

Workgroup Consultation Response Proforma**CMP328: Connections Triggering Distribution Impact Assessment**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm** on 12 March 2021. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact Rob Pears Rob.Pears@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Charles Deacon
Company name:	Renewable Connections Developments Limited CUSC Parties: IQ Energy Centre Limited; Mannington Energy Centre Limited
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For reference the Applicable CUSC (non-charging) Objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the CMP328 Original Proposal better facilitates the Applicable Objectives?	<p>Yes, I agree with the conclusions in the consultation document.</p> <p>However without the requisite DCUSA change for cost apportioned charging, transmission connections that have a distribution impact can be anti-competitive. In a live example from my company the “penalty” being paid is 54x what the apportioned amount should be when 100% is charged to the transmission user. So to meet Relevant Objective (b), this needs to be resolved.</p>
2	Do you support the proposed implementation approach?	<p>It needs to be far quicker. This process is very applicable to tertiary connections, of which most are now contracted. Many projects are currently stuck in difficult third party works processes and are at real risk of cancellation. Most of these projects are green and renewable energy, important for net zero.</p> <p>If we wait a year until implementation, it may be too late for the majority of projects that this will benefit the most.</p> <p>It needs to be in place within 3 months maximum.</p>
3	Do you have any other comments?	<ul style="list-style-type: none"> There should be an Ofgem direction to implement the DCUSA change Proposal 384 as this complements this process. This will apply cost apportionment and second comer methodologies to transmission users triggering works on the distribution system. Without DCP384, this DIA process carries a lot less value, for reasons explained above.

		<ul style="list-style-type: none"> • There should be no need for additional data from the customer over and above what the TO and ESO already have. Info like G99 forms, P28 studies etc should not be required at DIA stage. • At the end of the DIA process, there should be an opportunity to discuss and challenge the solution before it is agreed and worked into contracts. • Contracted projects that have not currently undertaken the TPW process due to milestones or Mod Apps should be subject to the new process with TPW phased out for instances where the DIA is applicable. • I would like to see the timescales set out for the DIA to be guaranteed. • It would be good to get to a point where DNOs can pre-emptively give an indication of headroom, like a reverse of the Appendix G process.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No
Modification Specific Workgroup Consultation questions		
5	For DNO respondents, please describe your process and timescales associated with current Third Party Works applications	N/A
6	For Third Party Works users, please describe your experience of using the Third Party Works process, specifically awareness of and timescales associated with the process; are there any defects	The process is currently slow, inefficient and confusing. On more than one occasion we were the first customer to approach a DNO with a third party works request, having to explain our requirements and send

<p>in the TPW process that the DIA process does not address?</p>	<p>quotes from the CUSC and our contracts to explain what we required.</p> <p>The ESO should be notifying the DNOs of an acceptance and the DNOs should be notifying the ESO in a timely manner if they believe there is further assessment required. This has not been happening or has been taking many months. We have often approached the DNO before they have responded to the ESO.</p> <p>Information provision across DNOs is also varied, we are being asked for G99 forms and being issued distribution offer documents, all which have redundant and irrelevant fields/clauses for this process.</p> <p>As the TPW is done under the non-regulated “feasibility” process, the DNOs have endeavoured to turn these around in 65 working days, but in each instance it has taken longer. In one instance it took as long as 6 months, with a further 2 months to then convert it into a recharge offer we could accept.</p> <p>At present, the TPW process only allows for a recharge offer for physical works. There may be instances where enduring active solutions (ANM or inter-trips) could mitigate expensive capital schemes but we have been told there is no contractual framework for this so it cannot be offered. There is no mechanism for the third party to force a change to the BCA appendices to include these solutions, so the customer must submit a Mod App at their expense.</p> <p>TPW also provides no mechanism for determining who is the triggering party at a site. For GSPs where there is a constraint and the proposed works may be common amongst multiple</p>
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		<p>connecting parties, the DNO is currently treating the triggering party as the first one to apply. Their application date to the DNO is their DNO queue position. At present the DNO has no way (other than the TEC register or from customer conversations) of knowing the contracted connection date with the ESO. Multiple DNOs have informed me that the only metric they can use for queue position is TPW application date.</p> <p>This can present a contractual conflict. I.e. a project with a 2024 connection date may apply to the DNO before the project with the 2023 connection date. The works to connect them may be common/able to be shared. It then makes no sense for the 2023 customer to wait for the 2024 customer's programme to connect. There needs to be an effective queue management system in place, including with the DNO's own customers, as works should not be considered triggered and "spoken for" by a transmission customer who may be connecting some years after a distribution customer is able to. Offers must be revised accordingly as the situation changes.</p> <p>The final defect is the lack of cost apportionment, but this has already been explained in my response.</p>
7	Annex 6 provides a summary of the WG's view of the pros/cons of both the Third Party Works and proposed Distribution Impact Assessment process.	
7a	Do you agree with this?	Yes
7b	Do you have any additional pros or cons you wish to add?	Another positive is that it is clear who is "triggering" and queue order is managed by the ESO.

