

Annex 1 – Open letter consultation on the Incentive of Connections Engagement

- 1.1. We would like to hear the views of interested parties in relation to any of the issues set out in our open consultation letter.
- 1.2. We would especially welcome responses to the specific questions which we have set out in our consultation and are replicated below.
- 1.3. If you have any questions on this document please contact:

James Veaney
Head of Connections and Constraint Management
Ofgem, 9 Millbank, London, SW1P 3GE
020 7901 1861
Connections@Ofgem.gov.uk
- 1.4. **Responses should be sent, preferably by e-mail by 17 August 2016 to the address above.**
- 1.5. Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website www.ofgem.gov.uk. Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.
- 1.6. Respondents who wish to have their responses kept confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. Respondents are asked to put any confidential material in the appendices to their responses.
- 1.7. Next steps: We will consider the responses to this consultation and these will be used alongside other evidence for our assessment of the ICE plans.
- 1.8. Each of the questions asked by this consultation is set out in the template below.
- 1.9. Please ensure that you **indicate the DNO or specific licence area** to which your experiences relate.
- 1.10. When considering your responses to these questions, please consider your experiences, the actions that the DNO has undertaken or committed to undertake, and the actions that you consider it could reasonably undertake.

Response template – Incentive on Connections Engagement July 2016

| Question | Response | | | | | | | | | | | | | | | | | |
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| About you and your work | | | | | | | | | | | | | | | | | | |
| 1. What is the name of your company? | MCCG | | | | | | | | | | | | | | | | | |
| 2. Which DNO's ICE submission is your response related to (see Annex 2 for DNO map)? Please indicate clearly in your response to the questions below whether your comments refer to the DNO's plans as a whole, or to one of the DNO's licence areas. If you wish to provide a response to the ICE submission of more than one DNO, please use a separate template for each DNO. | SSEPD | | | | | | | | | | | | | | | | | |
| 3. What type of connection do you generally require? And for each type of connection, how many connection applications, including total MVA (Mega Volt Ampere) of connections have you made in the past year? | <table border="1"> <thead> <tr> <th>Type of connection</th><th>Total number of connections</th><th>Total MVA of connections</th></tr> </thead> <tbody> <tr> <td rowspan="4">Metered Demand Connections</td><td>Low Voltage (LV) Work</td><td>Almost all members</td></tr> <tr> <td>High Voltage (HV) Work</td><td>Almost all members</td></tr> <tr> <td>HV and Extra High Voltage (EHV) Work</td><td>Almost all members</td></tr> <tr> <td>EHV work and above</td><td>Limited to a small subset of membership</td></tr> <tr> <td rowspan="2">Metered Distributed Generation (DG)</td><td>LV work</td><td>None</td></tr> <tr> <td>HV and EHV work</td><td>Limited to a small subset of membership</td></tr> </tbody> </table> | Type of connection | Total number of connections | Total MVA of connections | Metered Demand Connections | Low Voltage (LV) Work | Almost all members | High Voltage (HV) Work | Almost all members | HV and Extra High Voltage (EHV) Work | Almost all members | EHV work and above | Limited to a small subset of membership | Metered Distributed Generation (DG) | LV work | None | HV and EHV work | Limited to a small subset of membership |
| Type of connection | Total number of connections | Total MVA of connections | | | | | | | | | | | | | | | | |
| Metered Demand Connections | Low Voltage (LV) Work | Almost all members | | | | | | | | | | | | | | | | |
| | High Voltage (HV) Work | Almost all members | | | | | | | | | | | | | | | | |
| | HV and Extra High Voltage (EHV) Work | Almost all members | | | | | | | | | | | | | | | | |
| | EHV work and above | Limited to a small subset of membership | | | | | | | | | | | | | | | | |
| Metered Distributed Generation (DG) | LV work | None | | | | | | | | | | | | | | | | |
| | HV and EHV work | Limited to a small subset of membership | | | | | | | | | | | | | | | | |

