

Western Power Distribution Connections Customer Steering Group

14th October 2014

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1. Introduction

The Connections Customer Steering Group met for the fourth time on 14th October at WPD's Castle Donington office. Members of the Steering Group represented a number of different types of organisation; they can be broken down under 6 headings: Independent Distribution Network Operator / Independent Connection Provider (IDNO/ICP), Distributed Generator, Distributed Generation (DG) Consultant, Utility Provider and Connection Consultant (CC) and Major Users.

There were seven presentations given during the day. The first presentation, WPD Connections Update, was given by Robert Symons, WPD's Chief Executive.

The remaining presentations were given by other members of the WPD senior management team, with attendees asking questions and making comments throughout.

The questions raised and key themes are addressed in each of the individual sections below. An Executive Summary provides an overview of the concerns, comments and suggestions raised across each section to allow for easy reference and update of WPD's ICE plan to be re-submitted to Ofgem by the end of the month.

This report is based on the notes taken by our own analysts at the workshops and we have endeavoured to faithfully record all of the comments made. Where possible, we have used verbatim comments.

1. Executive Summary

DG Forum Feedback	
WPD achievements	<ul style="list-style-type: none"> Positive about WPD incorporating feedback from DG Forum and offering innovative connections
Reinforcement costs	<ul style="list-style-type: none"> Concerns raised about Ofgem charging methodology and DNO ability to appropriately allocate and apportion costs without creating an insurmountable barrier to new users Points made about political concerns about energy bills and cost increases prior to 2015 General Election, potentially to be countered by industry lobbying focus on energy security
Competition in Connections	
Link Box	<ul style="list-style-type: none"> Criticism made about WPD's link box policy as expressing mistrust and being "contrary to everything else you do"
Dual offer letters	<ul style="list-style-type: none"> Question raised about effectiveness of dual offer letters in improving competition given WPD's competitive pricing Suggestion made to issue dual offer letter for review by CCSG to ensure clarity of cost breakdowns etc
Grid offers	<ul style="list-style-type: none"> Suggestion made about adding version numbers or dates to grid offers
Legal & Consents	<ul style="list-style-type: none"> Case made for status quo: comments about maintaining current consistent and sensible approach to wayleaves, and not go down Scottish route of fragmented legal landscape Case made for maintaining degree of flexibility for letters of authority and not move to a prescribed template
Other	<ul style="list-style-type: none"> Call for industry to work together in concerted effort to make Lloyd's Register NERS work
ICE CCSG Work Plan Update: Introduction	
Account Managers	<ul style="list-style-type: none"> Concerns raised about introducing an additional (and unhelpful) layer of communication, mixed with comments that customer demand should ultimately drive WPD's approach, and that account managers might be useful for inexperienced customers.
Specialist connections surgeries	<ul style="list-style-type: none"> Similar comments as regards Account Managers.
Measuring actions	<ul style="list-style-type: none"> Group agreed with Ofgem's request to see specific measurable actions in the ICE plan to quantify performance against WPD's initiatives. Comments raised about importance of performance indicators and WPD accountability regarding delivery to build trust whilst keeping documentation concise enough so as not to hinder engagement.
ICE CCSG Work Plan Update: Information and Application; Quotations & Agreements	
Online accessibility and functionality	<ul style="list-style-type: none"> Call for review of online application system as it "does not work" Call for more streamlined website alerts to ensure relevant information does not get lost
P2/6	<ul style="list-style-type: none"> Concerns raised about P2/6 workability for generation – WPD indicated it was interested in the P2/6 revision
Payments	<ul style="list-style-type: none"> Call for clarity regarding payment schedule in relation to validity for target date, and implications associated regarding timely process
Other	<ul style="list-style-type: none"> Calls for WPD to consider arrangements for split sites WPD indication for new rules regarding developers' requests for substation capacity / hubs / private networks Calls for WPD to 'think outside the box' regarding interim connections to make use of capacity arising as a result of the differential between contracted and connected capacity Calls for WPD (and other DNOs) to commit to an LCNF project focussing on intertripping Calls for WPD to look into EU rules regarding SCADA Suggestion for WPD to put in place a community energy Account Manager Suggestion for WPD to have standards terms and conditions for alternative connections Suggestion for WPD to review uptake and popularity of alternative connections Calls for WPD to be more explicit about its achievements and progress updates to improve visibility of actions Acknowledgement of WPD's need to include KPIs in action plan
ICE CCSG Work Plan Update: Construction and Connection	
Self-inspection	<ul style="list-style-type: none"> Concerns raised about stringency of self-policing regime in absence of "grave consequences" WPD commitment to collating better records and providing feedback on inspecting performance

