

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

- 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																														
About you and your work																															
1. What is the name of your company?	LOCAL ENERGY SCOTLAND																														
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.	Scottish & Southern Energy Power Distribution All comments relate to SSEPD license area in Scotland.																														
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>Metered Demand Connections</td> <td>Low Voltage (LV) Work</td> <td></td> </tr> <tr> <td></td> <td>High Voltage (HV) Work</td> <td></td> </tr> <tr> <td></td> <td>HV and Extra High Voltage (EHV) Work</td> <td></td> </tr> <tr> <td></td> <td>EHV work and above</td> <td></td> </tr> <tr> <td>Metered Distributed Generation (DG)</td> <td>LV work</td> <td>10</td> </tr> <tr> <td></td> <td>HV and EHV work</td> <td></td> </tr> <tr> <td>Unmetered Connections</td> <td>Local Authority (LA) work</td> <td></td> </tr> <tr> <td></td> <td>Private finance initiatives (PFI) Work</td> <td></td> </tr> <tr> <td></td> <td>Other work</td> <td></td> </tr> </tbody> </table>	Type of connection	Total number of connections	Total MVA of connections	Metered Demand Connections	Low Voltage (LV) Work			High Voltage (HV) Work			HV and Extra High Voltage (EHV) Work			EHV work and above		Metered Distributed Generation (DG)	LV work	10		HV and EHV work		Unmetered Connections	Local Authority (LA) work			Private finance initiatives (PFI) Work			Other work	
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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, we are satisfied that the licensee SSEPD has had a comprehensive and robust strategy for engaging with connections stakeholders. This strategy has been underpinned by their 'continuous improvement approach' which is very apparent at engagement events and through correspondence. It is notable that the strategy is dynamic in terms of being continually updated and developed in response to stakeholder feedback. The strategy has been very 'stakeholder – centric' and the shaping of plans and commitments has been carried out in partnership facilitated by regular and robust engagement.

We believe this strategy has been well implemented and the licensee has had a very clear and transparent approach. Since the sharing of their plans and commitments for 2015/16, the licensee has provided a full program of engagement activities encompassing initial engagement through to the delivering on stakeholder suggested actions. There has been a very much 'you said – we did' approach with continual updates on progress.

SSEPD have significantly developed their approach to engagement such that they proactively seek out ideas and suggestions in relation to improvements from stakeholders such as Local Energy Scotland. In relation to Strategic Engagement, Local Energy Scotland sit on SSEPD's Customer Connections Steering Panel allowing us to influence and inform their strategy for engaging with connections stakeholders, draw attention to key concerns and provide feedback on the effectiveness of their connections service. It is notable that this provides stakeholder access to senior management and key decision makers within the licensee organisation which provides confidence and transparency.

The licensee has engaged specifically in relation to Local Energy Scotland by supporting and presenting at a significant number of events, often at short notice. These include dedicated connections surgeries for community clients and a very useful presence at the Local Energy Scotland Annual Conference where it was very useful to have expert knowledge on hand. These events also provided a platform for further suggestions and feedback to incorporate

