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**Ecotricity Response to Consultation on Incentive on Connections Engagement:**  
**Looking Back reports 2015-16 and Looking Forward plans 2016-17**

Dear Mr Veaney,

Ecotricity is an independent renewable energy generator and supplier, with over 180,000 gas and electricity customers. With 80.72 MW of renewable energy generation, a further 80.72 MW in the pipeline, and a year of tight subsidy deadlines, the performance of DNOs is critical to our business. We welcome the Incentive on Connections Engagement (ICE) mechanism, and believe it plays an important role in ensuring that distribution network operators (DNOs) respond to and manage connection customers' concerns. Encouraging stakeholder engagement between DNOs and customers is particularly important for Ecotricity. Our ability to continue contributing to local economies, generating green energy, and community welfare relies upon improvements to connection process efficiency. We welcome the opportunity to highlight improvements and deficiencies in the network and communication between specific DNOs and Ecotricity through this consultation.

In addition to feedback on the DNOs we want to stress to Ofgem the importance of other changes needed to improve competition in relation to contested works. It is important to give Independent Connection Providers (ICPs) similar permitted development rights as DNOs. By granting these rights to private contractors Ofgem could help connect customers, such as Ecotricity, to lower development costs, project duration and therefore improve competitiveness.

During the development phase, the efficient use of time and money is vitally important for keeping construction costs down. Ergo, it is necessary for communications, application processes, and agreements between us and DNOs to be as sound as possible. We welcome many of the proposed developments for improving communications that are contained within the plans. However, there are additional changes that would significantly improve the position of developers. A key example of this is the provision of real-time, regularly updated heat maps, which should include 33kV and 132kV points. Another change that would be of significant benefit would be if suppliers were presented with a range of alternative connection

options during the application process rather than simply given a price for a single option. We have received responses from DNOs merely confirming whether things can, or cannot be done instead of suggesting better options; we believe this is very poor service.

With respect to the questions asked, we have focussed on the "Looking Forward" section of the three DNOs that we have the most dealings with: Western Power Distribution (WPD); Northern Powergrid (NPG); and, UK Power Networks (UKPN). We chose not to address the "Looking Back" section due to lack of available time. However, we do include some general comments about our experience to date with these DNOs in the responses below.

***Question 5. Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate?***

#### **WPD**

Overall we are satisfied with WPD's proposed engagement strategy; however, there are some areas where improvement is needed. To date we have found them relatively easy to work with and they are generally proactive in seeking stakeholder feedback.

We support their inclusion of multiple stakeholder engagement events in their plan for the year ahead. Our experience in the past is that such events are generally very helpful. We are able to gain enough information by attending two per year, but we welcome WPD's plan to have several events in order to ensure all stakeholders are able to attend. We also welcome the proposed index for WPD's technical information site, which is currently very difficult to navigate.

We have experienced examples of good engagement in relation to specific projects for WPD. For example, before sending quotes they send suggested points of connection for confirmation, comment and amendment. Such an approach is far better than simply receiving a full grid offer with all the details decided and no time to comment. We would suggest that other DNOs consider allowing generators to comment on proposals and confirm expectations before the full offer is given.

However, there are some areas where WPD's plan and performance could be improved. We would like to see more in their forward work plan around response times following queries. Our experience their turnaround can be slow: they tend to take the maximum time allowed by their Service Level Agreements (SLAs) before responding; meaning there is clearly room for improvement.

#### **NPG**

Our experience of NPG's engagement to date has not been positive. We have found that NPG engage with stakeholders less frequently than other DNOs and seek stakeholder engagement and customer feedback reactively rather than proactively. There is room for significant improvement in both approach and timing: they take a long time to respond to queries and frequently require chasing before they get back to us.

With respect to their forward work plan, whilst we welcome NPG's proposal to have a single point of contact for all connection customers, we would like to see a greater commitment to improving response times and being more proactive in customer communications.