2. WPD Connections Update

2.1 DG Forum feedback summary and WPD actions

Robert Symons, WPD's Chief Executive, gave the day's first presentation on WPD Connections Update, reporting back from the last DG Forum, reiterating the ten connections commitments from WPD's fast-tracked business plan and providing an overview of WPD's connections performance across all voltage levels.

He emphasised that WPD had completed significant actions, and focused in particular on:

- **Innovative connections** – WPD is the only DNO offering innovative connections. A result of Low Carbon Network Fund (LCNF) projects, active network management will increasingly become the norm.
 - **Consistency** – WPD continues to improve consistency across geographical areas and voltage levels whilst maintaining its team-based (rather than centralised structure).
 - **Communications** – WPD recognises that “it is all about communications”, this includes: alerting customers to changes made; issuing a simple guide for community energy groups; and continuing improvements on promptness and speediness of contact.
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- A Distributed Generator remarked that he was really pleased that feedback from the DG Forum had been accurately captured.
 - A WPD representative emphasised that it aimed to “improve service, not collect medals” and would concentrate on what its customers need and want.
 - A Distributed Generator said that he really liked WPD's work on innovative connection solutions and queried why this had not been captured in WPD's ICE (Incentive on Connections Engagement) action plan.
 - A WPD representative said that it would re-submit the action plan to Ofgem and include innovative connections.
 - A Distributed Generator commented that solutions like SOFT-INTERTRIP would “get you only so far”, and asked if there had been any high level thinking on how to deliver the big reinforcements. He mentioned that ScottishPower Transmission had been enabled to do investigative work ahead of need.
 - A WPD representative referred to Ofgem's trigger point and the issue of rebalancing reinforcement costs across customers. A WPD representative acknowledged that this was still a “major issue” but that lots of discussions were happening with Ofgem and DECC. A WPD representative said that WPD was undertaking internal exploratory work where LV/HV growth was getting close to Ofgem's trigger point.
 - A Connections Consultant encouraged all DNOs to put out a statement clarifying that charging methodology was solely Ofgem's remit. He bemoaned that Ofgem was passing on reinforcement costs to developers. He said that there was a basis for re-appropriating reinforcement costs. He criticised Ofgem for “moving the goal posts” and highlighted that where developers made applications without there being capacity, they are wasting everyone's time, as reinforcements were “too lengthy or expensive”. He said that “it would be nice to have a national strategy” and felt there was some reticence from DNOs to say that the charging methodology shouldn't all be put on developers. A Connections Consultant (sarcastically) remarked that there would soon be trophies for who has got the most expensive scheme, and warned that things would become even worse for LV community schemes.
 - A WPD representative said that politicians generally offered positive rhetoric about DG but remained concerned about costs and customer bills. A WPD representative added that anything raising bills would be politically bad news and commented that calls for change might fall on more fruitful ground after the General Election.
 - A Major User added that he was aware of energy costs and many non-energy costs for commercial customers increasingly significantly and remarked that Ofgem “may have an eye on this”.

- AN IDNO/ICP representative said that “the customer is paying anyways”.
- A WPD representative added that one of the arguments for it is that it excludes the uneconomic schemes.
- A Distributed Generator said that the key message should focus on the cost of energy security and what the cost would be of not having DG, with the possibility of the lights going off.
- An IDNO/ICP representative asked about who now holds the overall responsibility, since the CEGB, which led to some discussion and a WPD representative commenting that Ofgem produces all the figures.
- A WPD representative said that energy security arguments and potential power cuts would be most effective, referring to Ofgem’s previous revision of asset management policy after storms.

