

## Response template – Incentive on 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. The questions we have asked are directly linked to the minimum criteria set out in the ICE guidance document. You can find this on our website [here](#).
- 1.3. If you have any questions on this document, please contact [connections@Ofgem.gov.uk](mailto:connections@Ofgem.gov.uk).
- 1.4. **Responses should be sent by e-mail by 28 August 2020 to the address above.**
- 1.5. Unless marked confidential, all responses will be published by placing them in Ofgem's library and on our website [www.ofgem.gov.uk](http://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 clear reasons for confidentiality. We ask you to consider this carefully as sharing the comments with the relevant DNO may help improve their performance and ensure a transparent and effective ICE process. Respondents are asked to put any confidential material in the appendices to their responses.
- 1.7. 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 or specific licence area** to which your experiences relate. Each DNO is group and individual DNO is listed on our [here](#). Please note that Northern Ireland is not subject to this consultation.

1.10. 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.

1.11. **Please make sure you highlight which year a specific event happened in. The regulatory year runs from 1 April to 31 March.**

## Annex: response template

About you and your work				
What is the name of your company?	Th Greater South East Energy Hub			
Is your response confidential? Please explain which parts and why.  For a fair process, we prefer the DNOs to be able to respond to any comments made, particularly if they are negative. Please consider carefully before marking any part of your response confidential.	All parts may be shared with UKPN			
Which DNO's ICE submission is your response related to?  If you wish to provide a response to the ICE submission of more than one DNO group, <b>please use a separate template for each group.</b>	UK Power Networks Please note that we provide support to local authorities who are either directly commissioning connections or facilitating the development of major developments where the connection is being sought by a third-party developer. Our responses reflect the insight that we have been provided by those local authorities in the EPN and SPN areas of UKPN's operations.			
What type of connection do you generally require?  For each type of connection, how many applications have you made in the past year, and what is the total MVA (Mega Volt Ampere)?	Type of connection		Total number of connections	Total MVA of connections
	<b>Metered Demand Connections</b>	Low Voltage (LV) Work		
		High Voltage (HV) Work		
		HV and Extra High Voltage (EHV) Work		
		EHV work and above		
	<b>Metered Distributed Generation (DG)</b>	LV work		
		HV and EHV work		
	<b>Unmetered Connections</b>	Local Authority (LA) work		
		Private finance		

		initiatives (PFI) Work		
		Other work		

### Section 1: Looking Back report 2019/20

#### We want your views on how well the DNOs have engaged with connections stakeholders over the last regulatory year

1. How many of the DNO's stakeholder engagement events have you been invited to this year? (This can include engagement outside official events.) Please tick a box.	none	1	2	3	4	5	6	>6
								X
2. How many DNO Stakeholder events have you been to? This can also include meetings outside of official engagement events. Please tick a box.	none	1	2	3	4	5	6	>6
								X

3. Tell us about how the DNO engaged with you: <b>a)</b> What did the DNO do? <b>b)</b> How did the DNO do it? <b>c)</b> Did the DNO have a robust engagement strategy?	<p>We receive various invitations to stakeholder events – including Distributed Future Energy Scenarios, Heat Strategy, EV Strategy and other key policy areas.</p> <p>We generally receive these via email as part of regular updates – and other direct communications generally relating to projects.</p> <p>Yes, UKPN do have a robust engagement strategy.</p>							
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#### The DNO's work plan

4. <i>Objectives:</i> Have you seen the DNOs work plans and the objectives they outline? <b>a)</b> Does it take into consideration your needs? If so, how? <b>b)</b> If it doesn't please explain why.	<p>Yes, we have seen the long-term development statement, and some considerable efforts have been made by UKPN to explain to us to the process.</p> <p>There are some concerns however that current objectives do not align with planned investment. There are areas where electrical load capacity requirement is predicted to triple by 2030 – with studies undertaken to support this – and it is not certain if planned works are considered fully in these objectives. Local authorities who have come to us for support have expressed concerns both with regards to the rigidity that forward investment rules are being applied by UKPN and concerns that the plans do not adequately address growth in their areas.</p>
5. <i>Actions:</i> Do you think the DNO has delivered its work plan? <b>a)</b> How has the DNO done this?	<p>Yes, to our knowledge. However, several local authorities have expressed concern with regards to the lack of communication by UKPN with respect to the status of planned works on network infrastructure in their areas. Two local authorities raised concerns that the scheduling</p>

