

## **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:

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Ofgem, 9 Millbank, London, SW1P 3GE  
020 7901 1861  
[Connections@Ofgem.gov.uk](mailto: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](http://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																																		
<b>About you and your work</b>																																			
1. What is the name of your company?	Power On Connections (POC)																																		
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.	SP Energy Networks																																		
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 colspan="2">Type of connection</th> <th>Total number of connections</th> <th>Total MVA of connections</th> </tr> </thead> <tbody> <tr> <td rowspan="4"><b>Metered Demand Connections</b></td> <td>Low Voltage (LV) Work</td> <td>15% of a total of approx. 10 projects PA</td> <td></td> </tr> <tr> <td>High Voltage (HV) Work</td> <td>60%</td> <td></td> </tr> <tr> <td>HV and Extra High Voltage (EHV) Work</td> <td>15%</td> <td></td> </tr> <tr> <td>EHV work and above</td> <td></td> <td></td> </tr> <tr> <td rowspan="2"><b>Metered Distributed Generation (DG)</b></td> <td>LV work</td> <td>0%</td> <td></td> </tr> <tr> <td>HV and EHV work</td> <td></td> <td></td> </tr> <tr> <td rowspan="3"><b>Unmetered Connections</b></td> <td>Local Authority (LA) work</td> <td>0%</td> <td></td> </tr> <tr> <td>Private finance initiatives (PFI) Work</td> <td>0%</td> <td></td> </tr> <tr> <td>Other work</td> <td>0%</td> <td></td> </tr> </tbody> </table>	Type of connection		Total number of connections	Total MVA of connections	<b>Metered Demand Connections</b>	Low Voltage (LV) Work	15% of a total of approx. 10 projects PA		High Voltage (HV) Work	60%		HV and Extra High Voltage (EHV) Work	15%		EHV work and above			<b>Metered Distributed Generation (DG)</b>	LV work	0%		HV and EHV work			<b>Unmetered Connections</b>	Local Authority (LA) work	0%		Private finance initiatives (PFI) Work	0%		Other work	0%	
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<b>Consultation questions</b>	
<b>Section 1: Looking Back report 2015-16</b>	
<b>We want your views on how well the DNOs have performed over the last year</b>	
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, SPEN did have a comprehensive engagement strategy, backed up by independent assessment and accreditation.
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?	Yes, the plan produced covered many issues that are important to us. We have been slow to take on many of these initiatives due to the low volume of work we do in the SPEN areas. The reasons for this is that SPEN had been a very difficult DNO to work with in the past.  Notwithstanding this, we are really encouraged by the work that has been done in the past year and believe that there is buy-in at an executive level to change the negative perception that Competitors have had of SPEN. Things are definitely going in the right direction.
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?	Yes. A lot of good work has been done, with a number of new Self Service initiatives introduced. It is now up to SPEN to convince us that we will not be exposed to undue risk, commercial or otherwise, by taking on these Self Service opportunities.
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?	For the most part they have.  However, SPEN like many of the DNOs have been aware of the challenges POC members can face when constructing assets for adoption by IDNOs in relations to UMS connections to IDNO networks. IDNO and ICP clients have

	<p>encountered difficulties when Public Lighting Authorities (PLAs) were later adopting highways containing street furniture connected to IDNO networks.</p> <p>We believe SPEN could have done more to engage IDNOs to help find a solution to this issue. In fact, rather than helping IDNOs and ICPs address this issue, SPEN representatives have robustly blocked efforts by IDNOs to find a solution to this issue.</p> <p>This problem has been very well publicised by unmetered customers (PLAs), IDNOs and POC members. We fully expect SPEN to take a more positive approach to this issue. SPEN MANWEB share some of the same PLA customers, which are members of the Greater Manchester Association of District Engineers (GMADE), with their neighbours ENW. There is a real opportunity for SPEN to address this issue by adopting the process that has been developed by ENW and the CNA that allows SLAs to add their IDNO inventories to the host DNO MPAN.</p>
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## Section 2: Looking Forward plans 2016-17

