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*Serving the Midlands, South West and Wales*

CiC Group meeting 24<sup>th</sup> July 2018

Simon Pett

Network Services Manager

East Midlands

# Agenda

- Welcome & housekeeping
- Introductions
- High level updates since March CiC event at Gloucester
- Engineering Policy – Paul Jewell
- 11:30 - Coffee
- Connections Policy – Vanessa Buxton
- 12:45 – Review – Simon Pett/All
- 13:00 – Lunch

# High level update of existing and new actions related to CiC activity since March

# High level CiC ICE updates

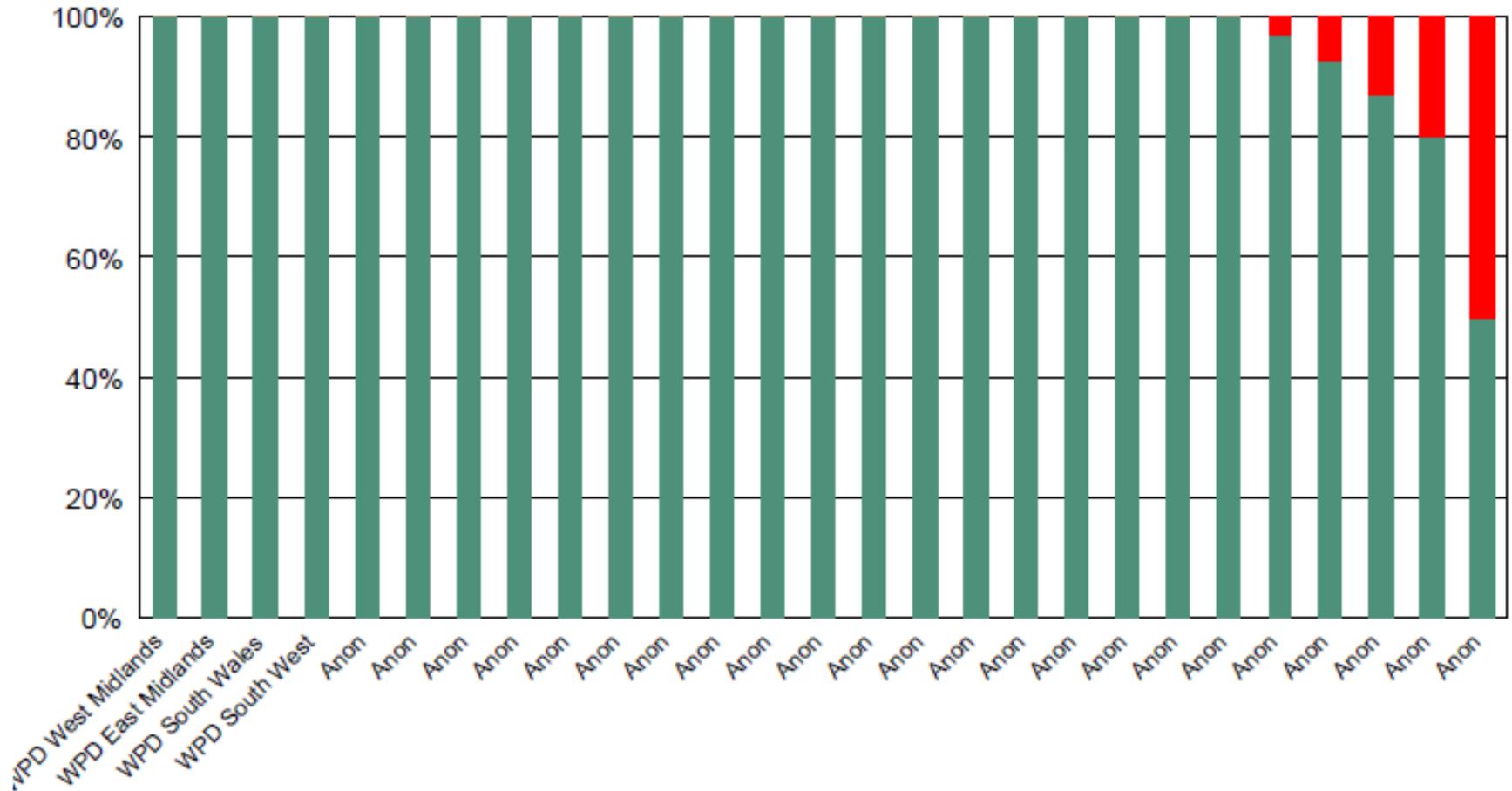
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- April – 2018/2019 ICE Plan published
- May – 2017/2018 ICE Looking forward/looking back report published