		A further positive is its similarity to the Statement of Works process which customers are often familiar with.
8	Applicability - Do you agree with the applicability criteria proposed? Please provide your rationale.	<p>Yes. This is clear and should be made available to a customer pre-application.</p> <p>TPW can still be used for non-DNO parties.</p>
9	Contractual milestones - Do you foresee a better way of updating contractual milestones to reflect the result of a Distribution Impact Assessment?	<p>They should be amended free of charge by the ESO. The DNO should be able to trigger a Mod Notice. This should also apply to Mods of the agreement between the ESO and the DNO.</p> <p>As a connection is not truly viable until the DIA is completed, Appendix J milestones should be suspended until this is completed, or Appendix Js should not include any milestones within this period.</p>
10	Fees and Costs - Do you agree with the Proposal that any costs as a result of the DIA should be passed from the DNO to the Transmission applicant via the ESO?	<p>Yes and as far as possible these should be standardised in the DNO's Connection Charging Methodology and be publicly available. Perhaps the ESO could publish updated documents annually. Currently they are being charged at the "feasibility study" rate.</p> <p>The ESO should perform a "soft check" with the DNO before initiating the DIA to ensure it is required.</p> <p>Any costs should follow the principle of CAF and ECCR. This is being addressed by a DCP348 and should be supported with this Mod. However there is nothing to stop DNOs doing this voluntarily. They can recoup the costs of allowed revenue from output allowances from future and connected customers. There is no RIIO deficiency to justify 100% charging. The Regulator could consider refinements in reporting connection outputs in DNO RRP's to give appropriate allowances for transmission connected customers.</p>

		At present large amounts of renewable generation is being prevented from being connected to the transmission system due to this unfair lack of cost apportionment.
11	Clean Energy Package (CEP) - Currently CUSC Section 4 documents the payments that will be made by the ESO for Mandatory Services with the site-specific details captured in the Bilateral Connection Agreement. In your view, how/where should any compensational arrangements be documented for DNOs curtailing Transmission connected generators.	<p>As a commercial inter-trip perhaps.</p> <p>DNO customers do not have TEC rights, if a transmission customer is to enter an ANM/winter-trip system they should be top of the stack. In reality, the TEC user shouldn't really see any constraint under normal running.</p>
12	Which of the following do you believe should be included when assessing options/impacts under the proposed DIA process;	
12a	impact upon distribution connected generators/storage with transmission export capacity (TEC)	Yes, prioritised by connection date
12b	impact upon distribution connected generators/storage without transmission export capacity (TEC)	<p>DNO customers do not have TEC rights, if a transmission customer is to enter an ANM/winter-trip system they should be top of the stack. In reality, the TEC user shouldn't really see any constraint on their TEC under normal running. I'm loath to say that DNO customers should be constrained for the TEC customer as that would negatively impact other projects, but this does need to be resolved in the access review as a whole system.</p> <p>Appendix Gs should be revised accordingly and if any running arrangements or Mod App is needed of the DNO's agreement, this should be done at no cost to the customer, the ESO should take care of it.</p>

		<p>If appropriate, the DNO should be able to reinforce their network using capital funds to accommodate the new customer without causing a detriment to their own.</p> <p>Ultimately we need a whole system approach, the grid is not run in a top down fashion any more. It makes no sense to think it does and to have DNOs, TOs and ESOs sitting in their own silos. Far more information sharing and collaborative working is needed.</p>
13	Should the DIA process be triggered upon receipt, or acceptance of an application from the transmission customer and please provide your reasoning.	<p>Ideally on receipt, however timescales may be tight. As soon as the TO has designed the connection solution it should be given to the DNO. If the DIA is not complete before the 90 days that the ESO has to issue the offer, the offer should be issued without.</p> <p>However in the remainder of the period before the DIA is returned, contractual milestones in the ESO offer should be suspended/not within that period as the offer is not “complete” until the DIA is done.</p> <p>There should then be a further “acceptance” period to allow scrutiny of the DIA before accepting its findings. The customer must be included in those discussions.</p>