2.2 Ofgem Competition in Connections Review: update and WPD response

A WPD representative provided an update on the latest outcomes of Ofgem’s Competition in Connections Review, stating that competition was measured largely in terms of volume of activity across market segments.

Ofgem had received 80 responses and promised “strong action” to be taken.

While Ofgem had offered positive feedback to Electricity North West and WPD, more needed to be done.

WPD is close to completing a contracted capacity register, likely by primary substation, listing who has already accepted an offer.

- A Connections Consultant asked about WPD’s reasons for wanting a link box.
- A WPD representative said that the distribution code required it, and that operationally, it wanted to be able to segment the network.
- An IDNO/ICP representative asked if WPD had ever used a link box, and wanted to know who would pay for the link box and if WPD had discussed this with Ofgem as they may have a different view. He commented that UK Power Networks take the same view as WPD, but that SSE had changed its position after a conversation with Ofgem. He referred to the point of isolation, referencing fuses in substation or on boundaries.
- An IDNO/ICP representative remarked that wanting a link box was “at odds with everything else you do”, and commented that it implied WPD did not trust its customers.
- A Connections Consultant queried if dual offers would help competition, referencing WPD’s competitive prices. He commented that he himself did not use ICPs (Independent Connection Providers), “because the pricing doesn’t work”.
- A WPD representative said that the purpose of a dual offer was to enable competition as it raised the profile of this being a competitive process and allowed customers to go directly to ICPs to ask for a better offer.
- An IDNO/ICP representative suggested WPD circulate the dual offer letter to receive customers’ views, particularly with regard to their understanding of how costs work. He remarked that the presentation of costs was important as there was often a lack of clarity as letters would merely state that working with ICPs “might add extra costs”.
- A Connections Consultant asked for version numbers of dates to be put on grid offers.
- A Connections Consultant said the currently consistent conditions regarding wayleaves should be maintained.
- A Connections Consultant explained that Scotland had a different system where there were variations as to whether a wayleave or a deed of servitude was required.
- An IDNO/ICP representative commented that after the last meeting WPD had issued good wayleave information and asked WPD not to change its wayleave policy as “it is good and makes sense”.
- A Connections Consultant asked WPD not to issue a standard format for a letter of authority. He said that UKPN representative had tried to prescribe a template which was too technical and did not work when engaging with e.g. farmers. He said he preferred it to be as short as possible.

- An IDNO/ICP representative commented that “we need to make Lloyds and NERS (National Electricity Registration Scheme) work as an industry”, and called on a concerted effort from all DNOs.

3. ICE & CCSG Work Plan Update

3.1 Introduction

A WPD representative said that it intended to bring together actions in an overall plan, incorporating feedback from the DG Forum, ICE submission and Competition in Connections Review.

The CCSG structure would be continued, but WPD would be interested in other ideas for engaging with connection customers.

A WPD representative provided an overview of the actions other DNOs were undertaking that WPD currently wasn't, including hot desks for ICPs, account managers, specialist connections workshops or surgeries.

A WPD representative also updated the CCSG that Ofgem's feedback on the initial ICE submission had been that more needed to be done to make actions more specific and measurable, and that WPD had sold itself short with regard to innovative connections.

