Incentive on Connections Engagement (ICE) Initiative 19.17

Review the process for customers adding equipment to existing DG sites

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ICE Initiative 19.17

1. Background

ICE 19.17 initiative was included in UK Power Networks Service Delivery plan for 2017/18 following feedback from customers and stakeholders. The ICE initiative is as follows

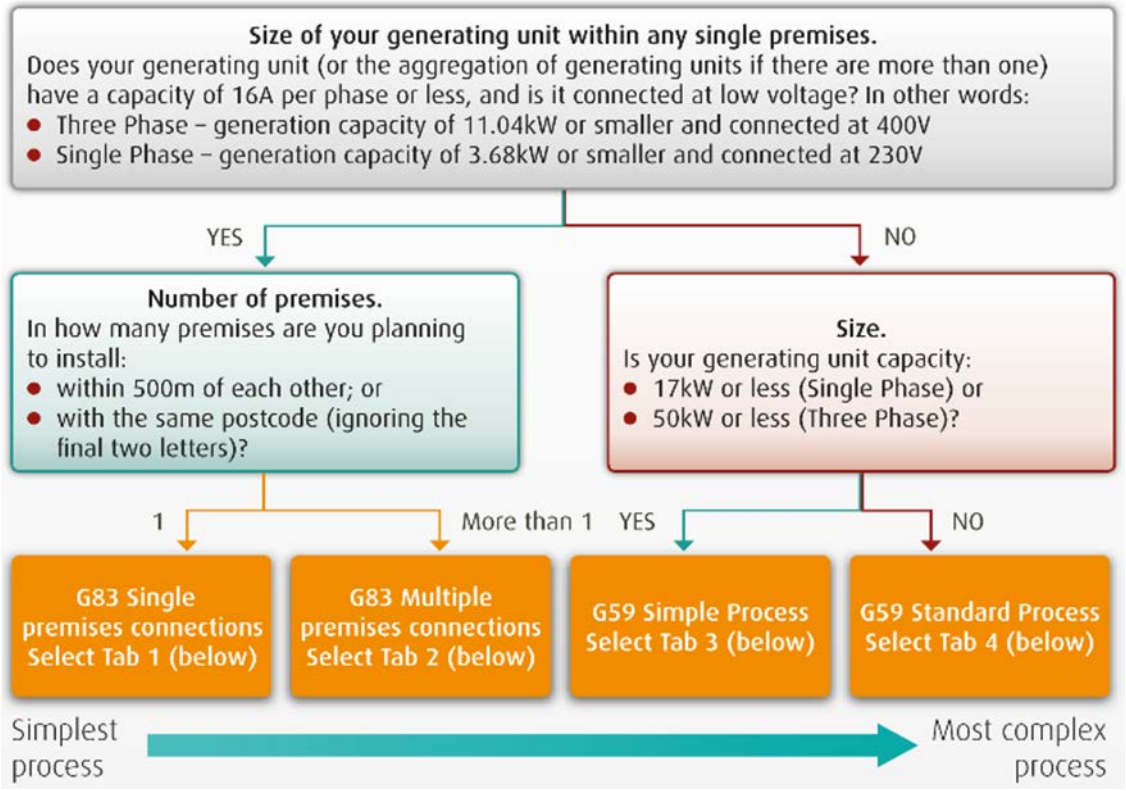
Ref.	Initiative	Target date	Measure
19.17	Review the process for customers adding equipment to existing DG sites; for example where storage is being added to an existing solar farm	Sept 2017	Proposal circulated for comment by stakeholders by target date

Although storage is mentioned specifically as an example above, the initiative is not intended to be technology specific. Storage has, however, received significant press coverage most notably from recent Ofgem publications:

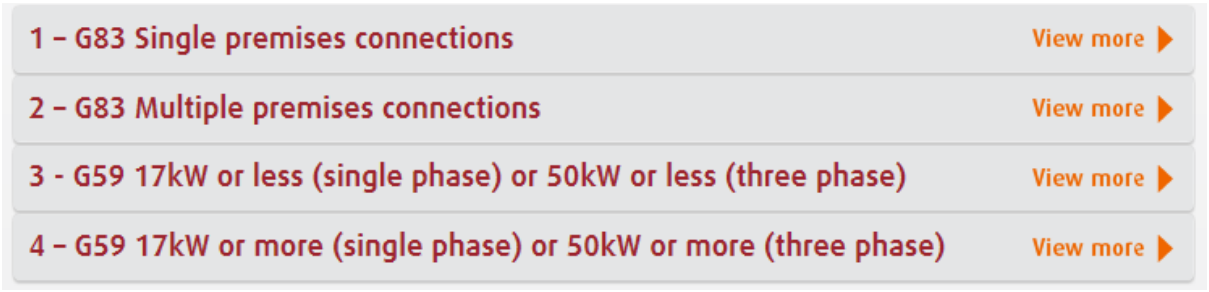
- Smart flexible energy system - a call for evidence
- Upgrading our energy system – smart systems and flexibility plan

2. Introduction

Distributed Generation connections fall into two broad categories G83 and G59. The graphic below taken from our website illustrates how these are further sub-divided.