- 6.2 – (Q2 2018) Published anonymised inspection results data
- <https://www.westernpower.co.uk/Connections/Useful-Information/Competition-in-Connections/ICP-Inspection-Reports.aspx>

# High level CiC ICE updates

## Inspection results for June 2018



# High level CiC ICE updates

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- 6.4 (Q2 2018) The new 'Information for ICPs webpage' is now live

It can be found here:

<https://www.westernpower.co.uk/Information-for-ICPs.aspx>

- 6.5 – (Q2 2018) Trial ICP HV self connection to HV overhead lines
- Update - Relevant ST updated, specifically ST:NC2L. WPD ready to work with an ICP aiming to utilise option 4 on HV overhead connections.

# High level CiC ICE updates

- Quarterly Design Approval reports are now published <https://www.westernpower.co.uk/Connections/Useful-Information/Competition-in-Connections/Design-Approval-Quarterly-Report.aspx>

Market Segment	Design Approved				Design Rejected			
	Min	Max	Avg	Total	Min	Max	Avg	Total
EHV Demand				0				0
EHV Generation	18	18	18.00	1	6	17	13.00	3
HV Demand	0	10	2.41	81	0	10	5.33	9
HV Generation				0				0
LV Demand	0	10	2.47	62	2	3	2.50	2
LV Generation				0				0

# High level CiC ICE updates

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- 6.6 (Q1 2019) – Extend scope of contestability in disconnections

# Introduction

The existing metered disconnection process was first made available to ICPs in 2016

The ability to undertake metered disconnections is currently restricted to where the works:

- are undertaken as part of a redevelopment scheme;
- are to be undertaken within the curtilage of the existing site

Under the existing process the ICP:

- is permitted to arrange for the removal of the meter;
- must ensure that formal written confirmation of disconnection is provided to the site responsible person.

# Proposal

We are investigating the potential to extend the process to include:

<b>Low voltage metered disconnection table</b>	
<b>Description</b>	<b>Point of disconnection</b>
Single Low voltage service	Public highway
Multiple Low voltage services	Public highway
Low voltage mains cable	Public highway
Low voltage pole termination	Public highway or development land

**Applies to single or three phase service or mains cable**

# Excluded

The following disconnections will remain excluded at this time:

- Low voltage service or mains cable on a high voltage pole;
- Low voltage service on a telecommunications pole;
- Low voltage service or mains cable in third party land;
- Low voltage mains cable feeder pillar disconnection;
- Low Voltage split phase networks.

# Proposed Process

We intend to extend the existing process already used for metered disconnections

The ICP shall:

- arrange for the meter to be removed;
- agree the extent of disconnection works with the Site Responsible Person
- give two weeks notice to the Records Team;
- receive consent from WPD Network Services Team;
- carry out the disconnection(s);
- notify WPD of completed disconnection with detailed cable record;
- provide a formal written conformation of disconnection to the Site Responsible Person.

## Next steps

- We would like to work with an ICP to develop the proposals

# Engineering Policy

Paul Jewell

- We now specify one provider of constraint panel hardware. It is the control box provided by ZiV
- The box will handle all constraints, and is referred to as a “Connection Constraint Panel” to cover all generation and demand uses
- At WPD’s discretion we will load either ZiV or SGS software solutions onto the box

- The boxes will need programming at WPD's plant centres.
- Where they are fitted to an 11kV Ring Main Unit the Schneider RN2c/d should be used
- We have updated ST:TP18A with the changes and standardisation

- In the past ICPs have requested a live access listing of all WPD materials so that they can ensure they procure the right things
- We have created a spreadsheet of materials grouped by voltage and type
- We plan to make the spreadsheet available on our website but want to give you an early version for comment

- The spreadsheet includes
  - Supplier name
  - Supplier product description and part no
  - Contract start/stop dates
  - WPD equivalent stock no
  - Voltage
  - WPD EE Specification relating to product

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# Stakeholder feedback

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- Feedback
- Coffee



# Connection Policy Update

Vanessa Buxton

Connection Policy Co-ordinator

24<sup>th</sup> July 2018

## Process and Timescales for Online Payments

Discussions are still ongoing internally to determine what functionality can be improved in online processes. This work is being conducted under ICE action 6.1, to implement planned developments to WPD's online services for ICPs and IDNOs by Q4 2018. This will include improvements to payment processes where possible.