- An IDNO/ICP representative said that it was important to “be mindful of what an account manager is”, complimenting WPD on “being so approachable anyways” while remarking that for other DNOs their experience was not always good and account managers merely added another layer of communication that kept customers from talking to the project managers.
- An IDNO/ICP representative said that account managers might work for customers who don't know what they're doing.
- A Major User added that as an end user “Account Managers work very well” for them.
- A Major User said account managers should be people with the right knowledge, contacts and influence to pass customers on to the right people within the business.
- A Connections Consultant said that he found account managers to be a block “in E.on days”.
- A utility provider said it should ultimately be about what customers wanted.
- A WPD representative said that the comments reflected WPD's thoughts in that it did not want to introduce an additional layer but would look at whether to offer account managers where people want it.
- An IDNO/ICP representative said that specialist connections surgeries were a bit like account managers in that most ICPs would not want them.
- An IDNO/ICP representative said that UKPN do a CiC surgery which was not as accessible; he praised the CCSG for being a forum “to get down to the nitty-gritty”.
- A Distributed Generator asked if the specialist surgeries were market driven or service driven, to which a WPD representative responded that they could be either.
- An IDNO/ICP representative remarked that Northern Powergrid do connection surgeries well.
- A WPD representative said that specialist connections surgeries would not be compulsory but an additional opportunity for customer engagement, driven by customer demand. He acknowledged that WPD's initial connections surgery format was built on Northern Powergrid's model.
- A Distributed Generator highlighted that SSE's ICE plan included measurable performance indicators.
- A Major User said that he understood that Ofgem wanted more details on actions and measurement but asked WPD not to produce “lengthy essays” as it would “hinder engagement”. He said that honesty, openness and accountability for what had been done would be important in building trust between customers and networks, adding that these are “opportunities to start building up something more transparent and open”.
- A WPD representative said that feedback it had received was that there would be one submission going forward, covering both looking back and looking forward aspects. While Ofgem had not been prescriptive about length, WPD would limit length in order to facilitate users to read and comment without being put off. A WPD representative commented that Ofgem had not been very clear on how its assessment of

plans would be balanced i.e. how an ambitious plan showing no delivery would be judged against a modest plan having been delivered in full.

3.2 Information and Application

A WPD representative provided an update on actions regarding information and application processes. Around 1700 online applications have thus far been made. The next steps will include providing quotes by email, and providing quotes and payment facilities online.

Further refinement will be made to automatic website alerts, including removing nil notifications.

WPD would also welcome feedback on its restructured website.

More sessions will be scheduled for community energy sessions; and a DG workshop will be held on 26 November in Birmingham. The Community Energy Guide will be out by the end of November 2014.

- A Distributed Generator asked WPD to include an action to review the online application system, saying that his experience was that the system did not work.
- A Major User said that the current weekly notifications on website changes were too complex, and risked losing relevant information in the vast number of irrelevant emails.
- A utility provider asked whether there had been any feedback on the website from this forum and a WPD representative confirmed the group had been consulted on it and responded.

3.3 Quotations and Agreements

A WPD representative emphasised that any new actions in this section were associated mainly with interactivity.

WPD had run a short consultation on offer letters but received no consistent feedback. It would now provide a summary on the front of the letter and seek to include general terms and conditions in a separate document.

The key for WPD now will be to integrate decisions as policies.

Regarding Section 22A and collaboration across developers, A WPD representative said there were three options: (1) using its own process to publish information (2) using RegenSW's commercial service (3) looking to DECC to provide changes in regulation to make sharing of connection costs easier. WPD acknowledged that there was scepticism as to whether collaboration would work.

- An IDNO/ICP representative raised queries regarding P2/6 (security of supply) and its revision.
- A Connections Consultant said revision of P2/6 would start in November/December, and that P2/6 did not yet work for generation.
- A WPD representative said that revision would not be a quick process, but that it had not come across issues of potential restrictions yet. The WPD representative said his understanding was that the revision of P2/6 would look at potentially re-writing securities, and that WPD would be interested to look at what would happen regarding P2/6.
- A WPD representative said it now included acceptance validity in offer letters, and trying to avoid speculative applications.
- An IDNO/ICP representative raised a particular example of an issue for generation, to which a WPD representative said he would like to understand exactly what happened in this situation. An IDNO/ICP representative would discuss this later.
- A Connections Consultant said that a lot of developers were holding grid connections without any intention to submit to the planning process.
- A WPD representative said that planning applications were a milestone in the process.
- A Connections Consultant said that his clients still received requests for substantial first payments.
- A WPD representative said that it would make clear the implications of different payment schedules, though there was a need to ensure consistency.