	<p>into the strategy and workplan development process.</p> <p>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> <p>Local Energy Scotland agree and are satisfied that the licensee has had a robust and comprehensive workplan of activities throughout the last year. This was informed through feedback from stakeholders at initiatives such as their Customer Connections Steering Panel (CCSP). At forums such as these stakeholders were essentially informing the workplan of activities to be carried out by the licensee based upon our own requirements as connections stakeholders. It is noted that prior to these initiatives Local Energy Scotland were not fully aware of all the plans and commitments associated with the licensee's development and improvement of their connections service. This has changed absolutely and significantly since this point (3/9/15) with a notable increase in levels of communication and information provision leading to excellent relationship building.</p> <p>Subsequent meetings of the CCSP has allowed local Energy Scotland to be actively involved in key decisions about which plans and commitments to move forward with within that year. This has allowed us to promote commitments and plans directly relating to our work here at local Energy Scotland which tends to be at the smaller, more innovative scale.</p> <p>The workplan of activities was developed around the major themes of;</p> <ul style="list-style-type: none"> • Customer Service • Information provision • The application process • Getting Connected • Choice in Connections • Innovation <p>Key commitments in relation to each of these themes were developed which resulted in the delivery of a comprehensive work plan incorporating over 40 commitments to achieve and work towards in the 2015/16 year.</p>
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<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>	<p>As suggested, the licensees workplan incorporated the development of over 40 commitments, the majority of which were highly relevant to our work here at Local Energy Scotland. All the commitments were given targeted dates of completion and the KPI's associated with these targets were measured against actual completion dates.</p> <p>We are very satisfied that from the outset, the Community Energy Sector was given the highest priority. Outputs in relation to Community Energy distribution connections were completed in the early quarters of the year. Specific and well received outcomes for our sector include the provision of dedicated account managers for community projects, bespoke Community Connections training workshops as well as an informative Community Connections guide highlighting the fact that the licensee was reactive to the specific requirements of the community energy sector. Excellent progress has been made in relation to the access to online tools such as network diagrams and heat maps as well as the application process including a revised quote pack and initiatives such as their Consortia Register for connections.</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>As discussed above, the nature of the development and implementation of the licensee's strategy initiatives have been based upon suggestions from stakeholders followed by action and feedback. At the range of engagement events and initiatives we have been part of, a major focus of the licensee has been to act upon feedback and further develop the engagement process.</p> <p>At these wider forums Local Energy Scotland have been impressed with the wide range of stakeholders involved from across the connection customer spectrum. As such we agree the strategy, activities and feedback are taken from a diverse and inclusive range of connections customers.</p>

Section 2: Looking Forward plans 2016-17

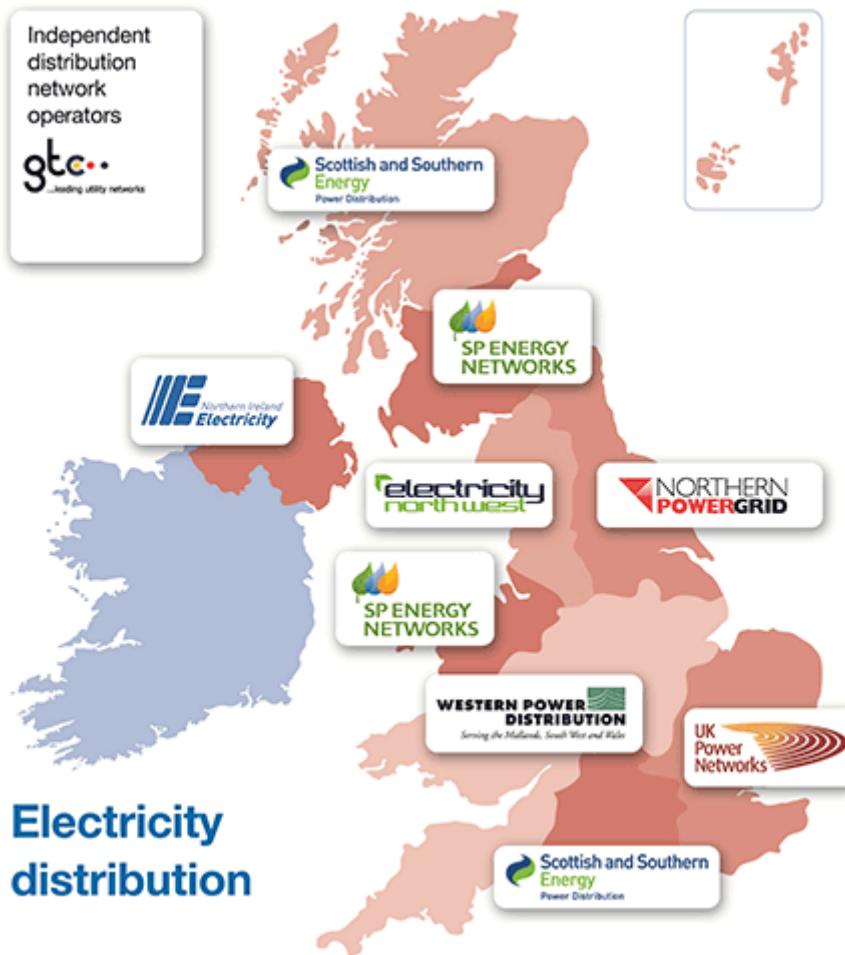
We want your views on what the DNOs aim to achieve in the coming year