## UKPN

We are generally satisfied with UKPN's current and proposed approach to engagement. As with NPG, we welcome the proposal for a single point of contact, which should improve ease of communication. The commitment to enable customers to discuss the design scope and cost of works in advance of a quote being issued will ensure customers are able to make amendments ahead of a quote, which will improve the chance of quotes being appropriate. Our experience of UKPN is that they do currently discuss this with us and we are pleased that they intend to continue.

We welcome the inclusion of kick off meetings for all generators and the proposal to request feedback to the operations manager after a connection job has been completed.

We particularly welcome their proposal to include an indicative delivery plan for projects. Whilst we appreciate the difficulty for DNOs in giving concrete deadlines, when there are many unknown factors that could change this, having an indication allows us to follow milestones and we believe that this will significantly improve our own business planning.

We also support UKPN's plan to notify customers of their position in the connection queue. This will better enable us to amend our project plans and give us a clearer idea of when we will get a connection. We would suggest that other DNOs should do the same.

UKPN's proposed use of technology will also enable developers to be better informed: video conferences offered as alternatives to attending in person will be very helpful in increasing customer efficiencies. Web chat will also be useful.

We welcome the proposed continuation UKPN's technical forums, which we have found to be of a high standard.

***6. Do you agree that the licensee has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirement of its connection stakeholders? If not, has the licensee provided reasonable and well-justified reasons? What other activities should DNOs do?***

## WPD

We are broadly supportive of the aims set out in the comprehensive work plans; however, there are some points that could be added.

We are very pleased with the proposed 20% improvement in connection time: long connection times can mean the difference between a project remaining feasible and it being cancelled. Enabling project progress tracking will also be very helpful in enabling project plan updates and visibility. However, what does not appear to be included is more information on an estimated completion date. Although we realise that precise connection dates are difficult, a more detailed programme outlining rough estimations would be of significant help. The inclusion of 33 and 132kv points in WPD's heat maps and monthly updates would also help us to better establish potential connections in the development process.

We welcome the proposed trial publication of Statement of Works (SoWs) and to develop an interactive map on the WPD web site to allow customers to access information on the SoW and Modification offers from National Grid Energy Transmission (NGET). SoWs can significantly increase the cost of connection and all DNOs should ensure that these are made

available to developers before they sign a connection offer. Under the current approach, developers effectively need to sign contracts without knowing their full cost.

We support the proposal to explore released underutilised capacity from existing connections as a means of freeing up more capacity for new generation.

However, there are some areas where we believe WPD could go further than their work plan currently does. Most importantly we would like to see more connection options on request: currently it is not possible to receive a series of options: generators need to apply for a specific capacity. DNOs do not currently offer more than a quote for that specific request and will not inform developers of whether there could be alternatives nearby or at a slightly lower capacity, which would make the connection much cheaper.

Ideally, we would like to see a free list of alternative options, ranging from cheapest to the more expensive connections. This would enable developers to choose the cheapest options, which would presumably require the least work by the DNO. We see this as a win/win outcome for both DNOs and developers. Although such information can be obtained by feasibility studies, these can cost around £4,000 and are out of date almost as soon as they are published. We would also welcome stress testing and active network management zones.

#### **NPG**

In our experience NPG has one of the best heat maps and we welcome their continued use. We agree that sharing NPG's smart grid strategy is a good idea. We also agree with the idea of releasing unused capacity.

Converting budget estimates is a very good idea and we should suggest that the other DNOs, such as WPD, do the same.

We welcome the use of case studies, but note that they are only useful if they refer to specific capacity. If they only refer to the prices on different lines this is much less helpful.

NPG also need to improve ICP Design Approval in terms of faster quotes. In our experience NPG's communication and response time can be very poor.

NPG's proposal to have third party contractors signing off tests may slow the connection process and risk missing subsidy deadlines. We would prefer to have NPG technicians to conduct protection policy.

With respect to part-funded reinforcement it is not clear where this part funding will come from. For example, it is not clear whether this is done by the developer and it is also unclear whether it would be job specific or over all the network.

With respect to active network management, NPG appear to be behind the curve. Other DNO's are more advanced and experienced with curtailed offers and have done more work on this already.