- An IDNO/ICP representative emphasised that clarification should be provided that a payment schedule would be valid for a specific target date.
- A Distributed Generator asked about WPD's position on changing whether DNO or ICP perform the contestable works without affecting the effective contract date in terms of interactivity.
- A WPD representative said customers were now able to switch without it becoming a new application.
- A Connections Consultant asked about the definition of site boundaries.
- A WPD representative said that this depended on what had been drawn in the plan upon application, and that it was difficult to write hard and fast rules without ending up with some unfairness. A WPD representative made the point that a certain degree of flexibility would be needed.
- A WPD representative said that it was likely to provide monthly updates of its capacity register.
- An IDNO/ICP representative commented that having that information would be helpful.
- A Connections Consultant asked if WPD could give consideration to how it would treat split meters or make commercial arrangements where sites were split between developers and community groups.
- A Distributed Generator said that Ofgem should police the splitting of sites intended to exploit the FIT regime.
- A WPD representative said that it was seeing increasing requests from developers to reserve all capacity at a substation to allow them to build hubs and private networks.
- There was a discussion around the process for Community Schemes, consortia requesting capacity and how this would work with an IDNO.
- A Major User asked how WPD was able to understand who owned which land.
- A Connections Consultant said that reassurance was needed that a landowner was actually involved in applications.
- A community energy representative made a point about consortia applying for grid reinforcement, and requiring specification of cabling and individual sites.
- A WPD representative said that they would write new rules as they came across new issues but would be unable to apply them retrospectively.
- An IDNO/ICP representative said that there were some customers who had given little thought to what they wanted to do. He asked how they were assessing the reservation of capacity applications. A WPD representative said that they have to provide certain details.

3.4 Feedback on Information and Application; and Quotations and Agreement

- A Connections Consultant asked for clarification on WPD's processes citing an example where non-contestable works had been extended after a quotation had been issued. He wanted to know if WPD would re-issue the quotation under a new number or put the application in the queue for a new connection offer. He said that DG developers usually get projects shovel-ready and sell it on, and expressed that a new buyer would be concerned about being put to the back of the queue.
- A WPD representative said that the issue was a specific one and would be picked up with A Connections Consultant directly.
- A Distributed Generator asked for a review of whether the actions outlined by WPD corresponded to the feedback WPD had received in the DG Forum and from Ofgem and other stakeholders.
- A WPD representative reiterated the feedback WPD had received and pointed to the corresponding actions, adding that KPIs would be added to each which e.g. could include:
 - The number of attendees at engagement workshops and their qualitative feedback
 - The number of people using online applications, and their proportion as compared to total applications
 - The number of complaints or issued raised

- A Connections Consultant focused on the issue of intertripping and called for a LCNF project to focus specifically on intertripping. He said that he wanted to see action on intertripping, ideally across all DNOs, as it would be worth getting a national resolution to this.
- A WPD representative stated that they would capture this as a new line to be dealt with collectively.
- A Connections Consultant asked if there were not EU rules prescribing for SCADA to come down to 11kV.
- A WPD representative said that he had not heard of that but would look into it.
- A Distributed Generator emphasised that WPD needed to sell itself on innovation, and that WPD should capture the actions it had undertaken and progress made more comprehensively to increase their visibility to stakeholders.
- An IDNO/ICP representative added that WPD should be more explicit where it had dealt with issues so as to “get credit for what you have already done”.
- A WPD representative acknowledged that there was a communications issue and that it was crucial to keep customers informed.
- A Distributed Generator asked whether anything had been done on the post acceptance signature service. A WPD representative said new prompts had been added to the system to proactively make contact and this action should be recorded.
- A WPD representative asked for examples of non-consistent treatment across voltage levels and geographical areas.
- A WPD representative said that it would undertake a dedicated DG survey with a representative sample of DG and separate results across voltage levels.
- An IDNO/ICP representative added that they were having more issues on the smaller 11kV schemes.
- A WPD representative stated that they had gone through all the issues published by Ofgem to consider responses, either for WPD or wider issues for all DNOs.
- A Distributed Generator said that template land rights documents are sometimes not appropriate. It is understood that WPD has recently made a small procedure adjustment to capture this issue - if so it would be good to capture this in the ICE plan for stakeholder visibility.
- A community energy representative suggested that it might be worth having a community energy account manager.
- A community energy representative also suggested having standard terms and conditions for alternative connections and putting in a milestone to review alternative connections with regard to uptake, popularity and geographical spread.
- A WPD representative said that this would indeed be a helpful KPI as well as help make the case for reinforcement ahead of need and that it should be possible to have standard terms and conditions.
- An IDNO/ICP representative asked if the e-signature comprised an agreement with the end customer.
- A WPD representative confirmed it did and that e-signatures would be extended to other agreements.
- An IDNO/ICP representative mentioned a case where a rooftop PV scheme was unable to connect until a fault level on the 123kV network had been fixed, which would take around two years. He asked WPD to “think outside the box” and develop solutions that would allow schemes to connect in the interim.
- A Connections Consultant and An IDNO/ICP representative said that WPD’s current response was based on capacity contracted but not connected and there were questions over transparency around this.
- A WPD representative said that this could be done if they were able to put in place an automated scheme to manage the connections and disconnections but said that doing so manually at present would be unmanageable due to the volume of activity. WPD are looking at information sharing around connections.

