

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?	Telford and Wrekin Council																																		
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.	Western Power																																		
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 colspan="2">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>10-20</td><td></td></tr> <tr> <td>High Voltage (HV) Work</td><td>2-3</td><td>4 applications</td></tr> <tr> <td>HV and Extra High Voltage (EHV) Work</td><td></td><td></td></tr> <tr> <td>EHV work and above</td><td></td><td></td></tr> <tr> <td rowspan="2">Metered Distributed Generation (DG)</td><td>LV work</td><td></td><td></td></tr> <tr> <td>HV and EHV work</td><td></td><td></td></tr> <tr> <td rowspan="3">Unmetered Connections</td><td>Local Authority (LA) work</td><td>2</td><td></td></tr> <tr> <td>Private finance initiatives (PFI) Work</td><td></td><td></td></tr> <tr> <td>Other work</td><td></td><td></td></tr> </tbody> </table>	Type of connection		Total number of connections	Total MVA of connections	Metered Demand Connections	Low Voltage (LV) Work	10-20		High Voltage (HV) Work	2-3	4 applications	HV and Extra High Voltage (EHV) Work			EHV work and above			Metered Distributed Generation (DG)	LV work			HV and EHV work			Unmetered Connections	Local Authority (LA) work	2		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?

Answers to 1-4 - There are a number of areas within Telford that do not have the capacity required to bring sites forward for development. Consequently the sites will be unable to be brought forward and development will be slowed.

The Council engaged with Western Power in the development of the (emerging) Telford & Wrekin Local Plan. The quality of the information provided was poor, this was due to it being very high level information that was non-specific in terms of existing and future capacity issues as well as strategic infrastructure requirements. The Council provided site specific information including site boundaries, housing numbers and B use classes. Given Western Power should be aware of the quality of existing assets and the capacity of existing infrastructure it is surprising that further information related to infrastructure upgrades could not be given. It would appear that network upgrades are mainly carried out on an ad-hoc basis.

Being able to provide developers with some forward visibility of the cost of developing out a site is critical to maintaining a supply of developable land as well as remaining competitive. It also helps when prioritising which infrastructure projects to seek funding for, in order to bring development forward. In summary Western Power needs to be better resourced to support the assessment of Local Development Plans. When discussing the issue with Officers from Western Power they confirmed that no detailed assessments are made of an areas capacity (sub station level) until an application to connect is made. The information provided for Telford & Wrekin Local Plan was mainly anecdotal.

The process for ordering additional capacity is not user friendly and frustrating when trying to plan development. There needs to be an overarching strategy for the area which should be informed by the local plan. At present it seems a very adhoc arrangement with numerous applications having to be made to ascertain the capacity available versus the cost.

	<p>For major projects, diversion of services remains one of the biggest risks to project delivery. Whilst the Code of Practice for diversionary works in relation to major projects sets out the process and approach for co-ordinating diversion of services, the existing guidance is vague and open to interpretation, whilst this is not the fault of Western Power, it essentially leaves very little control or influence on the timescales and proactiveness of the DNO for undertaking diversion works and connections. This can often cause significant delays to projects and ultimately impacts on budget costs and the road user. Attempts have been made to engage early on in projects however there seems very little appetite by service providers to engage early on in projects without significant funding being paid or having the detailed information available. That being said experience has shown to date the often design and costs provided by service providers can be incorrect due to poor asset information on the location of statutory services.</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>Quarterly co-ordination meetings are held for works which affect the highway however this information is high level and focussed on any major works and connections are programmed in as and when required, this is perhaps reflective of the lack of strategic approach from the DNO as identified in question 1 and the poor engagement that takes place to enable the DNO to build sufficient and detailed work programmes.</p>
3. Do you consider that the DNO's work plan provided relevant outputs (eg 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?	
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 stakeholders? If not, has the DNO provided reasonable justification?	
<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?	The needs of Telford and Wrekin have not been met entirely. The process is hard work. The network is constrained however there has been no offer from WPD to make any upgardes and it is a poor system of applications.
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?	The needs of Telford and Wrekin have not been met entirely. The process is hard work. The network is constrained however there has been no offer from WPD to make any upgardes and it is a poor system of applications.

Section 2: Looking Forward plans 2017-18

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?	<p>No- Whilst we have attended a regional stakeholders event there has been no joint dicussions as far as I am aware to discuss a future strategy.</p> <p>Western Power have engaged at a local level in the development of the Telford & Wrekin Local Plan. The Council have provided Western Power with as much forward visibility regarding housing and employment sites as possible. However further on-going engagement would be useful along the following lines:</p> <ul style="list-style-type: none"> • Production of Periodic Asset Management Plans which provide a clear (5 year) investment plan to improve capacity – this should go beyond reinforcement due to the condition of ageing assets and have more focus on proposed levels and areas of development. AMP's should be informed by engagement with Councils on allocated / committed / projected levels and areas for development. A good example is found in the water industries asset management plans. • Heat mapping on Western Powers website to indicate constrained areas, making this information available in GIS format for LPA's to use would be very useful.
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	As discussed in terms of co-ordination there is very little appetite from the DNO to engage early on in a project which would assist in both parties derisking a project and ensuring timely delivery.
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?	We are not aware of a comprehensive workplan of activities in our Borough. All discussions with Western Power to date have highlighted the lack of capacity and the lack of future investment by them. Any improvements to the network are reliant upon stakeholders including the Council meeting the costs of the works required. As above there are quarterly co-ordination meetings but this focussed on any major planned work from the DNO and is sporadic in detail.
9. Do you consider that the DNO has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc.)?	There are no outputs that they have set that support growth of our borough.
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?	Given they have no clear strategy of activities to be funded by themselves to support the growth aspirations of the local authority and Marches LEP it is difficult to see that the activities are informed or endorsed.
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 customers, including the particular needs of newer types of connection customers? What other activities should the DNO undertake in this area?	No – The DNO has no plan for investment itself, in an area identified for growth and little or no capacity in the network.
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	The DNO needs to undertake a strategic view of the network in Telford and plan accordingly. There is no spare capacity at present without considerable investment from stakeholders. There is also an issue with the information available in terms of capacity and the queuing system currently in existence for applications.

constrained? What other activities should the DNO undertake in this area?	It is a frustrating system, and almost an impossible one to work with when trying to plan development coming forward in the borough.
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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