# ICP / IDNO ICE Workshop

July 2021

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# Agenda

## 2021-22 ICE Workplan Updates

- 2021-22 ICE Commitments Overview
- EV Strategy
- BCA

## Onboarding

- Guidance and support – what do you need?

## Training Academy

- Training
- Inspection & Monitoring Process

## Future Business Planning

- Major Connections Strategy for 2023-28
- Competition Test
- SCR

## Questions & Close

# Meet the Team

**Ami Mathieson**

Incentive on Connections Engagement Manager

**Jonathan Cropper**

Delivery Manager

**Hannah Sharratt**

Stakeholder engagement & Regulatory Manager

**Martin Edmundson**

Head of Business Connections

**Joanne Fallows**

Head of Training

**Brian Hoy**

Head of Market Regulation

# 2021-22 ICE Workplan Update

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# ICE 2021-22 Workplan Performance

| | |
|---|---|
| ➢ We will develop & publish guidance documentation as a **simple resource for new ICPs** to signpost information, guidance and support relevant for ICPs working in our area. | ✓ Covered in today's session |
| ➢ We will run **2 SDPOC training sessions** for ICPs. | ✓ 1st session 15th July<br>✓2nd Session planned for November |
| ➢ We will host webinars on **policy** topics relevant to our stakeholders. | ✓ Policy related webinars to be communicated and advertised shortly – Keep an eye out! |
| ➢ We will offer a minimum of 3 engagement opportunities across webinars and workshops.<br>➢ We will also provide surgery sessions to meet our stakeholders needs, targeting all are held within 10 working days. | ✓ On track - July, October and February<br>✓ On track - All received have been actioned within 2 working days. |

# ICE 2021-22 Workplan Performance

| | |
|---|---|
| ➢ We aim to outperform the regulatory standard by providing quotes on average in **11 working days** (compared to the guaranteed standard of 15 working days) for **LV Demand** | ➢ Year to date average of **11.3 working days** |
| ➢ We aim to outperform the regulatory standard by providing quotes on average in **15 working days** (compared to the guaranteed standard of 20 working days) for **HV Demand** | ➢ Year to date average of **15.9 working days** |
| ➢ We aim to outperform the regulatory standard by providing LV/HV **design approval responses** within **8 working days** (compared to the guaranteed standard of 10 working days) | ➢ Year to date average of 8 **working days** |
| ➢ We will aim to issue all **LV/HV BCAs** within an average of **10 working days** of Design Approval. | ➢ Year to date average of **9 working days** |
| ➢ We will strive to improve our **Time to Connect for LV Demand** connections (**7 working days** compared to guaranteed standard of 10 working days). | ➢ Year to date average of 2**.8 working days** |
| ➢ We will strive to improve our **Time to Connect for HV Demand** connections (**15 working days** compared to guaranteed standard of 20 working days). | ➢ Year to date average of **13.9 working days** |

# EV Strategy Update

| Commitment | Output / Key Performance Indicator |
|---|---|
| We will continue to communicate on how we are supporting **EV charging** | We will communicate our **EV strategy** with ICP / IDNO's. |

- The document sets out our ambition to facilitate the transition to Distribution System Operation and Electric Vehicles and make the North West a cleaner, greener place to live and work.
- The strategy was well received, we have taken the feedback received and incorporated it into the final versions of the documents which are now available on our website:


https://www.enwl.co.uk/go-net-zero/our-plans-to-go-net-zero/our-electric-vehicle-strategy/

# BCA Update

- **Bilateral Connection Agreement**
  - Documents the agreed load and interface between the DNO and IDNO network
- **Bilateral Adoption Agreement**
  - Documents the site specific schedule of work for each ICP delivered scheme
- You can self-serve your connection and adoption agreement templates alongside your design submission to reduce your own delivery timescales
- Uptake has so far been very encouraging and quality of submissions are improving
- Timescales can be reduced to 5 and 0 working days respectively where the templates are provided and correctly completed

We are currently producing connection and adoption agreements on average within **9 working days** of design approval (where no templates have been provided).

# ICE 2021-22 Workplan Performance

We would love to hear your feedback, please get in touch with either Ami or Hannah should you have anything to discuss after the session.

Any comments please contact ice@enwl.co.uk

# Onboarding

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# What do we mean by Onboarding?

- **onboarding**
  - [ˈänˌbôrdiNG, ˌänˈbôrdiNG]
  - NOUN
  - **onboarding** (noun) · **onboardings** (plural noun)
  - **on-boarding** (noun) · **on-boardings** (plural noun)

The action or process of integrating a new employee into an organisation or familiarising a new customer or client with one's products or services

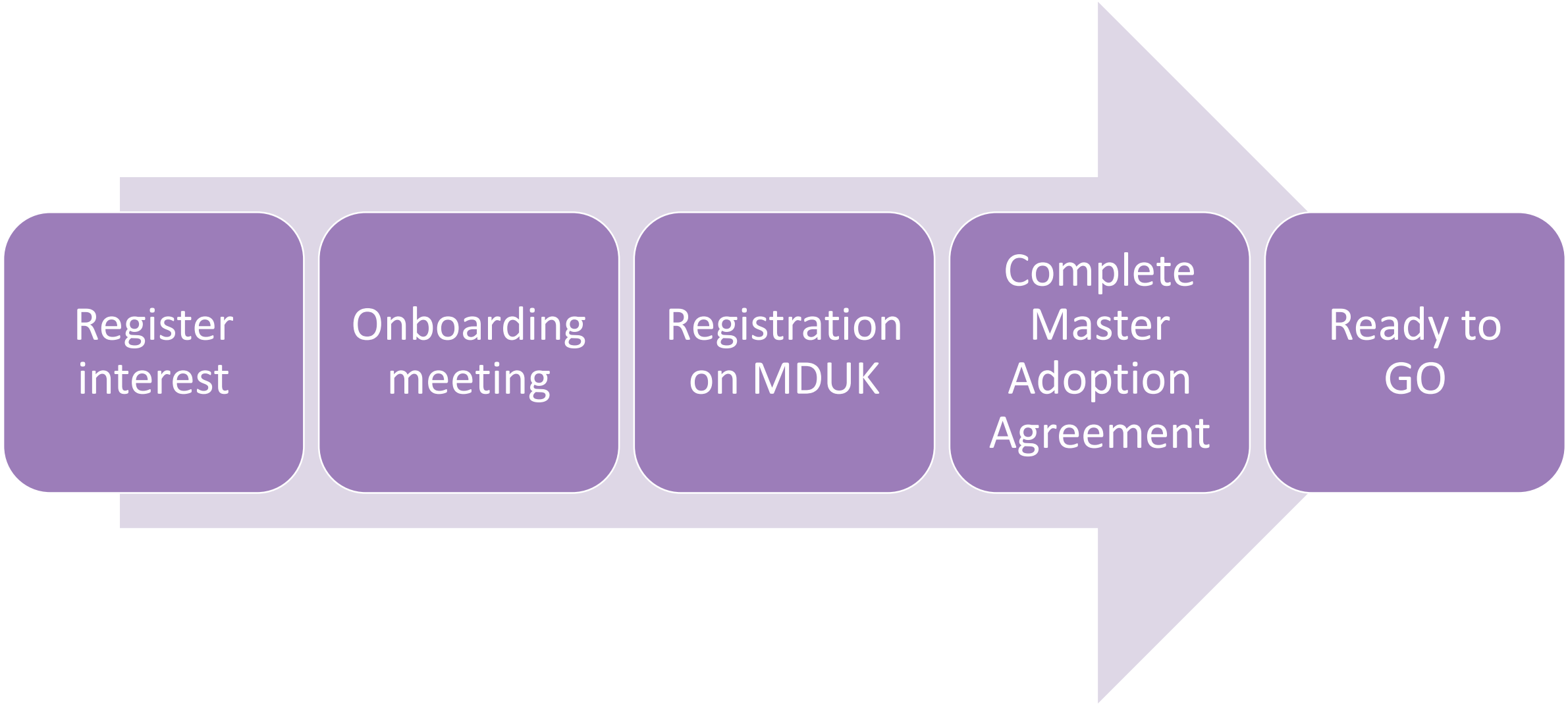
# Why do we need to review our Onboarding process?