Each of the tabs referenced above provide links to guides on the ENA (Electricity Networks Association) website and, where appropriate, application forms. The process for Tab 1 does not require an application to be made to the DNO – installers are able to fit and inform i.e. they are able to install the equipment and notify the DNO within 28 days.



The process for Tabs 2-4 requires an application form to be completed - completion of an application form commences the connection process.

Customers have told-us that the process ought to be simpler and quicker and in some instances should not require the DNO (distribution network operator) to be involved at all. We have already responded to this in relation to domestic customers adding storage to their existing generation installation. We were the first DNO to introduce a fast-track process removing barriers for the connection of storage for dwellings that (typically) had solar panels installed (under G83) but wished to add (typically) an electricity storage system the combination of which would have required the installation to be assessed under G59. Details of this process can be found here - http://www.ukpowernetworks.co.uk/internet/en/our-services/list-of-services/electricity-generation/storage-connections/

The aim of this document is to review the current connection process for larger generation applications, assess its suitability for customers wishing to add equipment to an existing site and set out our proposals for improvement.

The connection process – a review

The connection process is used for making an application for a **new** connection and customers have told us that us that this might not be fit-for-purpose for when they wish to add a new technology to their existing installation.
The process for requesting and obtaining a new connection to the electricity network via the routes (tabs 2-4) above has traditionally comprised eight steps. However to support customers further, UK Power Networks introduced a non-compulsory pre-application stage to giving them the opportunity to discuss their project in advance of making a formal application. The connection process is outlined below:

1. *Pre-application (non-compulsory)*
2. Application
3. Preliminary design
4. Quote
5. Acceptance/payment
6. Detailed design
7. Construction
8. Issue of Connection Agreement
9. Energisation

The non-compulsory pre-application stage was introduced to specifically help those customers who were unsure of their exact requirements. Customers are required to book a “surgery” session and submit details of their projects in advance. At the surgery they are able to meet with our designers, project managers and planners to discuss their project in more detail. This typically has allowed customers to gain an understanding of the technical detail and cost implications of their project and to get a picture of its financial viability at a very early stage saving time for both themselves and UK Power Networks. This has been positively received and customers tell us this works well.

Although DNOs have their own application forms, an ENA branded industry-wide form for generation was introduced many years ago. More recently UK Power Networks was a leading DNO in developing another ENA branded form specifically for electricity storage installations. Customers tell us that both of these applications forms are targeted at new installations rather than being wholly suitable for the addition of other technologies to existing sites.

3. Application process – our proposals

Stage 1 - Pre-application stage

The use of pre-application stage surgeries has been successfully tried and tested saving both time and effort for customers and ourselves. We believe that for those customers wishing to add another technology to an existing site the use of surgeries should be encouraged. This will allow customers to gain an early appreciation of their proposals and its impact on our network. In addition, we propose the introduction of an application form allowing customers to identify that they are considering the addition of another technology to an existing site. Customers would be required to submit their current Connection Agreement together with their current and planned operating profiles enabling us to readily assess their request.

We propose assessing initial requests for additional technology at existing sites within a ten working day window. This will include both demand and fault level assessments and, where necessary, a review of current interactivity queues. Capacity from one project in the interactivity queue cannot be relinquished to the benefit of another specific project – capacity is effectively recovered and released by the DNO. There are two likely outcomes from this initial assessment:

1. That the existing network cannot accommodate the additional technology without the need for reinforcement.
2. That the existing network can accommodate the additional technology without the need for reinforcement.

Where the existing network can accommodate the additional technology without the need for reinforcement we will advise the customer accordingly and ask if they wish to continue with their request. If they wish to proceed we anticipate issuing an Authorised to Proceed notice subject to variation of the Connection Agreement. Such requests will effectively be fast-tracked in a similar manner to the single premise example above.

Requests that cannot be accommodated without the need for reinforcement will be treated as a new application and will be processed accordingly.

