

Extension of Acceptance Validity

Background

When a customer accepts a Connection Offer it is important that the scheme is progressed through to completion in a timely manner and without undue delay. This is to the benefit of both WPD, the customer and WPD's other customers.

Sometimes however, delays do occur whether through act or omission or because of unforeseen circumstances outside of the direct control of either party. So it is important that, where delays do happen, we are able to mitigate or control the impact that delay will have on WPD resources and on other customers of WPD who are looking to secure a connection.

The consequences of a delay are just as pertinent to load based connections but are particularly relevant to generation connections at this time of high activity and scarcity of capacity on the distribution system. The effect of a delay imposed by a customer (sometimes with little chance of progression) may be to effectively block other customers who are ready to connect or are facing additional reinforcement costs.

Milestones

In order to mitigate this 'bottleneck' we include within the Connection Offer a series of milestones that the customer must meet or risk losing their Offer. The milestones set prescribed periods that take effect from the acceptance date of the Connection Offer and indicate certain key stages in the scheme's development that the customer must meet. The milestones provide a mechanism under which we can monitor the progress of a scheme and, if any milestone is missed (or likely to be missed) we can liaise with the customer and discuss progress with them. If the customer cannot evidence a clear progression we may vary or terminate the Connection Offer.

Electricity Networks Association Best Practice Guide on Progression Milestones

The Electricity Networks Association (ENA) published its Best Practice Guide on Progression Milestones¹ (the Guide) in November 2016. The purpose of the Guide is to outline a best practice approach on queue management connection milestones and was published following a consultation process between Distribution Network Operators (DNOs) and interested stakeholders.

The Guide was developed with reference to applications for connection that require an export capacity. DNOs may also choose to apply relevant milestones to schemes that require an import capacity.

1 – <http://www.energynetworks.org/news/publications/reports.html>

We have implemented changes to our Connection Offers that integrate many of the best practice milestones set out within the Guide and build upon those that we already include. This will help us to recover committed capacity from those schemes that are not progressing in a timely manner and release it to other customers of WPD who are looking to secure a connection.

Prescribed Milestones

Tables 1 and 2 below provide an outline of the milestones the customer will be required to meet.

Table 1 – Milestones for Demand schemes (excluding LVSSA/LVSSB*)	
i)	The Customer must provide a detailed programme of works and commence the Connection Works within [six (6)] months of the date of the Acceptance Form (save for in the event that the milestone is missed as a direct result of an act or omission of WPD).
ii)	The Customer must complete the construction of the Customer's Installation and complete the Connection Works within [twelve (12)] months of the date of the Acceptance Form (save for in the event that this milestone is missed as a direct result of an act or omission of WPD).

*LVSSA/LVSSB schemes relate to single phase domestic and small projects (up to four dwellings or one whole current metered commercial connection). These schemes have relatively quick turnaround times and so completion of the Connection Works is required within 90 days of acceptance of the Connection Offer.

In the case of a phased development, or connections requiring major electrical infrastructure, e.g. a housing estate, or large commercial development we may agree longer timescales for completion of the Connection Works.

Table 2 – Milestones for Generation schemes	
i)	<p>The Customer must provide evidence to WPD's reasonable satisfaction to demonstrate that either;</p> <ul style="list-style-type: none"> i) a valid planning application for the Customer's Installation and the Connection Works shall have been submitted to the local planning authority within [two (2)] months of the date of the Acceptance Form; or ii) where an Environmental Impact Assessment (EIA) is required, <ul style="list-style-type: none"> (a) the EIA assessment work has been initiated within [two (2)] months of the date of the Acceptance Form; and (b) where an EIA is required, a valid planning application for the Customer's Installation and the Connection Works has been submitted to the local planning authority within 14 months of the date of the Acceptance Form.

Table 2 continued – Milestones for Generation schemes	
ii)	<p>The Customer must provide evidence to WPD’s reasonable satisfaction to demonstrate that it:</p> <ul style="list-style-type: none"> i) has a freehold or leasehold interest in the land on which the Customer’s Installation is or will be situated; or ii) has entered into an agreement to lease the land on which the Customer’s Installation is or will be situated; or iii) has in place an option to purchase or to lease the land on which the Customer’s Installation is or will be situated <p>Such evidence must be provided within [two (2)] months of the date of the Acceptance Form.</p>
iii)	The Customer must provide evidence to WPD’s reasonable satisfaction to demonstrate that planning consent for the Customer’s Installation and the Connection Works shall have been granted within [twelve (12)/twenty four (24)] months of the date of the Acceptance Form;
iv)	The Customer must provide a detailed programme of works and commence the Connection Works within [six (6)] months of the date of the Acceptance Form (save for in the event that the milestone is missed as a direct result of an act or omission of WPD).
v)	The Customer must complete the construction of the Customer’s Installation and complete the Connection Works within [twelve (12)] months of the date of the Acceptance Form (save for in the event that this milestone is missed as a direct result of an act or omission of WPD).

Milestone Timescales

The milestones do not change according to the voltage of connection or technology type but do account for the potential for the customer to have to undertake an Environmental Impact Assessment (EIA) as part of the planning application process. The timescales for each milestone are illustrated in Table 3 below. Timescales are based upon calendar months.

Table 3 – Milestone Timescales							
Initiate Planning			Secure Planning		Land Rights	Commence Works	Works completion
No EIA	With EIA		No EIA	With EIA			
Submit a valid planning application	Evidence work on EIA has been initiated	Submit a valid planning application					
2 months from the date WPD dates the Acceptance Form	2 months from the date WPD dates the Acceptance Form	14 months from the date WPD dates the Acceptance Form	12 months from the date WPD dates the Acceptance Form	24 months from the date WPD dates the Acceptance Form	2 months from the date WPD dates the Acceptance Form	6 months from obtaining planning	12 months from commencing the works

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We acknowledge that delays can occur, some of which arise because of unforeseen circumstances outside of the direct control of either party. Where through act or omission, or through force majeure, WPD cause the delay we will normally agree to extend the milestones for commencing and completing the connection works.

Examples of valid exemptions include delays in the provision of:

- Local authority planning consent
- Legal permissions and consents
- Upstream reinforcement
- Materials and equipment for the connection works

It should be emphasised that in each case an extension will only be applied where the delay is caused by circumstances outside of the customer's control and that no extension will be allowed without the provision by the customer of substantive evidence to support their request. If it is not properly substantiated and WPD remains of the opinion that the customer has not expedited matters in good time we may decline to extend the milestones.

Regardless of this, WPD may, where we believe it is in the wider DG customers' interest, still reject an application to extend milestones, even when the matter is outside of the customer's control. For example, where the customer has applied for Local Authority planning consent in good time but the application has failed and gone to appeal, the customer will normally be allowed to lodge an appeal within 6 months of the refusal and the milestones reset for dealing with such appeal. If however, the appeal fails we may decline the request to extend milestones, even for example, where the applicant has stated they intend to go to judicial review.

Where we agree to an extension, revised milestones and (if appropriate) costs must be confirmed under a formal variation document. Similarly, WPD will notify the customer in writing where no extension is agreed. Said notification may also confirm (if appropriate) termination of the Connection Offer Agreement.