- ICPs have different requirements
- Information is available on web - In multiple locations and end to end processes are not always documented
- Feedback suggests ICPs new to ENWLs area or existing ICPs with new members of staff struggle to self-serve information
- The right onboarding process can make a huge difference in the long-term performance of a new employee, customer or client

# What are we looking to do?

- Review and improve the self-serve information available to ICPs
- Review and improve the onboarding information and processes
- Review of all ICPs working on our network to ensure our records are up to date
- Review and improve internal onboarding communications between the Academy, System Operations and Connections teams

# What might the process look like?



# What do we need to capture during the process?


- Contact name, address, contact number
- Authorisations? Self-Authorisation or ENWL authorisation?
- Confirm your NERS accreditation
- Understand the type/scope of work you will be delivering as per CoP 635 Appendix A
- Commercial details? Need to be set up on ENWL system to bill for auditing etc.
- Need to be registered by ENWL on MDUK audit system.
- Master Adoption Agreement? Required to be signed once by all

# Breakout Session

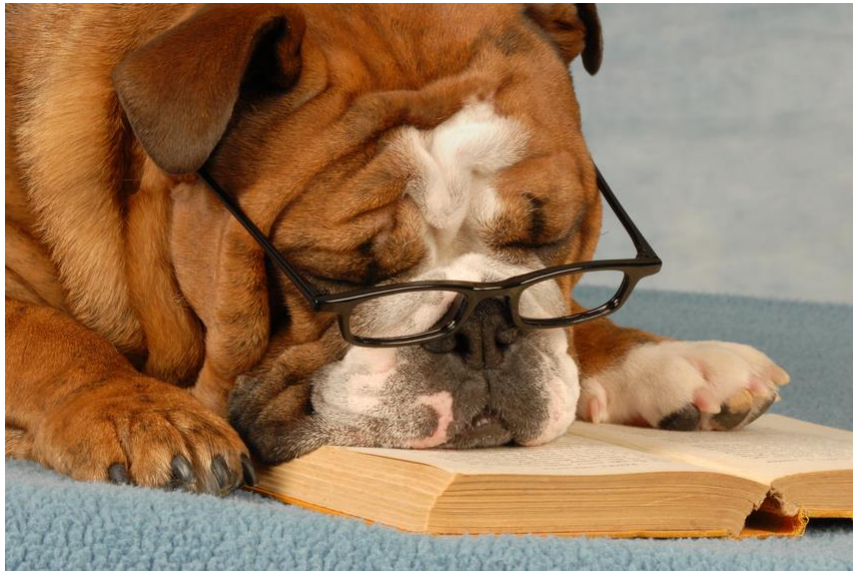






# Useful Reading

- CIC CoP - http://www.connectionscode.org.uk/assets/files/CiCCoP_final_April2017.pdf
- NERS - https://www.lr.org/en/utilities/national-electricity-registration-scheme-ners/
- CoP 614 – Authorisations
- CoP 635 - Accreditation and Authorisations for ICP



# Any questions?

# Training Academy Update

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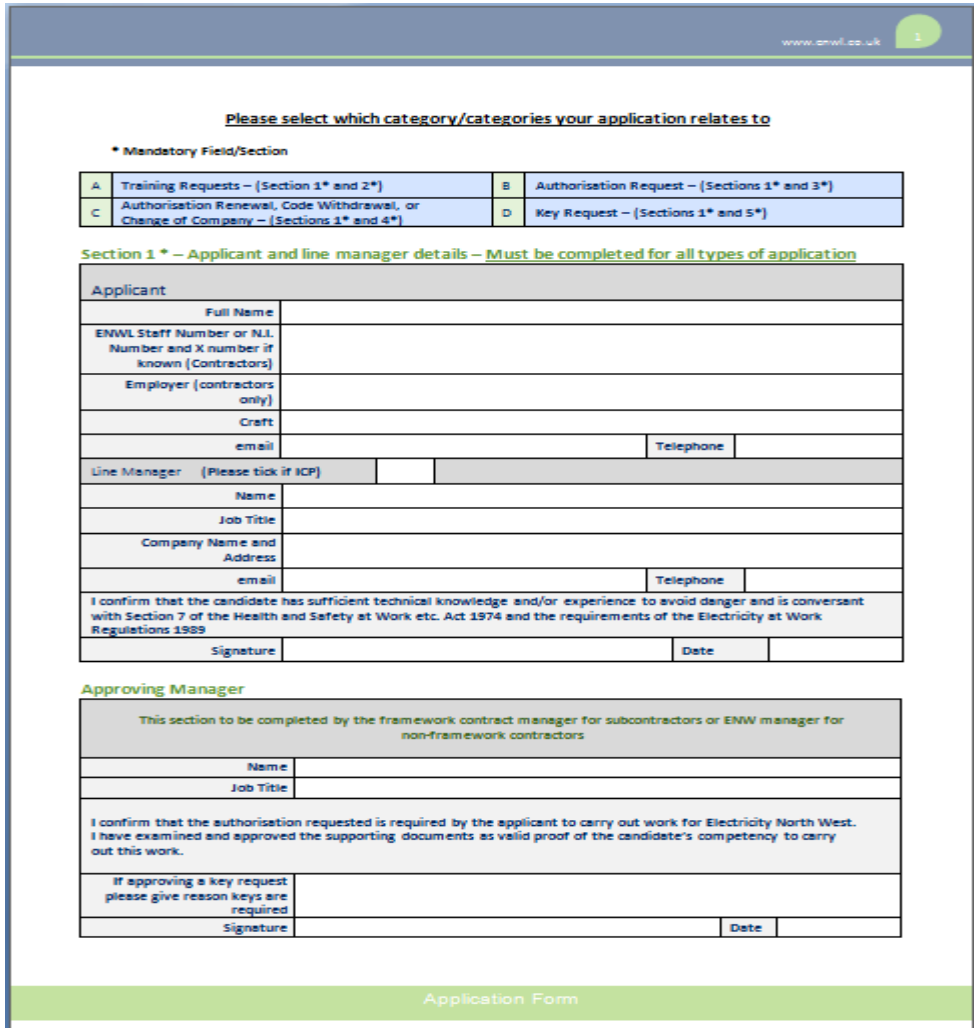
# Training and Authorisation Request

We have recently introduced a new application form;

- Section 1
  - Applicant and line manager details
  - Approving Manager
- Section 2
  - General Booking Form
- Section 3
  - Training request
  - Authorisation requests
- Section 4
  - Authorisation renewal
  - Code withdrawal
  - Change of Company



www.enwl.co.uk 1

**Please select which category/categories your application relates to**

* Mandatory Field/Section

| | | | |
|---|---|---|---|
| A | Training Requests – (Section 1* and 2*) | B | Authorisation Request – (Sections 1* and 3*) |
| C | Authorisation Renewal, Code Withdrawal, or Change of Company – (Sections 1* and 4*) | D | Key Request – (Sections 1* and 5*) |

Section 1 * – Applicant and line manager details – Must be completed for all types of application

| Applicant | | | |
|---|---|---|---|
| Full Name | | | |
| ENWL Staff Number or N.I. Number and X number if known (Contractors) | | | |
| Employer (contractors only) | | | |
| Craft | | | |
| email | | Telephone | |
| Line Manager (Please tick if ICP) | | | |
| Name | | | |
| Job Title | | | |
| Company Name and Address | | | |
| email | | Telephone | |
| I confirm that the candidate has sufficient technical knowledge and/or experience to avoid danger and is conversant with Section 7 of the Health and Safety at Work etc. Act 1974 and the requirements of the Electricity at Work Regulations 1989 | | | |
| Signature | | Date | |

Approving Manager

| This section to be completed by the framework contract manager for subcontractors or ENW manager for non-framework contractors | | | |
|---|---|---|---|
| Name | | | |
| Job Title | | | |
| I confirm that the authorisation requested is required by the applicant to carry out work for Electricity North West. I have examined and approved the supporting documents as valid proof of the candidate's competency to carry out this work. | | | |
| If approving a key request please give reason keys are required | | | |
| Signature | | Date | |

Application Form

[TheAcademy@enwl.co.uk](mailto:TheAcademy@enwl.co.uk)

# ICP route to Authorisation

**ICP to send request form, CV's, emergency first aid certificates, photograph any other relevant training records to the Academy.**

**Academy to go through paperwork and determine training needs and authorisation requirements**

**Academy to agree pathways and route to authorisation for ICP workforce**

**Not competent for role**

Training

On -job

Trade Test

Assessment Paper

Authorisation Interview

Authorised

**Competent workforce**

**Other DNO authorisation or experienced competent person**

**Start here**

# ICP Authorisation Refresher

The Academy to provide a report to the ICP of their employees who need to refresh their Authorisation

ICP to review report and request date for employees to attend refresher Assessment paper

ICP's employee attends refresher Assessment paper, if successful authorisation is renewed.

