

Grendon Thompson  
Head of Electricity SO Regulation  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

Date  
10th May 2019  
Contact / Extension  
Lynne Bryceland  
0141 614 3124

Dear Grendon,

**Call for evidence on ESO performance over the 2018-19 regulatory period.**

SP Energy Networks (SPEN) represents the distribution licensees of SP Distribution plc and SP Manweb plc. We own and operate the electricity distribution networks in the Central Belt and South of Scotland (SP Distribution) which serves two million customers, and Merseyside and North Wales (SP Manweb) which serves one and a half million customers. We also own and maintain the electricity transmission network in the Central Belt and South of Scotland (SP Transmission). As a Transmission Owner (TO) we are subject to the RIIIO-T1 price control framework and must ensure that we develop an economic, efficient and coordinated onshore transmission system.

As a key stakeholder, we have continued to engage with the ESO and welcome the opportunity this call for evidence provides to present our views to you. In general terms we continue to engage regularly with the ESO across our activities in respect of network operation, customer connections and investment planning. These engagements are positive and collaborative demonstrating our shared responsibilities and commitment to delivering for consumer, customers and stakeholders.

We responded to Ofgem's last call for evidence on ESO performance in which we highlighted our concerns with how the ESO planned to implement their Forward Plan. We believe the points raised in this letter are still relevant. Therefore, please find the previous response attached as an appendix to this letter.

Since the last call for evidence, new concerns relating to ESO performance have emerged that we would also like to highlight. These are set out below.

Outage planning team understaffed

NGESO, at the OC2 forum, highlighted to stakeholders and customers that they were struggling to deal with the number of outages due to a lack of resources and an increase in outage change requests. This increase is an inevitable consequence of the amount of work required to deliver network upgrades and maintenance. The impact of outages and outage changes are felt by an ever increasing number of generation customers. We have experienced, as a TO, that the number of outage requests for the Main Integrated

SP House, 320 St Vincent Street, Glasgow. G2 5AD

Telephone: 0141 614 0008

[www.spenergynetworks.co.uk](http://www.spenergynetworks.co.uk)

Transmission System that can be facilitated are being limited due to a lack of sufficiently trained staff who can undertake the required assessments.

We recognise that the legal separation of the ESO/TO businesses within National Grid will no doubt have placed additional and onerous challenges on both organisations. However, we are concerned that any ongoing impairment to this critical activity performed by the ESO could have consequences; restricting our ability to maintain security of supply, connect generation to the grid and undertake maintenance activity.

At this time, we acknowledge that there are no pending requests that require assessment. However, we are concerned ahead of the forthcoming summer that outages will not be granted where needed to allow us to complete any maintenance or operational activities that may be required, or impose unnecessary delay for our customers' projects which may need to be connected.

Overall, it is essential that the ESO maintains an appropriate level of resources to meet the changing level of activity in this area. This suggests a failure to meet a baseline level of performance.

### Tertiary Windings

We believe there is an opportunity for the ESO to better engage with DNOs prior to accepting this type of connection, as well as consider the impact on distribution networks and the cost of Transmission versus Distribution connections.

The ESO have acknowledged that connections to the tertiary winding may not be the lowest overall cost if distribution reinforcement is triggered, however have not considered this in detail and therefore not factored this into their CBAs. We acknowledge the ESO's claim of not having sufficient visibility of distribution networks in order to undertake such analysis, but feel that greater consideration in this area is imperative going forward.

We would also like to raise the point that the ESO is using the Third Party Works provision of the CUSC to establish the distribution impact. There is no process in place for managing Transmission/Distribution interactivity for these connections at present. Also, it is not clear if DNOs will be able to charge for the assessments that will be required as part of Third Party Works process or what the process will be when the requests are received by DNOs.

### System Access Management

The ESO has a baseline activity and responsibility to optimise system access. As a TO we can support this activity, however, feel that the ESO has previously overlooked this area in their Forward Work Plan.

Specifically, there has been the opportunity for the ESO to implement planned outage constraint mitigation using STCP 11-4. This is disappointing and highlights the lack of focus on this area and performance below baseline. We would expect to see a target on this in 2019/20 forward plan.

We are aware of NGET's proposals for a new T2 ESO-TO mechanism proposed as part of RIIO-T2 incentive development. This proposal should be reflected in the ESO's forward plan to develop the link between outages and constraint costs to reduce overall 'whole



system costs' for consumers. We agree with NGET's proposals in principle; however, we believe that the outcomes of their proposals are already possible under the existing mechanisms.

Black Start

We believe the issues associated with B6 constraints have somewhat undone the ESO's intentions to hold physical testing of Drax to Scotland's recovery option this year. Whilst joint simulator training to exercise SPT control engineers is being discussed, we are keen for the ESO to focus on physical testing of the long distance "spinal re-energisation" methods, to identify potential plant sensitivities and verify protection systems stability. While the B6 access is challenging, generic trials could be promoted over less congested circuits elsewhere in GB. We remain concerned that there can be no real confidence without validation through real network tests.

If you would like to discuss any of the points raised in this letter further, please do not hesitate to contact me.

Yours sincerely,



Eric Leavy  
**Head of Transmission**  
**Network Planning and Regulation**  
SP Energy Networks