

# Alternative Approach: Ready to Connect

## Process guidance document – Part 1

### Delivery Plan Pro Forma

#### Background

Despite Orkney's vast renewable potential, there is currently limited opportunity for new generation to connect due to the network operating at full capacity. For years, SSEN and Orkney connection customers have been stuck in a catch-22 situation caused by fluctuations in the contracted background. To date, SSEN has not been able to progress reinforcement without customer commitment and customers have not been able to give their commitment without certainty that reinforcement will progress.

Over the last year, SSEN developed the Alternative Approach (AA), a policy driven and developed by customers and stakeholders' feedback. Included in the AA policy is a new and innovative approach to queue management that has been submitted to the regulator Ofgem for approval. The AA will allow SSEN to test whether this is sufficient to remove current barriers to connection and will help inform wider debates on access and charging arrangements.

The AA complements the Needs Case submitted to Ofgem for Orkney which demonstrated a positive economic case for investment and benefits to the GB consumers. SHE-Transmission has proposed to Ofgem that the Orkney Needs Case is approved on the condition that a minimum of 70MW of generation are committed to connection; we have proposed the AA is the mechanism to demonstrate commitment from developers.

The purpose of this document is to provide participating customers guidance on the ready to connect process, what it is, how it works and what is required from the customers. Part 1 of the guidance document covers the process of submitting the delivery plan pro-forma. Part 2 will cover the process of managing customers in a queue and will be issued prior to any contractual amendments.

It should be noted that the AA is subject to Ofgem approval. National Grid ESO will continue to manage all its Bilateral Connection Agreements (BCAs) in accordance with the Connection and Use of System Code (CUSC) unless and until Ofgem approves the proposed AA. This will include the issue of and requirement for revised securities in accordance with each six-monthly update.

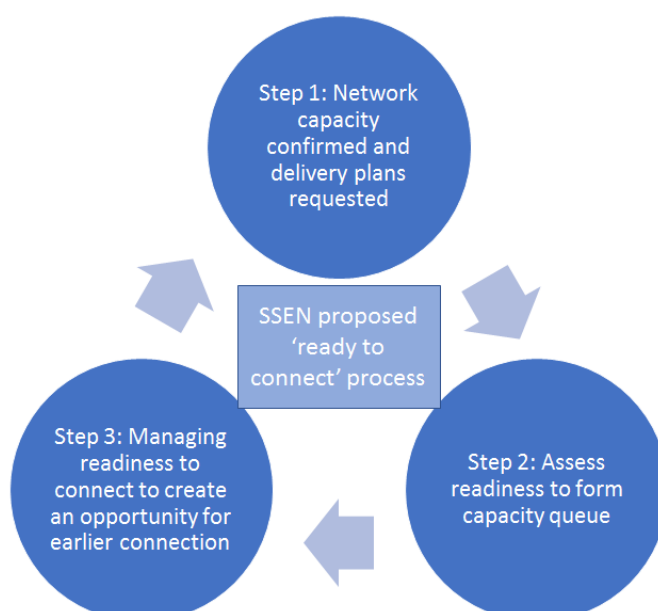
## Part 1: Ready to connect process

The ready to connect process allocates capacity to those who have demonstrated their readiness to connect through the submission of project delivery plans. Using the information provided in the delivery plans developers will be placed in a queue and then be managed against set timescales for milestones. A developer will lose their position in the capacity queue if milestones are not met and a prescribed tolerance allowance is exceeded. This creates an opportunity for other generation projects, who are ready to connect, to move up the queue thus improving efficiency and maximising use of available capacity.

### What is the ready to connect process?

The three-step ready to connect process is outlined below:

- 1. Network capacity confirmed and delivery plans requested:** *Every six months SSEN and the ESO will review the network for available capacity and request delivery plans from developers. Capacity can become available through network reinforcement or through queue management.*
- 2. Assess readiness to form capacity queue:** *SSEN will use the information from delivery plans to form a new capacity queue based on those who will be ready to connect.*
- 3. Managing readiness to connect to create an opportunity for earlier connection:** *The delivery plan milestones will be incorporated into developers' connection contracts (including BCAs). Developers who are not ready to connect will be managed and moved down the queue. Thus, creating an opportunity for those who are ready to connect earlier. This is known in the industry as 'queue management'.*



*The process then re-starts on a continuous cycle until the Orkney transmission reinforcement phases one and two are complete which required customers to submit delivery plans on a six-monthly basis.*

## What do I need to participate in the trial?

### 1. A valid connection offer for a project in Orkney

To participate in the trial, you must be a connection customer geographically located in Orkney with a valid connection offer (i.e. it hasn't lapsed).