3.5 Construction and Connection

A WPD representative said it had put things in place to ensure it was communicating better, and outlined the new self-inspection for ICPs.

- A Connections Consultant commented that he had seen very high inspection charges, though not in WPD's area.
- A WPD representative confirmed that there had been a lack of consistency.
- An IDNO/ICP representative referenced Lloyd's Register NERS process and their need to pick up the new systems. He talked about there being issues with insufficient paperwork putting company reputations on the line. He referred to the regime in the gas sector where self-policing worked because there were "grave consequences if you get it wrong" and said that there was a need to have a strong, well policed inspection regime as the current situation was not good enough.
- An IDNO/ICP representative asked if WPD would provide feedback to ICPs and whether they keep audit data.
- A WPD representative said that it would do so individually but that there was no consistent process in place. He said that WPD would bring all inspections together to create better records, and would provide monthly notifications of the level of inspection per activity.
- There was a discussion around the inspection process and in general the group viewed this as a good idea.

4. The next CCSG / ICE plan – CCSG Input

A WPD representative said that the work plan would be updated in light of the CCSG's feedback. WPD would voluntarily re-submit the plan to Ofgem by the end of the month, having then been the only DNO to have gone through the full ICE cycle.

A WPD representative said that the plan would "never stand still" but would be a snapshot.

A WPD representative invited attendees to consider if they would submit the revised plan, and comment on what's missing if not.

A WPD representative said that WPD would circulate the dates and locations of all upcoming community workshops and provide a link to be passed on to the Renewable Energy Association and Solar Trade Association.

- An IDNO/ICP representative asked if other DNOs would be re-submitting their plans, but this was not known.
- A Distributed Generator said that WPD should remain focussed on quality rather than quantity of initiatives. He asked whether the group would have a chance to see the plan changes before submission. A WPD representative said they would see the changes to review before the DG session in November.
- A utility provider asked whether Ofgem wanted to see continuous improvement.
- A WPD representative confirmed that as long as the plan is supported by stakeholders then Ofgem would support it as the stakeholders views are key.
- A Major User said that it would be interesting to see Ofgem's feedback on all DNO's plans, and asked if there had been any suggestion by Ofgem to stagger the workload across the year.
- A WPD representative said that Ofgem's concern would be for customers not for DNOs workloads.
- A Major User said that Ofgem was likely to be disappointed by the level of engagement, making the point that some companies were unwilling to engage until something goes wrong. He expressed the view that non-domestic customers were only in contact with DNOs when they needed a new connection or there was a power cut and it was usually too late at this point.

- A WPD representative said that the “acid test” would be whether lack of engagement was equivalent with stakeholders’ endorsement for DNOs’ plans. A WPD representative said that it would ask for stakeholder endorsement of its plans, or else feedback on what it could do “to get it right”.
- An IDNO/ICP representative commented that some customers were frustrated with the lack of information forthcoming from Ofgem.
- A Utility Provider mentioned that they had recently had requests from DEFRA for information about their level of contact with DNOs, particularly in relation to V-lists.