If ICP employee fails CAG refresher then the ICP line manager is informed to discuss progression

## Leavers

You must notify us if an employee with an Authorisation leaves your company.

You must return;

- Safety Rules
- Substation keys

# Notification of Gross Misconduct

You must advise us if an individual you put forward for authorisation has previously been dismissed for gross misconduct by your organisation or a previous employer.

It is your duty to be aware of the employment record of your existing staff and any new starters, and hence any such disciplinary issues.

If one of your employees who is authorised to work on our network is dismissed for gross misconduct, you must advise us immediately of the dismissal. We will withdraw authorisation of that individual pending a review of the circumstances of his dismissal.

We require you to respond promptly to requests for additional details and remind you of your duty to provide accurate information.

It is in all of our interests to ensure that those working on our network do so safely and to the benefit of our customers.

TheAcademy@enwl.co.uk

# Examples of Gross Misconduct

- Theft
- Fraud
- Physical violence or bullying
- Deliberate and serious damage to property
- Serious misuse of company property or company name;
- Deliberately accessing internet sites containing pornographic, offensive or obscene material;
- Serious or continued breaches of company policies;
- Serious act of insubordination
- Unlawful discrimination or harassment
- Bringing the organisation into disrepute
- Incapability brought on by alcohol or illegal drugs
- Causing loss, damage or injury through serious negligence
- Serious or continued breach of health and safety rules;
- Breach of certain terms of the contract
- Breaches of confidentiality and security

# Contacts at the Academy

General Enquiries and 1-2-1 Meetings

- TheAcademy@enwl.co.uk
- 08433 - 114747


QUESTIONS

# ICP Inspection and Monitoring Process

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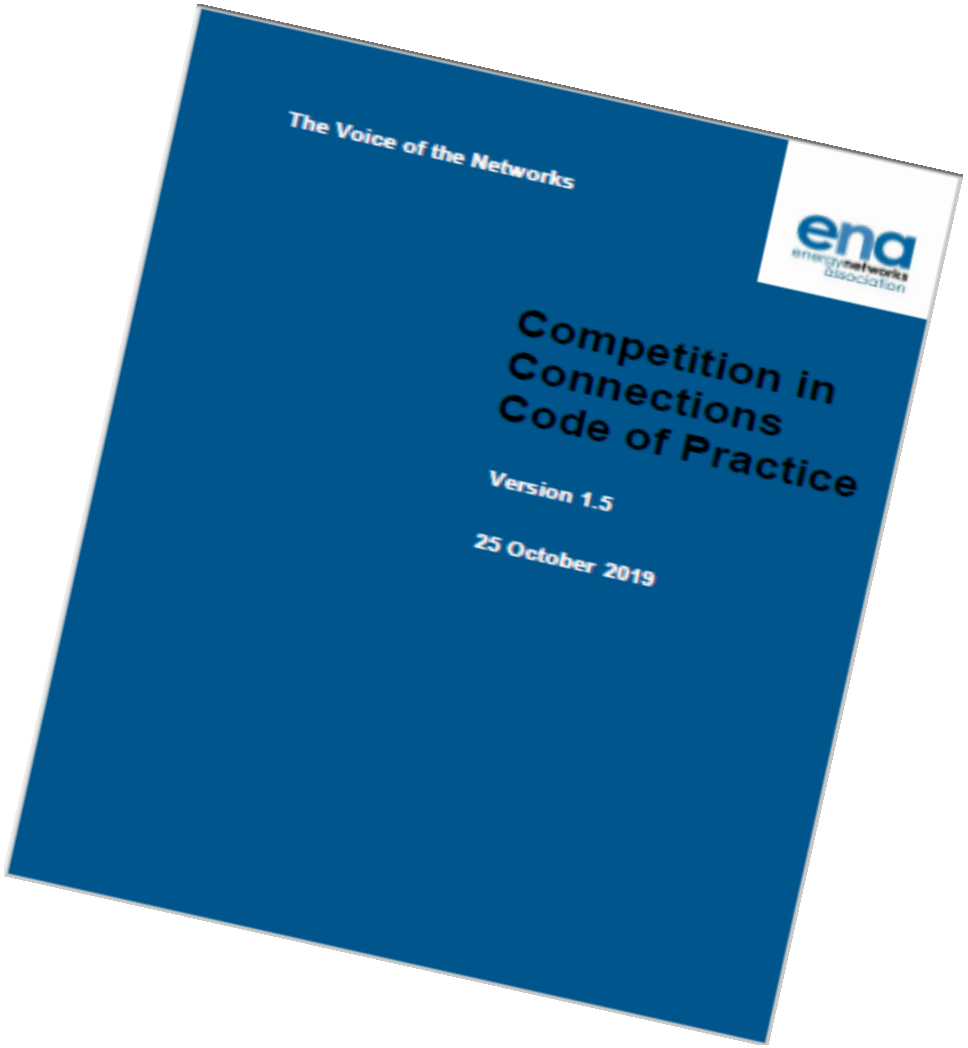
# Obligations

- Under the Competition in Connection Code of Practice, DNOs / IDNOs have the ability to inspect ICPs works that are being adopted for quality purposes.
- ICPs have an obligation to provide information to facilitate the inspections.
- For specific details see Code of Practice section 6.2

  Competition in Connections Code of Practice
- This section in the document provides information on the obligations of both parties.



# ENWL Process for Inspections

- In section 6 of the **Statement of Methodology and Charges for Connection to ENWL Distribution System** (also known as the **Common Connection Charging Methodology**) this explains the ENWL process for undertaking inspections.
  - https://www.enwl.co.uk/get-connected/apply-for-a-new-connection/common-charging-methodology/

# E2E - Whereabouts

# Whereabouts

- As per paragraph 6.2.2 of the ENA Competition in Connections Code of Practice, whereabouts must be submitted for all works to be adopted by ENWL
- Whereabouts must be provided to ENWL in advance of the work being undertaken
- Whereabouts must be submitted to the assetadoption@enwl.co.uk mailbox no later than 16:00 Thursday for the following week
- The whereabouts template is available to download here
  - It can also be downloaded from our Contestable Activities Library
- Should there be any unforeseen changes in your whereabouts, please update us accordingly through our assetadoption@enwl.co.uk mailbox
- Accurate whereabouts will prevent abortive visit charges

# Whereabouts Template Example

**Weekly Whereabouts**

send to Asset Adoption

**From**

**Week Comm** 24/08/2020

**Must be returned by 16.00 Thursday for the following week**

| Monday | | Tuesday | | Wednesday | | Thursday | | Friday | | Saturday | | Sunday | | Activity Abbreviation | Site Address | Developer | ENW Reference Number (Y number) | Description of works | ICP Site Cont |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AM | PM | AM | PM | AM | PM | AM | PM | AM | PM | AM | PM | AM | PM | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | CL LV | Warren Drive Blackpool FY5 3TG | | | Cable Lay | |
| | | | | | | | | | | | | | | MJ LV | Warren Drive , Blackpool FY5 3TG | | | Cable jointing | |
| | | | | | | | | | | | | | | CL LV | Campbell st Bolton BL4 7NF | | | cable Lay | |
| | | | | | | | | | | | | | | MJ LV | Campbell st Bolton BL4 7NF | | | Cable Jointing | |
| | | | | | | | | | | | | | | MJ LV | Miles Platting 6 , Holland St | | | Service Jointing | |