<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>Local Energy Scotland believe that in addition to the robust and dynamic strategy foundations created in the previous year it is expected that the licensee will continue and indeed step up its engagement with Connections stakeholders.</p> <p>It is noted that there are over 50 engagement events planned for the 2016/17 year which should ensure a full program of activities across SSEPD's Scottish licensee area. It is worth noting that since inception of these engagement activities the number of dedicated licensee staff associated with engagement has increased markedly and this increased capacity should ensure robust practical engagement.</p> <p>The continuation of the Customer Connections Steering Panel Initiative will allow Local Energy Scotland to be informed of regular progress reports on the delivery of plans and commitments in relation to customer connections. Indeed, at the first one of these in the 2016/17-year Local Energy Scotland were invited to present a community view of connections to senior management within the licensee as well as wider stakeholders, we were grateful to be offered this platform to raise sector issues at this organisational level and allow our concerns to be brought to the forefront.</p> <p>It is of note that the licensee plan to continue support for community projects by working closely with community bodies to ensure their understanding. It is reflective of the close working relationship with the licensee that they will become the permanent sponsor of the Community and Renewable Energy Scheme Conference in Scotland (as delivered by Local Energy Scotland).</p> <p>As such we are satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions.</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</p>	<p>The licensee has already published and undertakings are well underway in relation to their Looking Forward Plan. Targets have been supplied in relation to the achievement of key performance indicators which we expect will meet</p>

<p>provided reasonable and well-justified reasons? What other activities should the DNOs do?</p>	<p>our requirements as Connections Stakeholders. It is of note that for this year the Licensee have created a specific category of Commitments for Distributed Energy connections customers. This should ensure continued energy and focus within this area.</p>
<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>	<p>We agree that the licensee has developed a full program of commitments for the coming year which have relevant outputs to ourselves and the wider connections stakeholder sectors. This includes commitments associated with the aforementioned major themes and we are grateful for continued focus on innovation.</p>
<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>	<p>As mentioned above, current commitments were developed through a robust engagement and feedback process. Local Energy Scotland have been at a significant number of events including the CCSP and can attest to the fact that the group of contributing stakeholders represents a broad and inclusive range of connections stakeholders.</p>
<p>We also want your views on how DNO plans will address issues for new connections in constrained areas</p>	
<p>9. Where flexible connection offers are available, do you consider that the DNO's work plan for 2016-17 sufficiently addresses 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?</p>	<p>We believe that the licensee has committed to finding and developing flexible solutions to overcome curtailment issues and allow projects to connect at an earlier date ahead of required reinforcement works. These initiatives are working in tandem with the significant development of information provision such as heatmaps. The licensee is developing a standardised application process for flexible connections which will enable applicants to directly request a flexible connection and have the opportunity to discuss this.</p> <p>It is notable that the licensee have developed and introduced both Active Solutions and Flexible Connections management teams. There are clear plans and commitments to create guidance on the process for flexible connections in addition to hosting flexible connections and Active Solutions management Workshops. Through the provision of dedicated and specialist staff resource and dedicated flexible connections account management, stakeholders should have access to the information required for an investment decision.</p>

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?	We suggest that the licensee has addressed this in the 2015/16 workplan and have facilitated several consortia. An enquiry can be made in relation to this directly from their heat maps and cost sharing solutions have been investigated for over 60 clients. We can confirm that this has been widely publicised to community bodies clear and detailed information about where, how and under what conditions such projects can proceed has been provided. We expect that this facility will continue to be available and developed by the licensee
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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?	Yes, there is a clear commitment in the Looking forward plan to provide details of planned distribution reinforcements. This is already incorporated into the existing heat map facility and we expect this to continue to be developed. There is an additional commitment to provide an explanation for reinforcement costs in quotations which will provide greater clarity and transparency in relation to cost.
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?	Yes, this facility is already available through the heat mapping and network mapping tools available. There is a further commitment to make GIS mapping files available to all customers.
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?	All Local Energy Scotland considerations and suggestions are highlighted through existing engagement activities such as the Customer Connections Steering Panel. Up to this point all the particular activities and outputs that we have put forward have been well received and all have been incorporated into the licensee's Looking forward plan for 2016/17. We will continue to work closely with the licensee to ensure these commitments are delivered.

Annex 2 - Map showing DNO licensee areas¹



¹ Image from Electricity Networks Association (ENA)