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| | Unmetered Connections | Local Authority (LA) work | None | |
| | | Private finance initiatives (PFI) Work | None | |
| | | Other work | None | |
| Consultation questions | | | | |
| Section 1: Looking Back report 2015-16 | | | | |
| We want your views on how well the DNOs have performed over the last year | | | | |
| 1. Are you satisfied that the licensee had a comprehensive and robust strategy for engaging with connections stakeholders? Do you consider that the licensee implemented its strategy? If not, are you satisfied that the licensee has provided reasonable and well justified reasons? | Yes, SSEPD had a well-developed engagement strategy. Workshops were generally well attended. Some of the other DNOs used an independent body to review their engagement strategy and we think that is something SSEPD may wish to consider in future. | | | |
| 2. Are you satisfied that the licensee had a comprehensive work plan of activities (with associated delivery dates) to meet the requirements of its connections stakeholders? Do you consider that the licensee delivered its work plan? If not, are you satisfied that the licensee has provided reasonable and well justified reasons? | <p>Yes, the plan produced was suitable, and most of the activities were delivered. We did have some concerns initially with what appeared to be a step change in the level of auditing that was being undertaken on our sites.</p> <p>We continue to be concerned that the frequency of audits being carried out on Competitors sites when compared to the SSEPD own equivalent projects is not the same. From what we have seen this year, Competitor sites are audited more than SSEPD, when measured on a per project basis.</p> | | | |
| 3. Do you consider that the licensee's work plan provided relevant outputs (eg key performance indicators, targets etc.)? Are you satisfied that the licensee has delivered these outputs? If not, do you view the reasons provided to be reasonable and well justified? | <p>SSEPD have completed most of the activities on their plan this year and generally have been very good to work with this year.</p> <p>As commented on some of the other DNO reports, a hyperlink would be useful to the DNO's website that shows where the particular output is published.</p> <p>With regard to the lack of the take up by ICPs on some of the extensions of contestability, there is still a lack of trust by members, in the motives of SSEPD, when making these changes. This is hardly surprising when you consider that SSEPD have effectively being caught red handed, whether intentionally or not, giving their own connections business an unfair advantage over their Competitors.</p> | | | |

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| | <p>We were disappointed that Ofgem did not take firmer action against SSEPD for these failings. We believe that SSEPD need to work very hard to earn the trust of its Competitors in future.</p> |
| <p>4. Do you agree that the licensee's strategy, activities and outputs have taken into account ongoing feedback from a broad and inclusive range of connections stakeholders? If not, has the DNO provided reasonable justification?</p> | <p>We believe much of SSEPD's focus in the last year was dealing with the competition investigation launched against them. Many of the complaints made against SSEPD would have highlighted to them the areas that they needed to work on.</p> <p>In addition, SSEPD like many of the DNOs have been aware of the challenges MCCG members can face when constructing assets for adoption by IDNOs in relations to UMS connections to IDNO networks. IDNO and ICP clients have encountered difficulties when Public Lighting Authorities (PLAs) were later adopting highways containing street furniture connected to IDNO networks.</p> <p>We believe SSEPD could have done more to engage IDNOs to help find a solution to this issue. This problem has been very well publicised by unmetered customers (PLAs), IDNOs and MCCG members.</p> |

Section 2: Looking Forward plans 2016-17

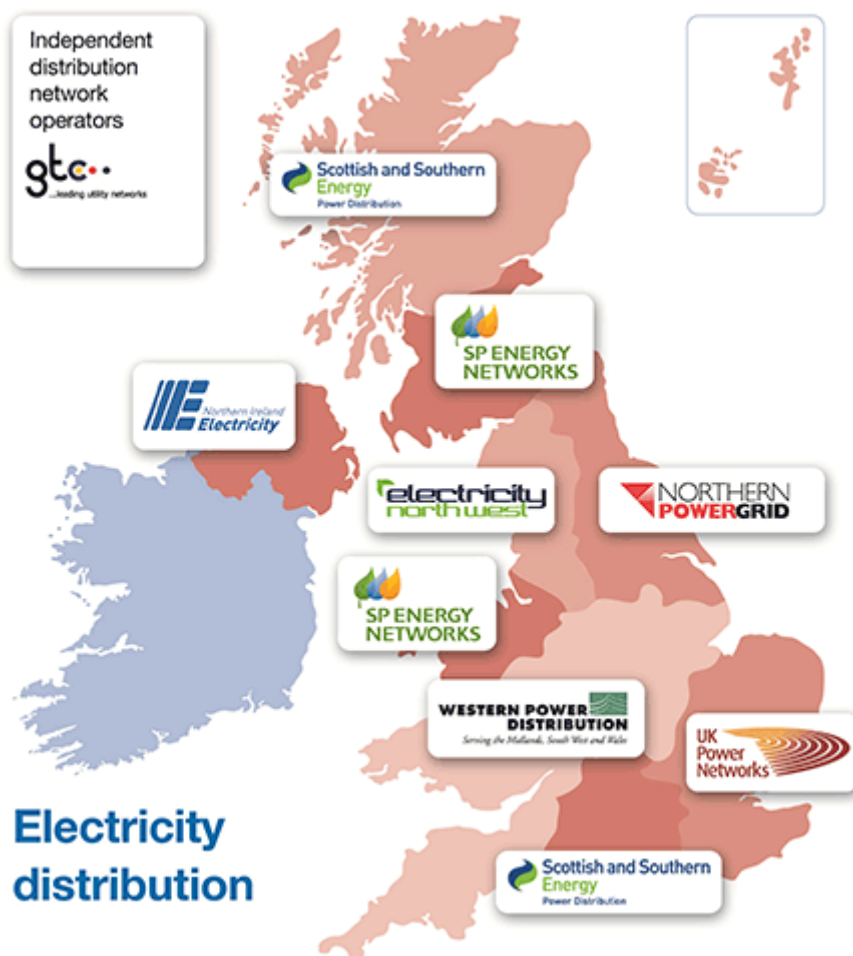
We want your views on what the DNOs aim to achieve in the coming year