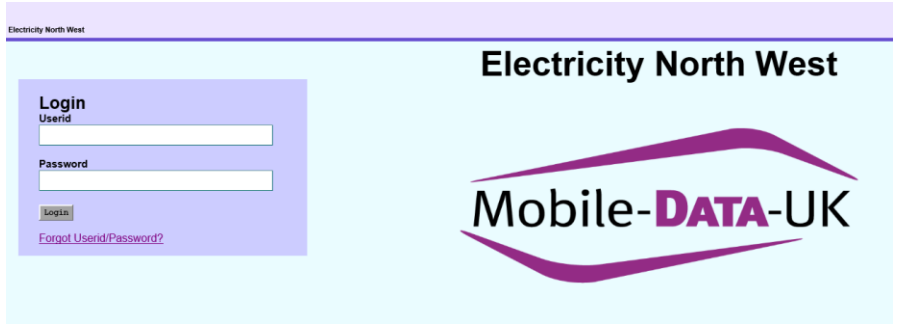
| Activities to include | Activity Group | Abbreviation | Description |
|---|---|---|---|
| | Group 1 | | |
| | | Duct | Ducting Installation |
| | | SUB B | Substation Base Casting |
| | | SUB CIV | Substation Civil Work |
| | | SUB ED | Substation Equipment - Delivery |
| | Group 2 | | |
| | | CL HV | Cable Laying High Voltage |
| | | CL LV | Cable Laying Low Voltage |
| | | SL | Cable Laying Service |

# Whereabouts Template Key

| Activity Group | Abbreviation | Description |
|---|---|---|
| Group 1 | | |
| | Duct | Ducting Installation |
| | SUB B | Substation Base Casting |
| | SUB CIV | Substation Civil Work |
| | SUB ED | Substation Equipment – Delivery |
| Group 2 | | |
| | CL HV | Cable Laying High Voltage |
| | CL LV | Cable Laying Low Voltage |
| | SL | Cable Laying Service |
| Group 3 | | |
| | MJ HV | HV Jointing |
| | MJ LV | LV Jointing |
| | SJ | Service Jointing |
| | ST S/L | Service Termination Street Lighting |
| | ST Dom | Service Terminations 100 Amp Single Phase |
| | ST 3PH | Service Terminations 3 Phase Single supply) |
| | ST Mul | Service Terminations Multiway (MOD 16/Bemco type) |
| | TERM | Substation Equipment – Termination |
| | EARTH | Substation Equipment– Earthing |
| | PRE-COMM | Switchgear Pre-commissioning |
| Group 4 | O/H | Overhead Equipment – Poles,Lines.PMTs etc |

# E2E - Inspections

# Recording of inspections




- The site inspections are recorded in the MD-UK system
- All ICPs have access to the MD-UK system to view the inspections and non-conformances.
  - To request access to MD-UK please contact TheAcademy@enwl.co.uk
- ICPs are accountable for resolving their non conformances and responding to the non-conformance in MD-UK
- All non-conformances need to be cleared prior to moving to a reduce level of inspection

# E2E – Methodology application

# Inspection and Monitoring – How charges are calculated

- The maximum number of visits charged will be determined based on a percentage of the number of days of activity
- Number of days calculated by the Whereabouts information.
- Charges to ICPs will be made in arrears based on the actual number of audits carried out up to a maximum from the table below.

| % of number of days notified | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Service work including street lighting | 20% | 5% | 2% |
| Low Voltage mains work | 50% | 10% | 5% |
| High voltage mains work | 100% | 60% | 20% |
| Extra high voltage & 132kV work | Agreed per project | | |

# Methodology to charge for inspections

- Inspection level
  - New entrants start at Level 1
  - Movement of the levels occur following completion of a number of successful inspections in the period;
    - 100% pass rate in quarter (based on a minimum of 5 audits)
    - <100% pass rate in quarter move down a level
- Inspection Reports
  - Charges will be calculated quarterly
  - Two reports utilised to produce invoices;
    - ICP whereabouts to calculate number of chargeable inspections.
    - Internal report of number of inspections undertaken per ICP.
- Principles
  - Chargeable inspection volumes will be carried forward to next quarter if no inspections undertaken or inspection level is not met.
  - Non-conformances will increase the inspection level for the next quarter.
  - Where we have not received whereabouts we will charge for any inspections undertaken.

# CIC Inspection and Monitoring of the Contestable Works

Our charges are published in our Charging Methodology, section 7, table H (see below).

- We began charging for inspections from 1st April 2020
- Invoices are raised quarterly; July, October, January, April

| Category | Unit | Charge |
|---|---|---|
| LV Network | per site visit | £100 |
| HV Network | per site visit | £100 |
| EHV Network | per site visit | Agreed per project |
| 132kV Network | per site visit | Agreed per project |
| HV/LV Substation | per site visit | £100 |
| EHV/HV Substation | per site visit | Agreed per project |
| HV/LV Civils | per site visit | £100 |
| EHV/HV Civils | per site visit | £100 |

- Invoice queries should be e-mailed to TheAcademy@enwl.co.uk

# End to End process

# Summary

- Purpose of Inspections to ensure health and safety is paramount and all policies and procedures are being adhered to.
- ICPs are obligated to provide ENWL with their whereabouts in a timely manner to facilitate the inspections
- The obligations are covered in the relevant sections of the ENA Competition in Connections Code of Practice and Statement of Methodology and Charges for Connection to Electricity North West Limited's Electricity Distribution System documents
- We have provided you with an understanding of how we apply the inspection charging methodology
- Inspections findings are recorded in MD-UK which all ICPs have access to view their non- conformances and resolve.

Whereabouts are key to success!

