

Early Competition Plan

Phase 3 Consultation: Response Proforma



Response Proforma

As set out in the Consultation Summary, you can respond to our consultation in a number of ways. Below is a proforma that could be used, summarising the questions highlighted in our consultation. Completed proformas should be sent, by the closing date, to box.earlycompetition@nationalgrideso.com

Name of organisation: Western Power Distribuion

Sector: DNO

Contact name: Ben Godfrey

Contact email: bgodfrey@westernpower.co.uk

Status of response: Public

Chapter 2: Roles and Responsibilities

Question	Yes/No (if applicable)	Response
1. Do you agree with the activities of the Approver we are proposing? Please tell us why.	Choose an item.	Click or tap here to enter text.
2. What do you think the checks, that make up the other activities, should look like? Should they be a formalised process?	Choose an item.	Click or tap here to enter text.
3. Who do you think is the most appropriate party or parties to perform the Procurement Body role?	Choose an item.	Click or tap here to enter text.
4. Taking into consideration the role of the Approver, do you think an	Choose an item.	Click or tap here to enter text.

Independent Assurance activity is needed?		
5. Do you agree with our position on the Contract Counterparty role? Please tell us why.	Choose an item.	Click or tap here to enter text.
6. Do you agree with our position on the Payment Counterparty role? Please tell us why.	Choose an item.	Click or tap here to enter text.
7. Do you agree with our proposed approach to conflict mitigation?	Choose an item.	Click or tap here to enter text.
8. Do you agree with the key differences between early competition and these case studies? And do you agree that the key differences would limit the lessons that can be learnt for the purposes of developing the model for early competition?	Choose an item.	Click or tap here to enter text.

Chapter 3: Identifying Projects

Question	Yes/No (if applicable)	Response
1. Do you agree that only competing projects that appear in at least two FES scenarios will provide sufficient confidence that the project will go ahead?	Choose an item.	Click or tap here to enter text.
2. Do you agree with our proposed approaches for different drivers of network investment? Are there ways single party connections could be	Choose an item.	Click or tap here to enter text.

identified as having sufficient certainty to compete?		
3. Do you agree that continuing to develop the Interested Persons Options process is the best way to engage stakeholders in initial solution design?	Choose an item.	Click or tap here to enter text.

Chapter 4: Commercial Model

Question	Yes/No (if applicable)	Response
1. Do you agree with the partial indexation of the TRS and the adoption of CPIH as the index? Why?	Choose an item.	Click or tap here to enter text.
2. Which of the options for extending the revenue period do you think are most appropriate? Why?	Choose an item.	Click or tap here to enter text.
3. Do you agree with the preferred option of a fixed payment to the successful bidder upon the delivery of key milestones during the preliminary works period? Why?	Choose an item.	Click or tap here to enter text.
4. Do you agree with our revised views and preferences in respect of the Post Preliminary Works Cost Assessment, Performance Bond and Income Adjusting Events? Why?	Choose an item.	Click or tap here to enter text.

5. Do you agree with our preferred option regarding margins and overheads? Why?	Choose an item.	Click or tap here to enter text.
6. Are there any additional measures a Procurement Body could take to further drive value for consumers in securing debt finance?	Choose an item.	Click or tap here to enter text.
7. Do you agree with our current preferred option with regards to equity? Why?	Choose an item.	Click or tap here to enter text.
8. Do you agree with our views on indexation? Why?	Choose an item.	Click or tap here to enter text.
9. Do you agree with our updated views on licence/contract and industry codes? Why?	Choose an item.	Click or tap here to enter text.
10. Do you agree with our views on need change or disappearance? Why?	Choose an item.	Click or tap here to enter text.
11. Do you agree with our views and preference in respect of the 'provider of last resort' arrangements? Why?	Choose an item.	Click or tap here to enter text.

