more importantly</p>

stakeholders? If not, has the DNO provided reasonable justification?	<p>battery storage that will be having a detrimental effect on the capacity of the network to provide connections to our clients e.g housebuilders.</p> <p>There seems to be a disconnect between business as usual i.e housebuilding, to enable the country to meet the demands of a growing population and new technologies. I am not sure all these connection stakeholders should be treated the same as they have different objectives. Happy to discuss further. See 3 above.</p>
<p>The following two questions refer to the specific areas we discuss in our letter – meeting the needs of all types of connections customers, and connecting when the networks are constrained.</p>	
5. Do you consider that the DNO's activities and outputs over the past year were adequate in meeting the needs of all types of connection customers, including the particular needs of newer types of connection customers?	<p>We consider the initiatives to be broad and inclusive of all connection customer types although see note 4 above for concerns.</p> <p>My biggest concern going forward is battery storage and the effect this will have on all connection customers. This is even more concerning given the recent news of banning all petrol and diesel cars by 2040. I know it's a long way off but this is having an effect now. What is really being done to protect domestic connection customer from DNO's IDNO's and new technology companies activities now.</p>
6. Do you consider that the DNO's activities and outputs over the past year were adequate in meeting the needs of customers looking to connect when the networks are constrained?	<p>We have experienced significant issues on constrained networks and in particular the SSE approach to interactivity. This resulted in a complaint to Ofgem. We would therefore conclude that SSE have significant work to do improve the situation to facilitate new metered connections in such areas.</p> <p>We were disappointed in OFGEM's investigation into our concern as we felt the principles of our referral had not been investigated and all OFGEM could say was that SSEN was following their Charging Methodology Statement, which we did not doubt in the first place. We have since had another meeting with SSEN and they are looking to see how they can reduce the number of enquiries that go interactive.</p>
<p>Section 2: Looking Forward plans 2017-18</p>	

We want your views on what the DNOs aim to achieve in the coming year	
7. Are you satisfied that the DNO has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate?	Yes. SSE have a comprehensive and effective engagement strategy, see our response to 1.
8. Do you agree that the DNO has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the DNO provided reasonable and well-justified reasons? What other activities should the DNOs do?	In the main Yes although we are disappointed that initiatives to speed up quotations aren't due until Q4 2018 and we have been providing feedback on this for the last 2 years. There is also an absence of a formal ICE commitment to improve the interactivity process although we have already received assurances on this and there is a workshop booked in November 2017.
9. Do you consider that the DNO has set relevant outputs that it will deliver during the regulatory year (e.g. key performance indicators, targets, etc.)?	We would welcome more tangible measures that include checking the delivered initiatives are actually received positively by customers. We would like to see more KPI's around Disconnections and Diversions. At the moment Disconnections and Diversions are taking a back seat to Connections. Diversions are defaulting to a longer lead time than GSoP connection standards and is causing problems with obtaining quotes. Likewise Disconnections are subject to broad measures but I am not sure they are measured by SSEN at all. Both disconnections and diversions are still a core area of dissatisfaction.
10. Would you agree that the DNO'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 DNO provided robust evidence that it has pursued this?	Yes.
The following two questions refer to the specific areas we discuss in our letter – meeting the needs of all types of connections customers, and connecting when the networks are constrained.	
11. Do you consider that the DNO's planned activities and outputs will be sufficient to meet the needs of all types of connection	When delivered, we expect the 2017/18 ICE initiatives to have a positive impact on the connections services offered by SSE but an absence of clear

customers, including the particular needs of newer types of connection customers? What other activities should the DNO undertake in this area?	intent to improve quotation timelines early in the 2017/18 period is disappointing.
12. Do you consider that the DNO's planned activities and outputs will be sufficient to meet the needs of customers looking to connect when the networks are constrained? What other activities should the DNO undertake in this area?	<p>See response to 6 & 8. In our opinion SSE have more work to do to address this important issue.</p> <p>We think there are big issues coming especially where battery storage / EV are concerned. We think new technologies should be separated from business as usual and any additional costs associated with providing the additional capacity in the network to accommodate this technology should be kept separate and the true cost reflected back to that industry.</p>

Annex 2 - Map showing DNO licensee areas¹

Electricity Distribution



¹ Image from Electricity Networks Association (ENA) – note the ICE only applies to distribution networks operating in GB