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

5. Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate?	Yes, we are happy with the engagement strategy.
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>Yes, in particular we are pleased to see SPEN's commitment to fully embrace the CIC COP. Part of this will require SPEN to convince Competitors that business leaders and teams on the ground alike are committed to making this happen.</p> <p>As mentioned above we would like to see a commitment included for SPEN to implement the IDNO UMS initiative developed by ENW and the CNA that will allow PLA customers to add their IDNO inventory to SPEN UMS MPANs.</p>

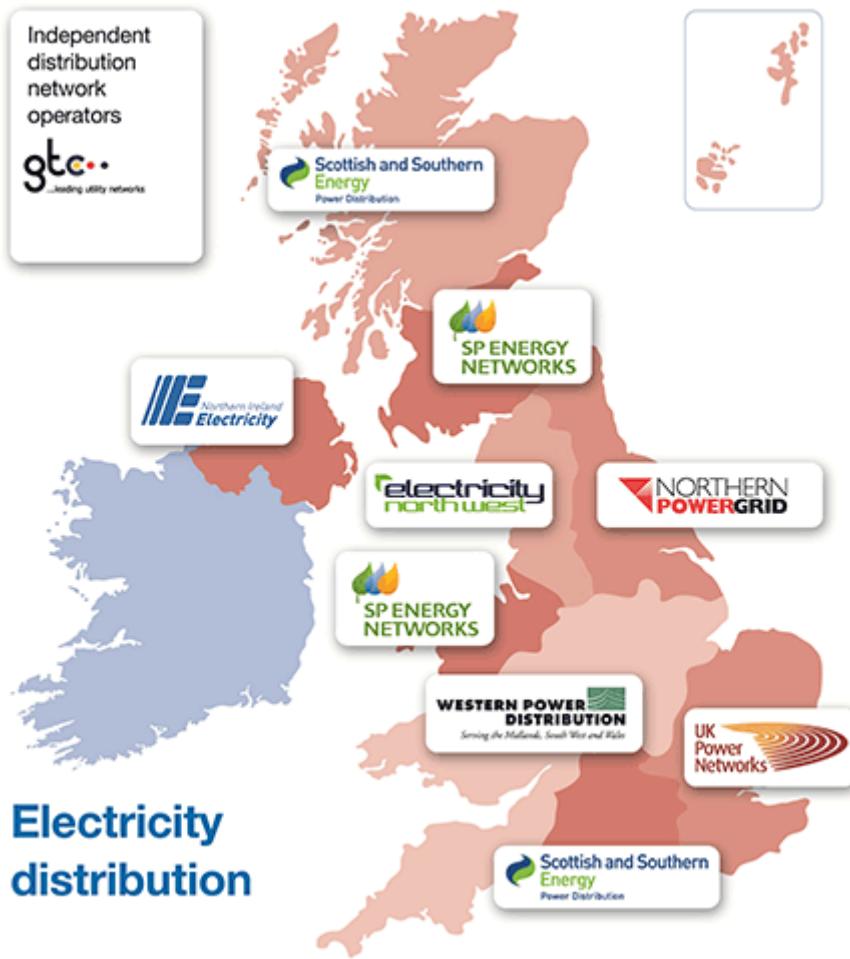
7. Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc.)?	Yes, SPEN have set clear outputs that can be easily measured.
8. Would you agree that the licensee's proposed strategy, activities and outputs 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?	Yes we do, with the exception of the lack of action on the UMS connections to IDNO networks issues referred to above.

**We also want your views on how DNO plans will address issues for new connections in constrained areas**

9. Where flexible connection offers are available, do you consider that the DNO's work plan for 2016-17 sufficiently address 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?	
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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 areas<sup>1</sup>



<sup>1</sup> Image from Electricity Networks Association (ENA)