#### **UKPN**

We are broadly supportive of UKPN's proposals. We welcome justification and breakdown of budget estimates: currently these seem to be very vague and are not properly broken down.

More information on heat map is welcome, as are the proposed additional updates to the Connections Register. It will be particularly useful to know where a withdrawn generator's connection was located in order to know where there is now additional capacity. We would also suggest that monthly, rather than quarterly updates would be much better.

Updates on the queue position would be very helpful. We would like clarification over whether this will identify developers or simply list projects by size. We also welcome the Queue Milestones Project and the fact that we will be notified of updates in September. Provision of information on history and planned outages will be very helpful. We need to know about such outages ahead of time in order to purchase alternative power, which is generally cheaper if bought ahead.

The proposed assessment of the active network management schemes is very important as this is a new process and we would expect significant learning and improvement to take place.

We welcome the proposal to identify potential DUoS charges. As these have an impact on project finance it would be really useful to know them in advance. We would encourage other DNOs to do the same.

We welcome the prioritisation of trialling timed connection agreements in the work plan. We would like to note that UKPN already offer timed connections and will sometimes offer both timed and standard connections. In our experience they are significantly better than other DNOs, who tend to only give one option and we would urge others to follow UKPN's example. Giving more than one option in a quote can save developers a significant amount of time as it means that they do not need to keep submitting new requests.

We are pleased with the inclusion of improvements to the process for enabling variations to the connection proposals. Enabling flexibility is important as it allows unforeseen circumstances to be accounted for. We would caution that potential variations need to be offered with sufficient time for the generators to assess them before making a decision; particularly in the coming years when strict subsidy deadlines will put significant pressure on developers.

We welcome UKPN's prioritisation of improving the accessibility of their electronic map. They currently require developers to register with an account and only authorise one individual per company to access this account. This is simply not practical and causes unnecessary delays when the given individual is away or in the event that they leave the company. We would urge UKPN to amend this policy and allow multiple people to login to their accounts.

We also welcome the proposal to increase visibility over legal processes and contacts involved in the works. The current lack of transparency can cause delays and we hope that these improvements will enable more effective business planning and decision making.

We welcome the plan to publish a list of all accredited independent Connection Providers. This will help improve visibility with respect to choice for developers.

We support the proposal to improve connection times; however, we feel that UKPN could go beyond 10%. For example, we note that WPD's target is 20% improvement.

One area, where we feel the work plan could be improved is in relation to co-design connections, with more opportunities for developers to amend the design.

## General Suggestions

All DNOs could do better with respect to heat maps. Currently only the 11kV lines are included, and in relation to certain areas, such as the Southwest, we already know that these are full. Ideally the maps should also include information about 33kV and 132kV lines.

### **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.)?**

Our experience with WPD and UKPN is that they listen to customers and take on board suggestions for improvement or change or; where this is not possible; explain why something cannot change. We do not have sufficient experience with NPG to comment.

As currently laid out, all three of the DNO's plans appear to have appropriate KPIs and indicators.

### **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?**

Of the three DNOs, our experience suggests that UKPN have the best approach to engagement. We are also broadly satisfied with WPD's engagement strategy and we are confident that both UKPN and WPD's strategy, activity and outputs have been informed by stakeholder feedback.

We have not attended enough NPG engagement events to comment on the extent to which their strategy has been informed by customer engagement.

## **Conclusion:**

In conclusion, Ecotricity welcomes our DNO's efforts to improve stakeholder engagement, customer service, connection times and application procedures. However, there are two key points that could improve DNOs' performance, that are missing: 1) establishing real-time, regularly updated heat maps, with information on 33kV and 132kV points and 2) that the provision of multiple connection options should be included as strategic priorities for operators. Such changes would not only help to speed up application procedures, but would also drive down costs for both parties. In addition, Ecotricity urges Ofgem to review its policy on the transfer of permitted development rights to private contractors, in a bid to improve competitiveness.

Ecotricity welcomes the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this submission. Please contact Holly Tomlinson on 01453 769366 or [holly.tomlinson@ecotricity.co.uk](mailto:holly.tomlinson@ecotricity.co.uk).

Yours sincerely,



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