The ready to connect process applies to all connections customers including distribution connected customers that have an impact on the transmission system. All new connection customers will be reliant on the transmission reinforcement works and therefore must be part of the transmission connection queue.

This requires distribution connection customers to progress their BEGA/BELLA or instruct SSEN to progress their Statement of Works applications (as applicable) to participate alongside any required application fees. If this is not progressed the customer will not be included in the first assessment of readiness and will need to wait until the next six-monthly review. If the customer progresses their connection offer in between this time they will join at the bottom of the capacity queue and may be subject to fees if this queue position changes because of the assessment process. As such it is advised customers progress their BEGA/BELLA or Statement of Works applications in line with the six-monthly updates.

### 2. A complete delivery plan pro-forma

To participate in the trial, you must complete the delivery plan pro-forma. This is an opportunity to revisit your connection application and demonstrate how projects will connect:

- on time at your current connection date
- earlier than your current connection date
- later than your current connection date

Delivery plans are submitted voluntary for the initial implementation of the trial then every six months to provide an update or any changes to delivery plan.

If a party does not submit a delivery plan the maximum standard timescales associated with each milestone will be applied.

## What information do I need to complete a delivery plan?

### *Timescales*

To complete the delivery plan pro-forma a timescale must be associated with each progression milestone. This must be within the standard timescale range (set out on the next page) to meet the proposed connection date.

It should be noted that it is up to each party which dates are included in the delivery plan but it should not include or consider the tolerance allowance. The purpose of the tolerance allowance is to account for circumstances that are out with the developer's control and outside the planned delivery of the project. Guidance on the tolerance allowance will be provided in part 2 of the guidance document.

### *Evidence*

On completion of a milestone evidence should be submitted to the contract manager. If the customer is unable to demonstrate the completion of a milestone this will result in the milestone

being marked as not ready to connect. The evidence associated with each milestone can be found on page 5 and 6.

### Capacity

If a new connection date is requested, the currently contracted capacity (in MW) of the customer would be applied; however, in some cases, it may be that there is not enough capacity to meet the contracted customer's request. In this scenario, the customer should indicate in their delivery plan pro-forma what the minimum capacity for their new requested connection date would be. For example, it may be that there is 20MW of capacity available, but the customers' contracted capacity is 30MW. The customer can then choose to indicate what their minimum capacity would be. If the minimum capacity indicated the minimum capacity for the new connection date is 30MW then there is no opportunity for the earlier connection date. If, however the customer had indicated that the minimum capacity was 20MW the customer would be allocated this capacity for their new connection date and the remaining 10MW would remain on the existing connection date.

Note: Where a developer is contracted for Transmission Entry Capacity, if there is a requested increase or decrease in contracted TEC the developer will be subject to the liabilities which reflect this change in accordance with CUSC.

### What application fees are associated with the ready to connect process?

There will not be any additional application fees associated with the initial implementation of the ready to connect process; this is a valuable opportunity for developers to revisit their connection applications and evaluate their projects and viable connection date.

However, as explained below, the trial will only proceed if 100% of parties participate and Ofgem approval is granted. If the trial does not proceed, connection agreements are unchanged, and developers will continue to be liable for cancellation charges and securities in accordance with their existing agreements.

After the initial implementation phase of the trial (100% participation and Ofgem approval is achieved) any queue changes because of a developer requesting an earlier date or later date or; being unable to demonstrate meeting a progression milestone will be subject to modification application fees. This will automatically be prompted as part of the ready to connect process because of any queue changes. Failure to pay will result in the contract being terminated.

### Trial implementation

#### 100% participation

For the ready to connect trial to proceed 100% participation is required from all parties already contracted to connect in Orkney or holding a connection offer; once 100% is achieved any new connection offers will include the ready to connect process as part of the initial connection offer. If 100% of contracted parties do not sign up to the trial, it will not proceed.

#### Ofgem approval

The ready to connect process is a new and innovative approach to managing access arrangements to electricity networks' capacity and thus sits outside existing industry arrangements and requires approval from the regulator Ofgem. The trial will not proceed if Ofgem approval is not granted.