Q1	Is it reasonable that customers considering adding another technology to an existing site are encouraged to use a pre-application surgery? If not, why not? How else could they be dealt with?

Q2	Should we introduce a single page pre-application form to allow customers to identify projects where an additional technology is being considered? If not, why not? What else could we do to promote the connection of storage?

Q3	Do you see merit in UK Power Networks being able to identify those projects that could be dealt with more rapidly? If not, why not?

	Are the timescales reasonable?

Q4	How else could we deal with requests to add another technology to an existing site?

Stage 2 - Application stage

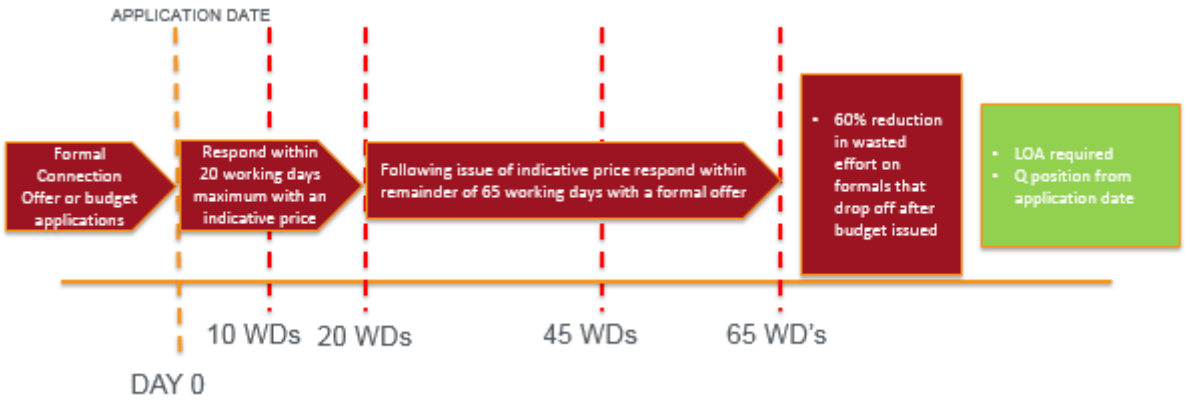
All requests that cannot be dealt with as above will need to be treated as a new application as per the above process. We encourage applicants to utilise the pre-application stage of the process in order gain early insight into the viability of their project. Where applicants wish to proceed whether or not the pre-application stage is used an application form will need to be submitted.

We are considering changing the way in which we process all requests for the connection of DG/distributed energy resources. At present applicants can choose whether they apply for a budget estimate (where the details of the project may not be fully developed) or a formal quotation. Many customers have told us they apply for a formal quotation as this gets them "a place in the queue" even though some of the details of the project are not yet finalised.

We are proposing to provide an indicative price for the project within a 20 working day period of the date of the application and request that on receipt of the indicative price, the customer indicates whether or not they wish to proceed with obtaining a formal quotation. The date of the application will be used for queue/interactivity purposes and the place in the queue will be maintained throughout the connection process. It will only be relinquished on one of the following events:

- Customer decides not to proceed after receiving the indicative price.
- Customer proceeds with request for a formal quotation and does not accept the offer within the validity period

The proposed process is outlined below.



Q5	How useful to you is the proposed process above?

Q6	How useful is it to receive an indicative price within 20 working days?

Q7	How likely are you to withdraw your application at the indicative price stage if it is financially unviable?

Stage 8 – Issue of Connection Agreement Stage

The Connection Agreement will comprise details of the installed technology, capacities and operating times/profiles. If the existing network can accommodate the additional technology without the need for reinforcement we will request that the customer relinquishes their existing Connection Agreement. This will be replaced with a new Connection Agreement and will become effective when signed by both parties. UK Power Networks may still need to issue a quotation for any witnessing testing of the new combined installation.

4. Next Steps

The consultation phase will commence on Monday, 02 October 2017 and will remain open for six weeks closing on Monday, 13 November 2017.

Following the completion of the consultation, UK Power Networks will consider all responses and address any issues. We envisage a robust consultation process strengthening the relationship with our customers and offering them the best service.

Please note the above proposal has been developed without the constraints of the legislation and regulations under which we operate. Once feedback has been received we will work to ensure the updated proposal is in compliance with legislation and regulations.

Consultation Questions

Please complete the attached questions and return to Steve Halsey by email to steve.halsey@ukpowernetworks.co.uk
Alternatively, you can complete the questions online at https://www.surveymonkey.co.uk/r/BWC2S9L

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