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| <p>5. Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate?</p> | <p>Yes, we are happy with the engagement strategy. Some independent validation of the implementation of the strategy would be welcome in future.</p> |
| <p>6. Do you agree that the licensee has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the licensee provided reasonable and well-justified reasons? What other activities should the DNOs do?</p> | <p>SSEPD plan of activities going forward is ok, although some of the other DNOs have been a bit more ambitious.</p> <p>We really want to see more focus on embedding Self Service.</p> <p>We believe that SSEPD must do more to promote Self Service to Competitors, through supporting them through the journey to becoming self-</p> |

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| | <p>sufficient. This will give Competitors the confidence to take these new opportunities on without having to worry about un-due increased liability.</p> <p>SSEPD should learn the lessons from the approach National Grid Transco took, after they had been found wanting in the way they treated competitors, by removing themselves from the Competitors critical paths.</p> <p>As mentioned above we would like to see a commitment included for SSEPD to implement the IDNO UMS initiative developed by ENW and the CNA that will allow PLA customers to add their IDNO inventory to SSEPD UMS MPANs.</p> <p>On a positive note, we were really pleased with the excellent progress last year in Self Connect on both the SSEPD LV and HV networks. MCCG members want to explore HV Self Connections Operation Activities to help ensure the ICP can set its HV jointing teams to work under the ICP's Safety Management System, but use the SSEPD DSRs to switch on the SSEPD network. In this instance the ICP SAP would need to be authorised for HV switching only under the SSEPD DSRs for the purpose of reconfiguring the network prior to and following setting the ICP's jointers to work.</p> |
| 7. Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc.)? | <p>Yes, we think so. The presentation of the KPIs in the report could be a little more user friendly. As it is drafted it makes it difficult to read the KPI against the particular activity, without having to print both pages and read them side by side.</p> |
| 8. Would you agree that the licensee's proposed strategy, activities and outputs have been informed and endorsed by a broad and inclusive range of connection stakeholders? If they have not been endorsed, has the licensee provided robust evidence that it has pursued this? | <p>Yes we do, however we reiterate that there must be a focus on making the Self Service initiatives business as usual.</p> <p>We are encouraged by a statement made by SSEPD recently and a stakeholder workshop that they will look at the work produced by ENW and the CNA on UMS connections to IDNO networks issues referred to above. We would have hoped to have seen this reference in the going forward plan and would urge SSEPD to ensure that this is actioned without further delay.</p> |
| <p>We also want your views on how DNO plans will address issues for new connections in constrained areas</p> | |

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| 9. Where flexible connection offers are available, do you consider that the DNO's work plan for 2016-17 sufficiently addressed concerns about the uncertainty of curtailment levels? For example, do their plans ensure that stakeholders have access to the data they require for an investment decision? | This is less of an issue for demand customers and more applicable to the DG market. |
| 10. Where consortium connections are available, do you consider that the DNO's work plan for 2016-17 reflect requirements for clear and detailed information about where, how and under what conditions such projects can proceed? | |
| 11. Where consortium connections are available, do you consider that the DNO's work plan for 2016-17 reflect requirements for clear and detailed information about where, how and under what conditions such projects can proceed? | |
| 12. Do you consider that the DNO's work plans include appropriate engagement to ensure that network investment plans are well communicated to stakeholders, including when new capacity will become available? | |
| 13. Do you consider that the DNOs' plans include appropriate activities to improve, where necessary, the provision of information on constrained areas of the network to provide better data about where connections may be viable? | |
| 14. Are there particular additional activities or outputs which you consider should be included in the work plan of activities to better facilitate grid connections? | |

Annex 2 - Map showing DNO licensee areas¹



¹ Image from Electricity Networks Association (ENA)