# Future Business Planning :
# 2023-28 Business Plans (RIIO-ED2)

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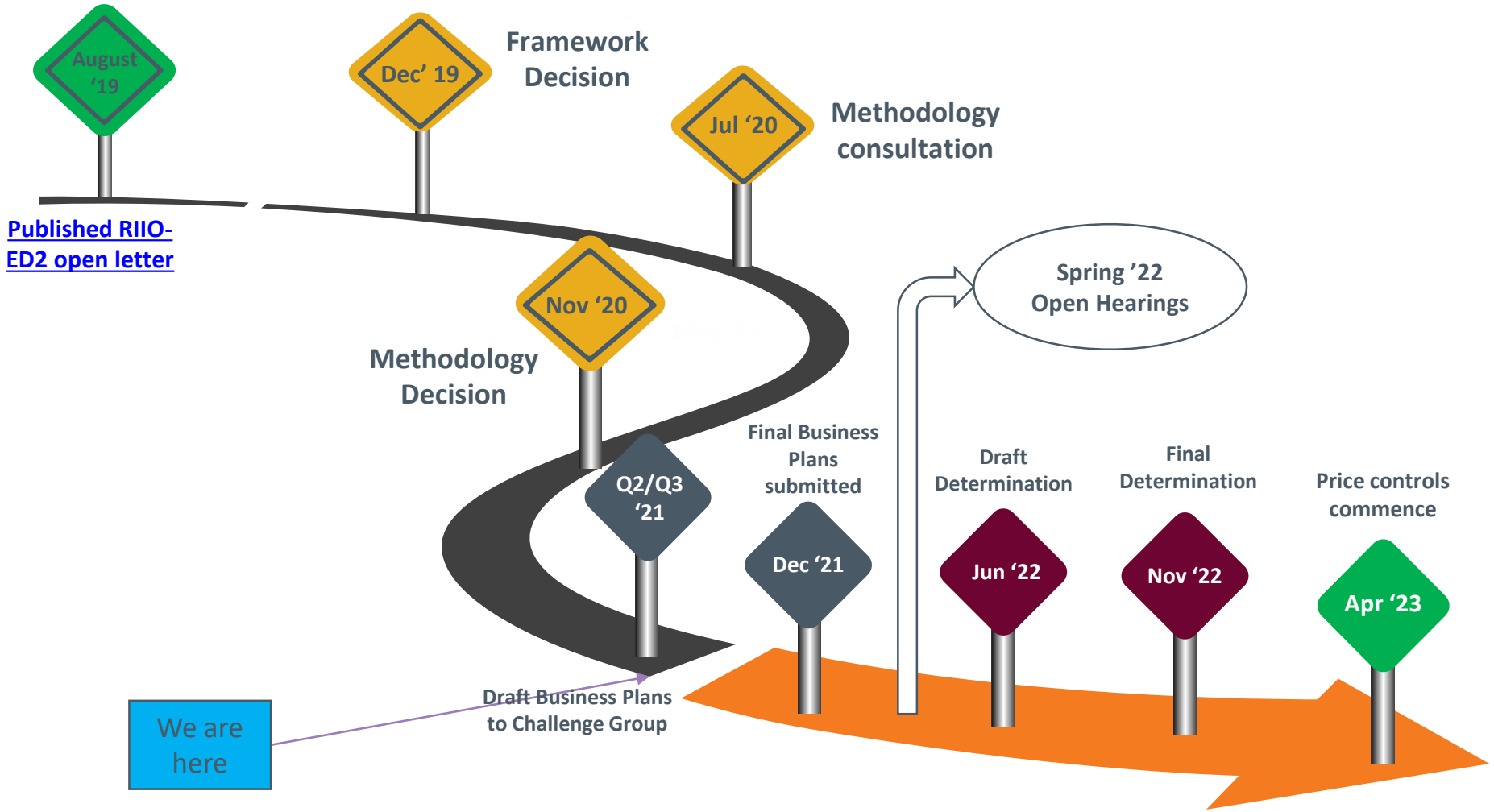
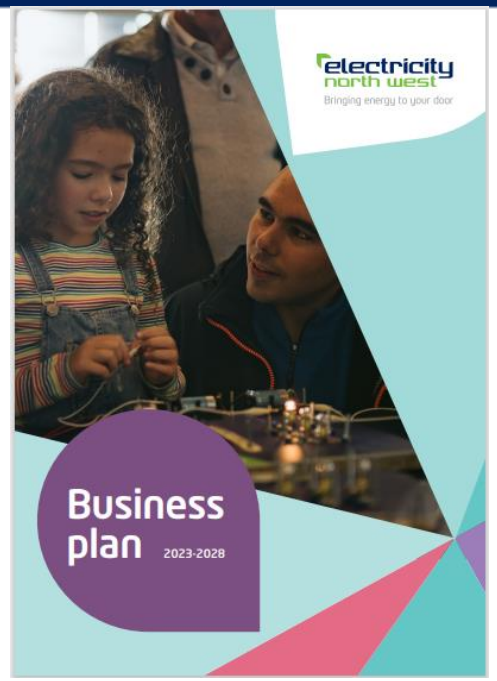
# Road to RIIO-ED2




- 1 July marked major milestone
- DNOs required to submit draft Business Plans to Ofgem
- No requirement to publish
- Varying degrees of information made public

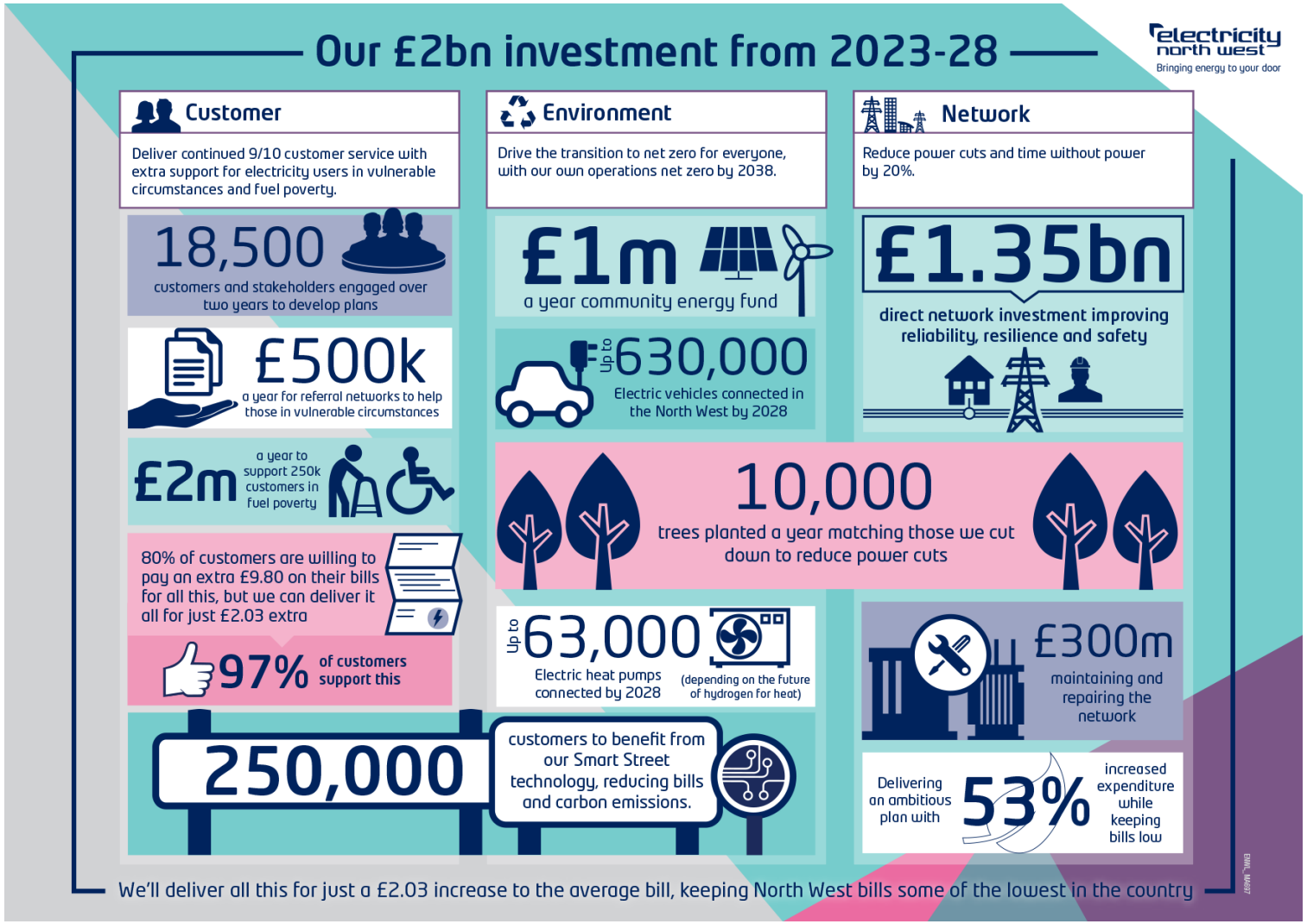
# What did we publish?




[Draft business plan 2023-28 (enwl.co.uk)]

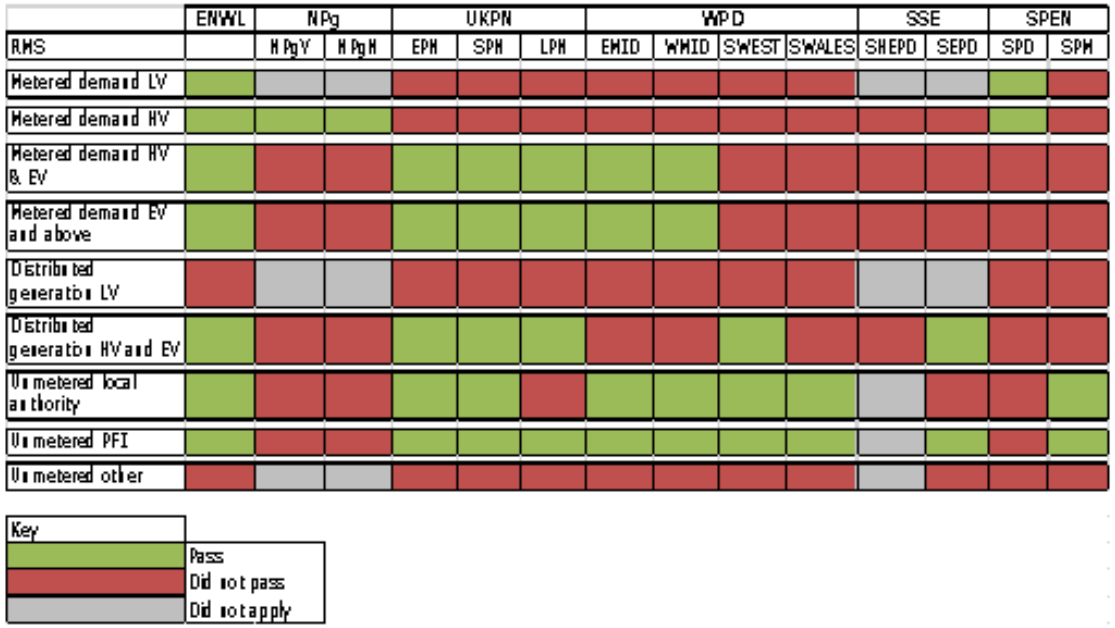
We published:

- Our draft plan
- 36 Annexes
- 174 data tables
- 44 Engineering justification papers
- 21 Cost benefit analysis



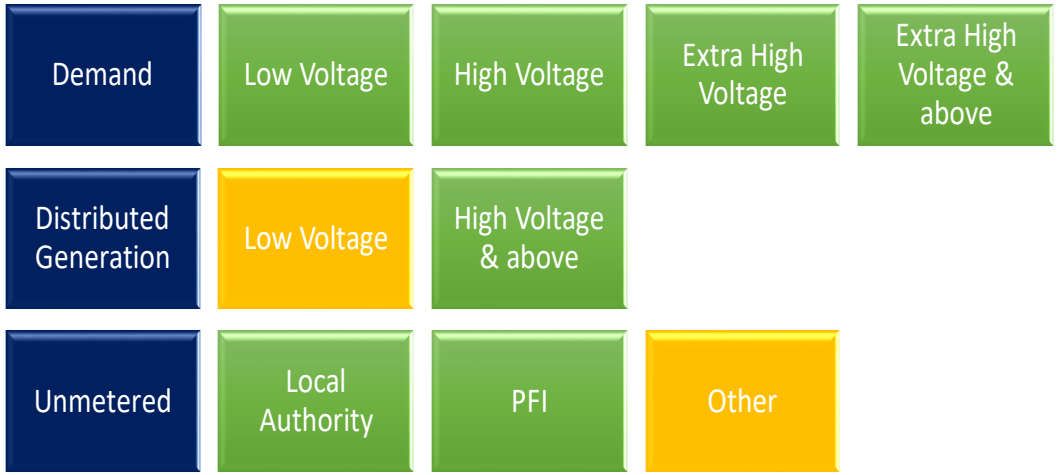
# Connections specific requirements

- DNOs required to submit a ‘Major Connections Strategy’ to cover
  - Any market segments that did not pass the Competition tests in 2013
  - Provision of non-contestable activities for all market segments
- For us that means
  - Distributed Generation Low Voltage
  - Unmetered Other



| | ENWL | NPg | | UKPN | | | WPD | | | | SSE | | SPEN | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| RMS | | NPgY | NPgN | EPN | SPN | LPN | EMID | WMID | SWEST | SWALES | SHEPD | SEPD | SPD | SPM |
| Metered demand LV | | | | | | | | | | | | | | |
| Metered demand HV | | | | | | | | | | | | | | |
| Metered demand HV & EV | | | | | | | | | | | | | | |
| Metered demand EV and above | | | | | | | | | | | | | | |
| Distributed generation LV | | | | | | | | | | | | | | |
| Distributed generation HV and EV | | | | | | | | | | | | | | |
| Unmetered local authority | | | | | | | | | | | | | | |
| Unmetered PFI | | | | | | | | | | | | | | |
| Unmetered other | | | | | | | | | | | | | | |

| Key | |
|---|---|
| | Pass |
| | Did not pass |
| | Did not apply |



# Scope of a ‘Major Connections Strategy’

- As a minimum requirement, DNOs’ strategies must:
  - include an assessment of the connection issues prevalent in the company’s region and evidence of how this informs its proposed approach.
  - set out a clearly articulated vision for addressing connections issues identified, identifying links between the proposed deliverables and the outcomes and the benefits these will deliver.
  - demonstrate how the company will deliver the standard of service outlined in the principles and baseline expectations.
  - include deliverables which are specific, time bound and relevant.
  - propose relevant performance measures proposals which will enable stakeholders and Ofgem to evaluate the DNO’s progress in delivering its Major Connections Strategy and associated outcomes.
  - where a DNO indicates the relevant performance measure is a quantifiable metric, it should include a baseline performance benchmark with justification to support this.
  - be developed with stakeholder and CEG input and developed in line with the company’s wider business planning processes and decisions.

# Baseline Expectations

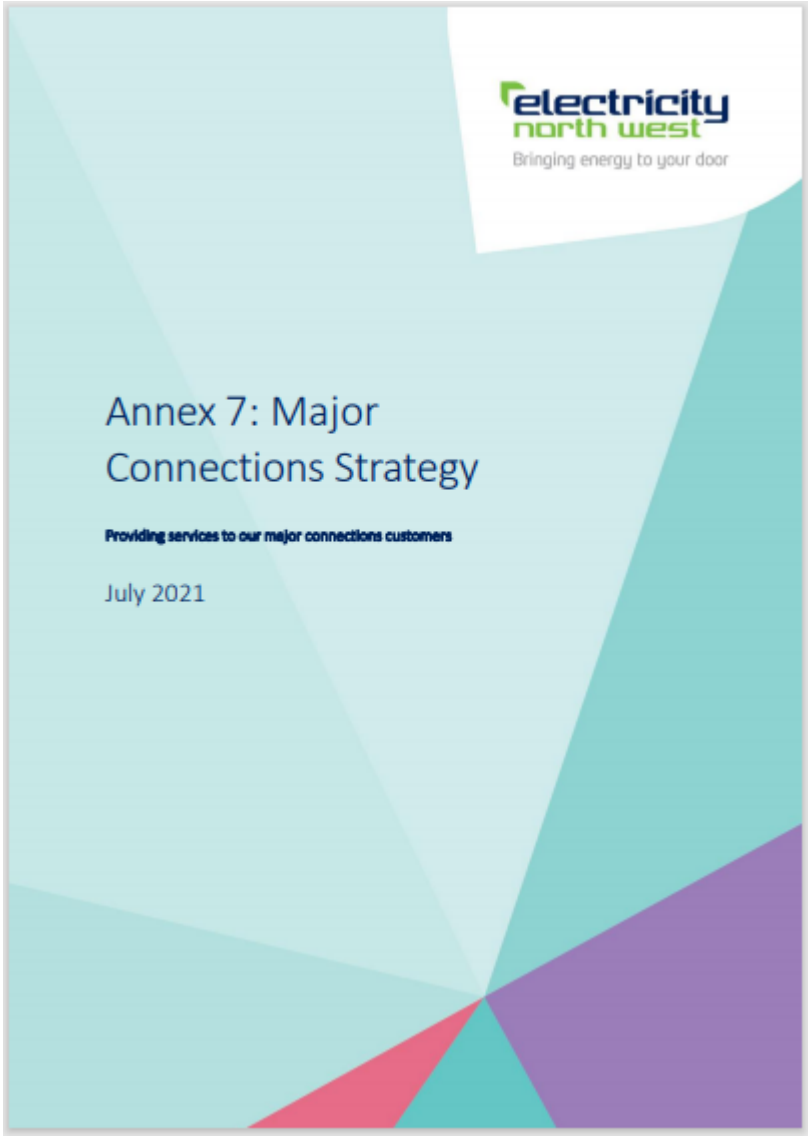
- Ofgem has set out a number of ‘Baseline Expectations’ under three principles:
  - **Principle 1** -Support connection stakeholders prior to making a connections application by providing accurate, comprehensive and user-friendly information
  - **Principle 2** -Deliver value for customers by ensuring simplicity and transparency through the applications process
  - **Principle 3** - Facilitate the delivery of timely and economical connections that meet customers’ needs