## Permissible changes to the connection offer

Permissible changes are outlined in our Allowable Changes to a Connection Offer document which is available on the website at

[www.westernpower.co.uk/Connections/New-Connections/Budget-Estimates-and-Feasibility-Studies](http://www.westernpower.co.uk/Connections/New-Connections/Budget-Estimates-and-Feasibility-Studies)

Where a new connection offer is required but less network design or study is required, a sliding scale of charges may be applied.

## **What's included in refunds under the Electricity (Connection Charges) Regulations**

Refund values will include all elements required to facilitate the installation of the assets which are to be shared by the second comer, i.e. material/labour costs, civils works, traffic management, wayleave/legals.

Assessment & Design fees are not included as each connection offer incurs its own A&D fees.

Whilst industry guidance has not yet been released, a working group has developed a draft guidance document, with input from Ofgem, DNO's and IDNO's. In preparation for the guidance being released, we have aligned the items set out for consideration in calculating the cost with the draft version.

# Capacity allocation & reservation consultation

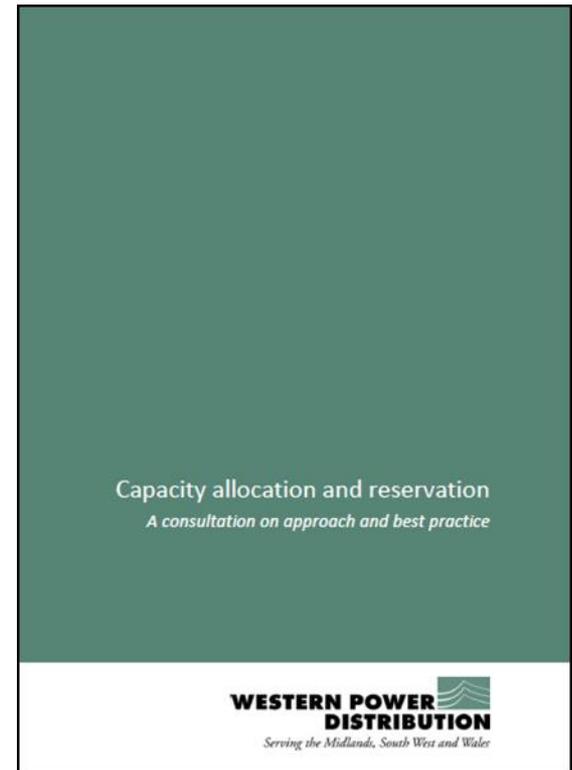
## DCP294 - Capacity Management following acceptance of Connection Offer

- Set out the principles under which a DNO may request an IDNO relinquishes unutilised capacity specified in connection offers or in bilateral connection agreements
- Requires the parties negotiate in good faith
- Extends the 'Development Phase' defined in the CCCM from 3 years to 5 years from energisation
- We have updated our Charging Statements, connection offers and bilateral connection agreements to reflect the 5 year development phase
- We are currently considering this change in our capacity reservation proposals.

# Capacity allocation & reservation consultation

## The consultation

- At the end of 2017 WPD issued a consultation on the issues we are encountering along with some proposals on our minded to approach in how we allocate network capacity and allow customers to reserve it at three key stages of the connection process;
  - Application
  - Acceptance of offer
  - Energisation and subsequent build out
- The consultation ran from 29th Dec 2017 to 19th February 2018



# Capacity allocation & reservation consultation

## The Principles

- **Principle 1** - Capacity should be allocated according to customers' defined and verified requirements assessed against a set of qualifying criteria
- **Principle 2** - Capacity should be allocated on a strict date order of firm requirements and in line with WPD interactivity procedures
- **Principle 3** - Capacity should be allocated according to the immediate requirements of end users and not on a speculative basis or for future undefined developments
- **Principle 4** - Capacity should be allocated with defined milestones for the obtaining of planning permissions, commencement of construction and completion of connection works

# Capacity allocation & reservation consultation

## Initial findings

- We have received over 20 responses from stakeholders representing:
  - ✓ Local Authorities
  - ✓ Local Enterprise Partnerships
  - ✓ ICPs / IDNOs
  - ✓ Developers (demand and DG)
  - ✓ Consultants
  
- The responses cover a range of views with support for the approach we have tabled as well as some with concerns of its impact on them
  
- LA / LEPs are broadly supportive and keen for us to be able to work closely with their development plans
  
- Some stakeholders have concerns around the impact on large long-term developments.