Chapter 5: End to End process for early competition

Question	Yes/No (if applicable)	Response
1. Do you agree with our preferred position on pre-tender activities? Please explain your answer.	Choose an item.	Click or tap here to enter text.
2. Do you agree with our preferred position on impact studies?	Choose an item.	Click or tap here to enter text.
3. Is there anything in our approach to sharing network information that you believe is unworkable? If yes, please provide details?	Choose an item.	Click or tap here to enter text.
4. Do you agree that individual pre-submission reviews should not be offered to bidders during the tender process if the clarification question process is in place?	Choose an item.	Click or tap here to enter text.
5. Do you agree with our preferred position on the Pre-Qualification assessment and process? Please explain your answer.	Choose an item.	Click or tap here to enter text.
6. Do you agree with our preferred position on Invitation to Tender stage 1 assessment and process? Please explain your answer.	Choose an item.	Click or tap here to enter text.
7. Do you agree with our preferred position on Invitation to Tender stage 2 assessment and process? Please explain your answer.	Choose an item.	Click or tap here to enter text.

8. Do you agree with our updated views in respect of late project delivery? Why?	Choose an item.	Click or tap here to enter text.
9. Do you agree with our updated views on the preliminary works / solution delivery incentive regime being proposed for early competition? Why?	Choose an item.	Click or tap here to enter text.
10. Do you agree with our updated views on the operational incentive regime being proposed for early competition? Why?	Choose an item.	Click or tap here to enter text.
11. Do you agree with our revised views and amended preference in respect of decommissioning securities? Why?	Choose an item.	Click or tap here to enter text.

Chapter 6: Implementation

Question	Yes/No (if applicable)	Response
1. Do you think Table 1 is a comprehensive list of high-level implementation plan activities? If not, what has been omitted?	Choose an item.	Click or tap here to enter text.
2. Do you agree with our proposed timing and sequencing for implementation plan activities? If not, what would you change?	Choose an item.	Click or tap here to enter text.
3. Do you agree with the 'potentially advanceable' implementation plan	Choose an item.	Click or tap here to enter text.

activities? If not, what would you change?		
4. Do you agree with our views on early competition prior to early competition legislation? Why?	Choose an item.	Click or tap here to enter text.

Chapter 7: Early competition and Distribution

Question	Yes/No (if applicable)	Response
1. Is there any issue with the high-level early competition process being developed that means it could not be used for distribution sector needs? If yes, please specify the issue(s) and why they make the process unusable.	No	<p>We broadly recognise the roles as identified. We note the timescales for undertaking the process and would question whether the same approach would be applicable for the high volume, lower value and shorter timescales commonly found at distribution.</p> <p>Similarly, the criteria for ensuring ownership boundaries are clear via the 'new and seperable' and the likely outcomes of CBAs for small value projects would limit the application at distribution level.</p> <p>DNOs are committed to delivering a 'flexibility first' approach and this approach to competition is already yielding savings for consumers. Further commitment from DNOs via Open Networks on using the CBA tool developed as part of WS1A will improve transparency in investment decisions.</p> <p>The existing mechanisms of the TIM and noting that DNO investment is primarily assessed against TOTEX costs and efficiency with very few pass-through costs mean DNOs are already incentivised to look at all options when determining investment pathways.</p>
2. Which party is best placed to perform each of the key roles at distribution level? Where a third party is chosen please specify who you think this could be and why?	Choose an item.	We would agree with the existing stakeholder feedback that strongly supports Procurement body, network planner and contract/payment counterparty to all remain with the DNO and the Approver & Licence Counterparty to continue to be Ofgem.

<p>3. Should any of the additional roles be created as specific roles? If yes, please set out who you think is best placed to perform the role and why?</p>	<p>Choose an item.</p>	<p>There are some additional roles suggested – best practice co-ordinator, auditor, whole system review etc. We do not believe these roles are currently required and DNOs are collaborating with other actors and striving to demonstrate sufficient independence and transparency to make these redundant. Regulatory mechanisms such as the CAM will also reduce the need for these additional roles.</p>
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