# Our ‘Major Connections Strategy’

- Published at the link below
  - annex-07-major-connections-strategy.pdf (enwl.co.uk)

- Sets out
  - What we do already for customers
  - What feedback we have had on how well we meet the Baseline Expectations
  - How we propose to measure our performance

- Please have a look and give us any extra feedback



# What we already do for our customers

- Against each of the Baseline Expectations we have provided a summary of what we already do and links to further information

**Principle 2**: Deliver value for customers by ensuring simplicity and transparency through the applications process.

| Baseline expectation (BE) | Summary of current activities |
|---|---|
| BE9) Have clear and simple customer application process. | Simple guidance on website<br>Step by step guidance provided in webinars, slides are available here and recordings HERE<br>Key contacts available for queries on the website.<br>Project specific 'surgery sessions' available on request here. |
| BE10) Provide tailored communication plans to suit different customer needs. | Planner available once application has been received to provide tailored support to your needs.<br>Project specific 'surgery sessions' available on request here. |
| BE11) Provide customers with clear connection quotation cost breakdowns. | Information available on our website here along with a designated webpage for Competition in Connections<br>Cost breakdown provided in quotes. |
| BE12) Help customers get connected more quickly or cheaply. | Planner made available at all stages pre-application, application and delivery to assist with getting stakeholder connected as quickly and cheaply as possible.<br>Information & guidance available via CIC mailbox and our website or via specific surgery sessions here. |
| BE14) Specifically, in relation to flexible connection customers, provide clarity around conditions and circumstances of current and future curtailment associated with a connections offer. | Available options for flexible connections and curtailment information described on website.<br>Project specific options discussed during application process where applicable. |

# Feedback on how well we do it

- We have sought feedback from relevant stakeholders on how we currently do against the Baseline Expectations
- We will use the ICE process to make further improvements
- If you would like to share your views, please let us know

**Principle 1**: Support connection stakeholders prior to making a connections application by providing accurate, comprehensive and user-friendly information.

| Information on where to connect | Clear connections process | Types of connection products | Support channels | Proactive engagement | Information on capacity available |
|---|---|---|---|---|---|
| 100% | 100% | 100% | 100% | 100% | 100% |

**Principle 2**: Deliver value for customers by ensuring simplicity and transparency through the applications process.

| Clear application process | Tailored communications | Clear quote breakdown | Quicker, cheaper connections | Information relating to flexible connections |
|---|---|---|---|---|
| 100% | 100% | 86% | 86% | 100% |

**Principle 3**: Facilitate the delivery of timely and economical connections that meet customers' needs.

| Tailored communications | Timely cost changes | Slow moving projects |
|---|---|---|
| 75% | 86% | 83% |

# How we propose to measure our performance

- We already have a number of quantified KPIs in our existing ICE plans
- We have extended the scope these to cover each of the three Principles

**Principle 1**: Support connection stakeholders prior to making a connections application by providing accurate, comprehensive and user-friendly information.

| Metric | Baseline Expectation | What we will measure | What we will target |
|---|---|---|---|
| | | | target |
| | | | target |
| | | | within 10 |
| | | | ction |
| | | | ction |

**Principle 2**: Deliver value for customers by ensuring simplicity and transparency through the applications process.

| Metric | Baseline | What we will measure | What we will target |
|---|---|---|---|
| | | quotes | Reported metric, no target |
| | | mber of ys | 11 working days (versus the guaranteed standard of 15 working days) |
| | | mber of ys | 15 working days (versus the guaranteed standard of 20 working days) |
| | | atisfaction ion process | At least 85% satisfaction |

**Principle 3**: Facilitate the delivery of timely and economical connections that meet customers' needs.

| Metric | Baseline Expectation | What we will measure | What we will target |
|---|---|---|---|
| **Number of quotes accepted** | P3 | Number of quotes accepted | Reported metric, no target |
| **Speed of design approval** | P3 | Average number of working days | 8 working days (versus the guaranteed standard of 10 working days) |
| **Speed of issuing Bilateral Connection Agreements** | P3 | Average number of working days | 10 working days |
| **Speed of time to Connect LV demand** | P3 | Average number of working days | 7 working days (versus the guaranteed standard of 10 working days) |
| **Speed of time to Connect HV demand** | P3 | Average number of working days | 15 working days (versus the guaranteed standard of 20 working days) |
| **Customer satisfaction with connections process** | P3 | Customer satisfaction with connections process | At least 85% satisfaction |
| **Time to financially close projects and process any refunds** | BE17 | Average number of working days to financially close projects | 55 working days |

# Ofgem review of competition

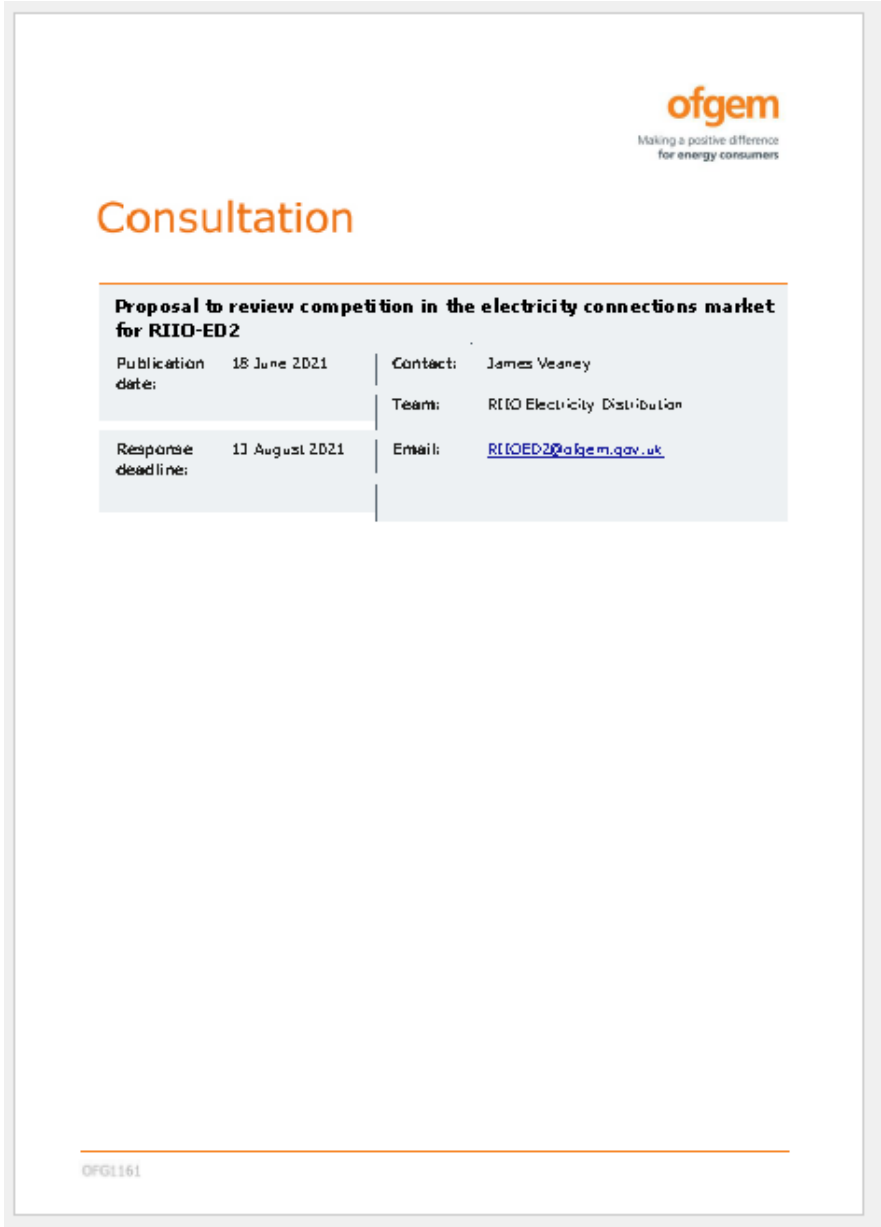
# Ofgem consultation

- Ofgem has published a consultation on the levels of competition in the connections market
    - Issued 18 June 2021
    - Closing date 13 August 2021

- This is proposed to be a review based on data to provide an update on the 2013 position

- Consultation asks 13 questions that cover every part of the process

- [Consultation on the proposal to review competition in the electricity distribution connections market | Ofgem]


ofgem
Making a positive difference for energy consumers

Consultation

**Proposal to review competition in the electricity connections market for RIIO-ED2**

| | | | |
|---|---|---|---|
| Publication date: | 18 June 2021 | Contact: | James Veaney |
| | | Team: | RIIO Electricity Distribution |
| Response deadline: | 13 August 2021 | Email: | RIIOED2@ofgem.gov.uk |

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# Competition Test re-run

- Ofgem propose to:
  - assess the levels of competition where it has previously not seen evidence of effective competition
  - base this review on what it considers are the key indicators of effective competition.
  - The outcome of this review will inform
    - financially incentivised outputs in RIIO-ED2.
    - changes to provisions that enable DNOs to charge connection customers a margin
  - Ofgem may at a future point undertake a broader review into the connections market.