#### Management of the trial

The trial will be managed jointly between National Grid Electricity System Operator, SHE-Transmission (the Transmission Owner) and Scottish Hydro Electric Power Distribution (the Distribution Network Operator). Contract management arrangements will not change; if you are a

distribution connection customer your contract manager will remain with SHEPD and if you are a transmission connected customer your contract manager will remain with National Grid Electricity System Operator.

## Appendix 1: Delivery plan pro-forma – further information

Milestone	Explanation	Evidence Required	Timescale	Max Timescale*
<b>1. Project studies start</b>	Before planning permission is initiated there are several tasks which must be demonstrated to have started (or are not applicable for the project): <ul style="list-style-type: none"> <li>Any environmental studies or data required</li> <li>Land owners identified for land rights</li> </ul>	Developers should provide evidence to demonstrate: <ul style="list-style-type: none"> <li>Contracts have been placed with consultants to start studies</li> <li>Land owners have been identified</li> </ul> OR <ul style="list-style-type: none"> <li>The above is not applicable</li> </ul>	0-4 months from connection offer acceptance	4 months from connection offer acceptance
<b>2. Planning application submitted</b>	Submission of competent planning application to the relevant authority.	Receipt of planning application submission from relevant authority.	<b>Non - Environmental Impact Assessment (Non- EIA)</b> - 1-12 months from offer acceptance  <b>EIA</b> - 1-36 months from offer acceptance	<b>Non-EIA-</b> 12 months from offer acceptance  <b>EIA-</b> 36 months from offer acceptance
<b>3. Planning permission secured</b>	Planning permission secured from the relevant authority.	Planning decision notice  or  Planning decision is made (minutes of committee meeting available) if the notice hasn't yet been issued)	<b>Non-EIA</b> - 1-12 months from submission  <b>EIA</b> - 1-24 months from submission	<b>Non-EIA-</b> 12 months from submission  <b>EIA-</b> 24 months from submission
<b>4. Order placed for plant</b>	Demonstrating that an order has been placed for the developer's chosen plant (the main generation station i.e. wind turbine for example wind turbine).	Evidence that an order has been placed for the developer's chosen technology (for example wind turbine manufacturer) this could be evidenced by a letter provided from turbine supplier outlining the timelines for delivery.  Evidence of why the above is not applicable.	3-24 months before construction start	24 months before construction start
<b>5. Construction start</b>	Construction has physically been started on site in line with the project's construction plan.	Evidence that construction has started on site. For example, a photo of works being started or written confirmation that works have started or evidence that a contractor has been selected and mobilised on site.	18- 36 months before connection date	36 months before connection date
<b>6. Connection energisation</b>	Construction complete and all applicable documentation is in place. For example: Land rights, adoption agreement, G59 witnessing completed.	Evidence that all conditions have been met under G59 and are complete to allow the connection to be energised.	Connection Date	Connection Date

\*Maximum timescales will be applied in the event a delivery is not submitted.

## Appendix 2: Delivery plan pro-forma

<b>Project Name:</b>	
<b>Contract Reference:</b>	
<b>Current Contracted connection date:</b>	
<b>Current Contracted Connection Capacity (MW):</b>	
<b>Requested revised connection date:</b>	
<b>Requested revised capacity (MW):</b>	
<b>Minimum capacity required for new connection date (MW):</b>	

### Guidance for completing columns C- E

**Column C:** All customers should complete this column. Please provide the date that you will meet each milestone, in accordance with standard timescales in column B and in order to meet your contracted connection date above.

**Column D:** If you have met a milestone in column A, please provide details of the evidence provided to demonstrate this. Each piece of evidence must be numbered and attached to and submitted alongside the completed delivery plan.

**Column E (Optional):** This should only be completed by customers that wish to demonstrate ability to connect on a date earlier or later than their contracted connection date. If you would like to progress towards an earlier or later connection date – please provide the earliest date that you will be able to meet each milestone for an earlier connection date or the new date you will meet each milestone for a later connection date in line with the standard timescales in Column B.

A. Milestone	B. Standard Timescale	C. Milestone date	D. Evidence		E. New Milestone Date
1. Project studies start	0-4 months from connection offer acceptance				
2. Planning application submitted	<b>Non - Environmental Impact Assessment (Non-EIA)</b> - 1-12 months from offer acceptance <b>EIA</b> - 1-36 months from offer acceptance				
3. Planning permission secured	<b>Non-EIA</b> - 1-12 months from submission <b>EIA</b> - 1-24 months from submission				
4. Order placed for plant	3-24 months before construction start				
5. Construction start	18- 36 months before connection date				
6. Connection energisation	Connection Date				