# Capacity allocation & reservation consultation

## Initial findings – Principle 1

### **Question 1: Do you consider the criteria for the customer to validate the requirement for their requested capacity is appropriate?**

The majority of respondents agreed that the criteria was appropriate, although there were concerns around the ability to provide detailed connection requirements for large scale developments, particularly where end use would be unknown at the point of application.

### **Question 2: Are there any other criteria or is there any other evidence WPD should consider when assessing the validity of a customer's requested capacity?**

Proposals for other evidence or criteria included consideration the strategic priority of the development, e.g. where it is an allocated site in the local plan or has obtained local support. There was a suggestion of considering the history of the development, such as previously rejected planning applications, and whether the customer had the ability to pay.

# Capacity allocation & reservation consultation

## Initial findings – Principle 2

**Question 3: Do you consider that a customer should only secure a place in any interactive connections queue where they have defined and verified requirements and an immediate need for the connection?**

The majority of respondents agreed with this principle. There was a request for clarity over what is meant by ‘immediate’ – for one customer might be one week, others might be a year, and clarity over what is meant by ‘speculative’ as there are varying interpretations seen across all DNO’s.

There was a suggestion of WPD providing interim statements of capacity availability every 12-18 months to inform customers of any change in the capacity available to serve the rest of the development. There were also questions around what level of flexibility would be available to accommodate unforeseen issues.

# Capacity allocation & reservation consultation

## Initial findings – Principle 3

**Question 4: Do you agree that existing network capacity should not be allocated and reserved beyond the timescales of the construction programme for the connection works on infrastructure only or speculative developments?**

The majority of respondents agreed, provided the process is fair and includes some flexibility. There was comment that the timescales are too short, e.g. 3 years for infrastructure utilising existing capacity.

**Question 5: Over what timescales do you think it is reasonable to secure capacity ahead of its actual usage?**

Responses to this varied greatly, from 1 year up to 15 years. Some respondents set no timescale but felt this should be a sliding scale for the size of the development.

# Capacity allocation & reservation consultation

## Initial findings – Principle 3

**Question 6: Do you agree that it is a reasonable cost signal to require speculative developments to pay 100% of the reinforcement costs and an uplift for operations, repairs & maintenance?**

The majority were in agreement with this, seeing it as an incentive to discourage capacity banking. Those that disagreed felt that this requirement may damage the viability of encouraging growth and investment as the costs become prohibitive.

**Question 7: Do you think this represents a workable solution to reserving capacity and if not, are there any alternative approaches that you believe WPD should consider to supplement or replace the approach we are proposing here?**

The responses were fairly even in terms of agreement and disagreement. Alternative solutions offered included a process for large business units to release some capacity for use by smaller developers and to re-allocate queue positions based on a review of requirements.

# Capacity allocation & reservation consultation

## Initial findings – Principle 4

**Question 8: Do you agree that it is a reasonable cost signal to require demand customers to comply with a set of project progression milestones in order to retain their connection offer and its associated capacity?**

All respondents either agreed or had some level of agreement, provided the milestones were flexible.

**Question 9: Do you agree with the milestones set out above [in the consultation] or should we consider any alternative milestones?**

The majority of respondents agreed or agreed in part, particularly for smaller developments but requested flexibility for larger developments, potentially aligning with timescales set out in the planning process. One respondent was concerned that the requirement to complete within a milestone target may be a barrier to investment if there is a risk of capacity being withdrawn due to delays during construction stage.

# Capacity allocation & reservation consultation

## Next steps

- We will issue our initial findings document by the beginning August
- We will likely consult again on issues where the original consultation responses have identified additional areas requiring further consideration
- Intent is to consider those responses and ultimately issue final report
- Implement through issue of revised policies or procedures
- We will be mindful of parallel work being undertaken by the Open Networks Project but not let it delay our own work

# Inspection & Monitoring Regime

## For Information

- Following feedback from an ICP, a review of the way in which ICP inspections are estimated and the associated costs included within the connection offer is under review.
- If there are any suggested areas for improvement or you feel another DNO delivers best practice in the application of inspection fees, please email [www.connectionpolmids@westernpower.co.uk](mailto:www.connectionpolmids@westernpower.co.uk) with “Inspection Regime” in the subject title.

# Capacity allocation & reservation consultation

**Questions?**

- 
- Your feedback on today's topics
  - Question - have the responses provided satisfactory updates?
  - Question – any other areas you would like further detail on for a future session?