

Targeted Charging Review

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Accelerating Connections

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What is the issue?

When a customer applies for a connection to the National Electricity Transmission System (NETS) Transmission Entry Capacity (TEC) is allocated on first come first serve basis.

New applications are considered against the background of what is already contracted when planning of the NETS is undertaken.

Projects which are not actively progressing (or continually seeking to push back their original connection date) remain in the contracted background when available capacity is assessed. The result is that projects contracted later (which are able to progress faster) are behind projects which are not progressing - both in terms of connection date and works required.

Mechanisms to allow progressing projects to come forward are limited currently.

What has been done?

1. Connect and Manage

Generation projects able to connect to the transmission system in advance of completion of wider transmission reinforcement works

2. Interim Restrictions on Availability

Allowing projects to connect ahead of completion of some enabling works at developer's cost and risk

Both have helped to accelerate connections however there is more that can be done to manage non-progressing projects to release network capacity

We have engaged with industry to develop the proposals that we are presenting today

Industry Workshops

Series of 3 workshops held to develop proposals

Attended by generators, consultants, transmission owners, distribution network operators. Including (but not limited to):



Additional Industry Engagement

In addition, we explored this topic at our Electricity Customer Seminars in London and Glasgow (January 2017)



Throughout we have aligned work and proposals with some work already done within the industry by:

- SP Energy Networks
- Energy Networks Association work with DNOs

Proposals

Proposals seek to introduce a set of consistent Milestones and Rules to facilitate the release of TEC to projects in a position to progress where they are behind a project that has 'stalled'

In order for a project to be classified as 'progressing' it will need to meet criteria and submit a modification application to bring dates forward

Failure to meet a milestone will result in a project being 'stalled' however projects have opportunity to change dates before becoming 'stalled' twice on the same milestone via a modification application

Proposals (continued)

'Stalled' projects will be issued a revised contract (via notice) in order to release the TEC to a 'progressing' project

When notice is issued there will be a fee charged for the contractual changes (similar to mod app fee)

If a project stalls on the same milestone three times it would be terminated

Anticipated benefits

Release of network capacity to projects which are able to progress – accelerating connections

Improved programme alignment to meet progressing project aspirations

Greater real time intelligence on the status of projects which will help to avoid inefficient expenditure and improve TNUoS forecasting

Building upon work done by DNOs to provide consistent approach to both transmission & distribution projects

Anticipated Impact

Principles and definitions to be added to CUSC

Update to contracts required to facilitate (within defined implementation period)

STC change required to formalise process between transmission owners and system operator

Supporting guidance notes and engagement to provide customers with information they need

What are we doing now?

Drafting CUSC Defect

Drafting legal text

Confirming no other code impact e.g. Grid Code

Understanding contract amendments that would be required

Developing implementation plan

Incorporating feedback

What are we planning to do next?

Oct-17 TCMF – Present detailed proposals

Oct-17 CUSC Panel – Raise Mod

Industry appetite for code sprint?

Nov-17 Workgroup – full week, outputs to workgroup consultation

Dec-17 Workgroup – full week, responses discussed and report

Jan-18 Code Administrator Consultation

Feb-18 Panel for vote

Mar-18 Authority for decision

Any questions or comments?



Additional Information

For more information on industry workshops & outputs please contact:

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