- Key market indicators

| | |
|---|---|
| Market share – number of offers | Total number of offers |
| Market share – accepted offers | Number of third parties |
| Market share – capacity (MW) | Value of acceptances |

# SCR Update

# What is the Access SCR?

- **A Significant Code Review (SCR)** allows Ofgem to initiate wide ranging and holistic change and to implement reform of a code based issue.

- **Objective of Access Significant Code Review (SCR):** to ensure electricity networks are used efficiently and flexibly, reflecting users' needs and allowing consumers to benefit from new technologies and services while avoiding unnecessary costs on energy bills in general**.**
  - **Access arrangements** - the nature of users' access to the electricity networks (for example, when users can import/export electricity and how much) and how these rights are allocated:
  - **Forward-looking charges** –the type of ongoing electricity network charges which signal to users how their actions can ether increase or decrease network costs in the future

- **Scope:**
  - Review of the definition and choice of transmission and distribution access rights
  - Wide-ranging review of Distribution Use of System (DUoS) network charges
  - Review of distribution connection charging boundary
  - Focussed review of Transmission Network Use of System (TNUoS) charges

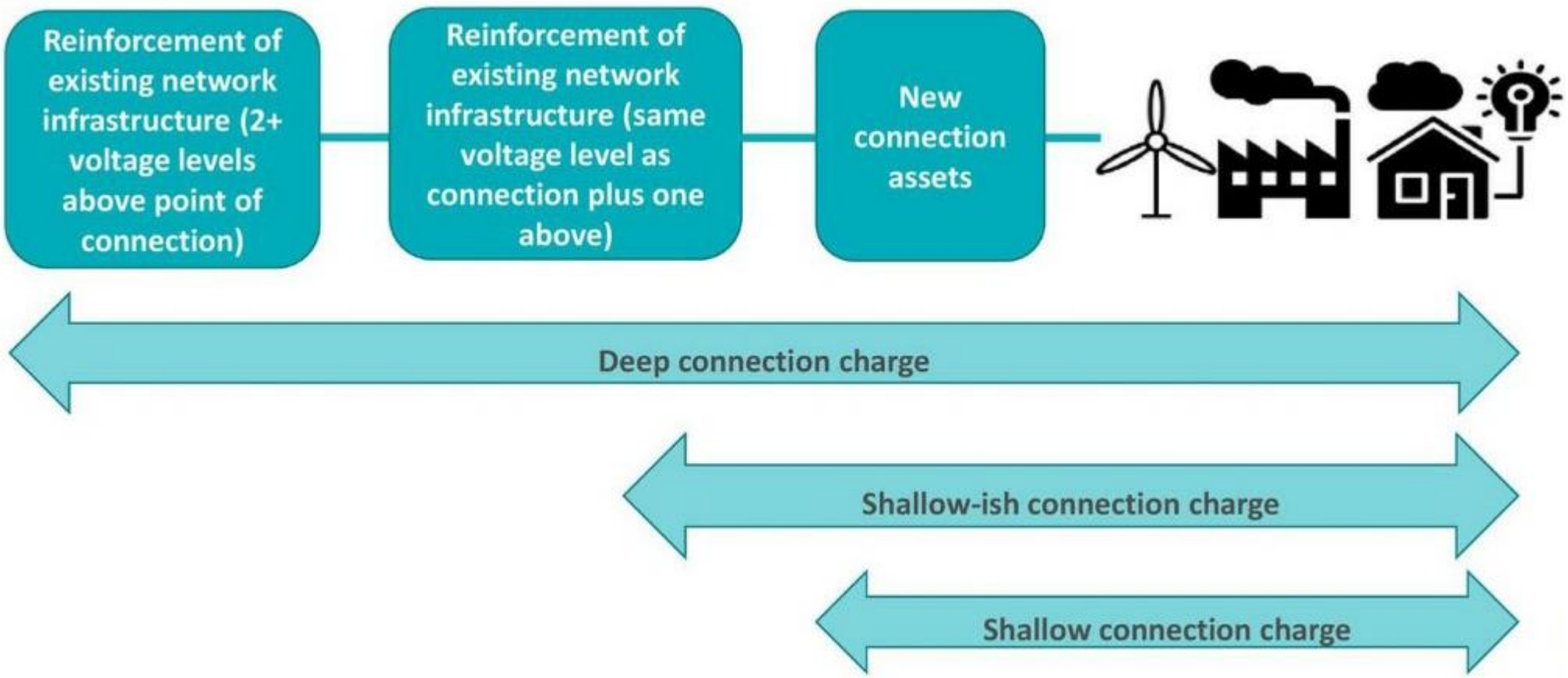
# Timelines

## Original


## Revised

# What is the ‘connections boundary’?

When connecting to the network there can be different kinds of assets required to make the connection.  The ‘connections boundary’ describes the assets that the customer has to pay for.



# How does it work now and what are the issues?

**Transmission**

- **Shallow connection boundary**
- Pay for new connecting assets up front or over time
- TOs must fund any necessary reinforcement via RIIO allowances or the ESO could actively manage the constraints through flex markets
- To protect against TOs undertaking reinforcement that is not then used, users provide securities against them cancelling their projects ('user commitment')

**Distribution**

- **Shallow-ish connection boundary**
- Pay upfront for new connecting assets and a share of any necessary reinforcement of the upstream network
- Can lead to high connection charges and might reduce incentives for DNOs to invest strategically, **but** provides a locational signal
- Protects wider consumers from the risk of stranded or under used infrastructure

**Potential problems with these arrangements**

- The difference between arrangements may be distorting investment decisions or competition between projects
- The connection arrangements could be creating barriers to entry for some users (eg upfront cost) and slow down connections of new technologies like distributed generation and EV charging infrastructure

# Distribution connection charging boundary

- On balance, Ofgem think there are good arguments for making a change to the charging arrangements. Ofgem is **minded to**:
  - remove the contribution to reinforcement within the connection charge completely for demand connections
  - reduce the contribution to reinforcement within the connection charge for generation connections
  - Not make any changes to the treatment of transmission work triggered by a distribution connection

What does this mean?

- **Demand** - No connecting customer charges for reinforcement
- **Distributed Generation** - Connecting customer would pay for any reinforcement at same voltage as point of connection. High Cost Cap would be retained.
- **Storage** - Import and export treated individually and full rules above
- **Transmission work** - charged to the individual connection customer as part of the DNO's connection charge.

# Consultation details

- Published 30 June
- Open to 25 August

- Covers proposals on
  - distribution connection charging
  - definition and choice of access rights
  - TNUoS charging for Small Distributed Generation

- Access and Forward-looking Charges Significant Code Review - Consultation on Minded to Positions | Ofgem

# Any questions?

# Wrap Up & Close

- Please give us your honest feedback either email ICE or leave your feedback in the chat 
- Presentation slides will be available via our website shortly.
- Future events, including webinars are available here
- Don't forget to get in touch with us at ICE@enwl.co.uk
- Thank you for your attendance.