<p><b>b)</b> If you do not think the DNO has delivered its work plan, please explain why.</p>	<p>of upgrade works within the planned period may have hampered growth and delivery of housing developments. At least one authority has had to resort to accessing public funds with the aim of establishing network infrastructure to facilitate long term growth that, in their view is not being addressed by the current RIIO business plan regime. In effect, this is shifting the cost for network improvement the energy bill payer to the tax payer who in general are one and the same, noting that different public investment funding/taxation mechanisms affect parts of society, including energy bill payers, in different ways.</p>			
<p>6. <i>Outputs:</i> Were the outputs (KPIs, targets etc) in the DNO's work plan appropriate? Did the DNO meet these outputs? Please explain why.</p>	<p>The existing outputs are very effective in keeping a secure, resilient network where consumer bills are kept stable. In these areas UKPN are very successful at maintaining a low-cost base.</p> <p>The main area of concern we receive from LA clients is that grid reinforcement costs delay developer decisions, holding up new development and are used as levers of negotiation to reduce financial obligations for other place-based investment (e.g. social housing provision, schools, health care).</p> <p>We also see some mismatch within UKPN between their desire to support new, innovative whole-system based approaches as part of the DNO-DSO transition and managing connections at operational level.</p>			
<p><b>Your feedback on the DNOs stakeholder engagement performance</b></p>				
<p>7. Do you think the DNO's strategy, activities and outputs have taken into account ongoing feedback from a broad and inclusive range of connections stakeholders?</p>	<p>UKPN do have an active stakeholder engagement strategy, and our team is regularly invited to stakeholder engagement around their approach, on decarbonising heat, energy efficiency, EVs and flexibility services among other areas of business.</p> <p>One point we may have found at stakeholder events is that they are a great opportunity to learn about the plans from UKPN and feed into the process – but could perhaps involve more consultation at the earlier stages of proposal development.</p>			
<p>8. How satisfied are you with the DNO's overall engagement performance? Please tick one box.</p>	<p>very unsatisfied</p>	<p>not satisfied</p>	<p>satisfied</p>	<p>very satisfied</p>
			X	

9. General feedback – please provide any further feedback on the DNO's 2019/20 engagement performance not covered in your responses above.	We are supporting an aggregated number of new grid infrastructure projects ~341MVA
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## Section 2: Looking Forward plans 2020/21

### We want your views on what the DNO aims to achieve in the coming year

10. Are you satisfied that the DNO has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate?	<p>In our experience UKPN have been happy to attend meetings to discuss various programmes, with both individual local authorities and groups.</p> <p>There is some concern, however, that commercial sensitivities – potentially linked to business practice in the private sector – have meant that local authorities facing similar issues have not been able to engage in collaborative approaches with UKPN. This means that solutions which may be to the benefit of the network may misalign with place-based or sub-regional growth plans across local authority boundaries.</p> <p>Some of the local authorities we support lack the expertise and capacity to appreciate the complexity of the power network (e.g. the technical, policy and regulatory landscape). Having a common source of guidance around issues, particularly investment ahead of need and the second comer principles, is extremely valuable to local authorities who are not always familiar with the sector.</p>
11. 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 DNO do?	<p>Yes, UKPN has put considerable effort to engage with us and partner authorities, particularly around dissemination of the Future Energy Scenarios.</p> <p>We have received concerns, however, that only formal connection requests are fully acted upon and implemented in the work plan.</p> <p>We have anecdotal evidence from local authorities where formal connection requests have not submitted based on informal advice received from UKPN that significant reinforcement required. Therefore, it is</p>

	<p>unnecessary to go through with a connection offer which has associated cost.</p> <p>This may give an unrealistic impression of the amount of development held up by a lack of local grid infrastructure investment. We would advocate more collaboration between UKPN, the Local Authorities and Local Enterprise Partnerships to share intelligence to mutual benefit.</p> <p>We hope that much of this issue will be resolved by the recent £25bn funding pledge from Ofgem.</p>
12. 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.)?	Yes - particularly for safety, security of supply, keeping short term costs low.
13. 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 not, has the DNO provided robust evidence that it has pursued this engagement?	Yes, stakeholder engagement events are regularly attended by independent persons, 3 <sup>rd</sup> sector organisations, central and local government, and other consultancies.