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RE: 2015/16 Looking Back and 2016/17 Looking Forward ICE plans

Dear Mr Veaney,

Thank you for the opportunity to respond. We recognise that the ICE plans are a useful and effective means for motivating and keeping track of DNO improvements in customer service. Since the ICE plans emerged there has been a general trend towards increased numbers of tools available from DNOs and changes to the way DG customers are managed. There is more that can be achieved going forward and we are keen to continue working with the DNOs to provide direction on where further improvements on service should be made.

RWE Innogy UK is a developer, owner and operator of EHV and HV DG projects and this sets the focus of our feedback here. Where we provide particular praise for an initiative we would like these to be adopted by other DNOs. The plans do vary in the extent that they provide detailed KPIs – those that set themselves more ambitious improvements should be given recognition of this by Ofgem.

Kind regards,

Nicola Percival

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THE ENERGY TO LEAD

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SHEPD response

Looking forward:

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

Yes, SHEPD have collected feedback and created a plan around this to a good standard. We would be happy to provide further input at any time to support SHEPD in implementing these targets, and others which arise throughout the coming year. As a developer of long-lead time generation projects we particularly appreciate the effort made in including proposals to also improve the service post connection offer acceptance. The quality of service through the whole project lifecycle is important from a customer perspective.

- *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?*

We have commented on sections of the work plan that we are particularly interested in:

Customer service:

The commitment to give extended notice of planned outages beyond the Guaranteed Standards timescales is very welcomed, particularly for longer outages which cause more inconvenience and issues than odd days. We would find a year ahead outage programme for planned maintenance – as called for by Community Energy Scotland (in the customer quote) - extremely useful. To provide the customer with sufficient visibility the year ahead programme should be updated periodically throughout the year.

Until this work plan was published our team were unaware of the online project tracking facility so whilst improvements to existing services are welcomed, we would also suggest promotion of this facility for those with existing offers as well as new applicants. It would be extremely useful to be able to search by grid offer reference number, subject to necessary security controls.

A single point of contact in quotations and delivery for DG customers is a welcome prospect; however we would be keen to know how SHEPD will ensure that contact has the relevant skills base and experience to be able to deal with queries effectively. It is key that the experts in the technical and commercial areas are still available to attend meetings with customers to maintain good communication.

Information provision:

We very much welcome the commitment to further improve available heat maps. We would support a combined focus on frequency of updates and quality of information within each

update as both are of great commercial importance when using the tool to greatest effect. We also support having increased visibility of connected/contracted work on the heat maps.

We welcome the commitment to making GIS mapping ‘shape’ files available.

We have had discussions with SHEPD in the past which touched on Transmission Owner Reinforcement Instructions (TORIs) but there is very little information available about these in the public domain. Greater clarity on these work packages and what they entail would be very useful.

SHEPD are ahead of the curb in engaging their customers on understanding post-connection charges. We would be keen to attend the planned workshops which assist in the calculation of DUoS charged. The DUoS charges website will also be very useful as the Industry working/Code documents are not user friendly to end customers.

The application process:

We welcome increased transparency on reinforcement requirements at the point of application. In addition to what is already considered here, we request that all DNOs provide an assessment of the likely constraints and outage impacts of reinforcement on the operation of the project connecting.

We also particularly welcome the option to make advance payments to expedite connection at the customer’s request (kicking off wayleaves/legals/harmonic studies promptly).

We are supportive of improvements to the online application process in general.

Getting connected:

The commitment to meet on site to discuss next steps upon acceptance of a quote is commendable, however it is unclear why this should be limited to projects >£1m. It would be good to see this level of service extended to as many customers as practicable.

We would find the planned process flow charts for all connection types useful and encourage SHEPD to include timescales, contact details and the interactions (including notice periods and requirements) which would be exceptionally useful.

We welcome the inclusion of options available within the standard connection offer where the proposed connection is constrained. This would streamline administration for both the DNO and the customer by avoiding the submission of multiple applications for connection.

The provision of indicative DUoS charges on request is also very welcome from SHEPD and we would encourage other DNOs to offer this.

Choice in connections:

Clarification of contestable and non-contestable works is welcomed. In addition greater clarity on cost, information and associated timescales on different quotation options are encouraged. We encourage the following, which would also ideally be aligned across all the DNOs:

- Similar presentation of quotations between DNOs,

- Greater clarity and transparency regarding cost breakdowns (eg: itemised costs of works),
- Flexibility and acceptance of stage payments,
- Clear visual representation of the extent of the network operator's scope of works on site and,
- Earlier confirmation of when prices are fixed.

Innovation:

We are very supportive of the commitment to hold workshops about flexible connections and active solutions management; we would certainly want to attend.

In addition, we would support all DNOs in creating and publishing a policy and strategy for storage technologies. If these can be aligned where practical that would also be very welcome.

- *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, in general the work plan gives targets to achieve in each quarter of 2016/17 and how they will consider their targets to be met. Clearly some of the components of the commitments are more challenging to achieve than others- missing some at the end of the year will have more impact than missing others. In general KPIs for all the DNOs should be ones that Ofgem can objectively assess performance against.

For all DNOs perhaps the Ofgem consultation on ICE plans needs to be issued earlier as many of the commitments are already overdue (Q2 2016) and therefore presumably set in stone at this stage.

- *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?*

SHEPD have quoted where the commitment to future action has been derived from and this largely looks to be broad and inclusive.

Looking back:

We endorsed the suggested 2015/16 work plans of DNOs last year and hope that they have been followed. We seek an objective and thorough assessment of the 'looking back' reports by Ofgem. The KPIs should allow for Ofgem to make such an assessment of performance, where they do not Ofgem needs to change the KPI in relation to similar commitments for 2016/17.

NPg response

Looking forward:

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

Yes, NPg have presented evidence that they collected feedback and have created a plan around this to a good standard. We would be happy to provide further input at any time to support NPg in implementing these targets, and others which arise throughout the coming year.

- *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?*

We have commented on sections of the work plan that we are particularly interested in:

Provision of information (Theme 1):

The commitment to updating heat maps monthly is commendable. We assume/hope that this process will also apply to generator contracted capacity information.

NPg has committed to a higher frequency than other DNOs and this is commitment is valuable to customers. The robustness of the information which can be understood from the heat maps is key and we would be very supportive if all DNOs provided a clear and concise way of knowing when the heat map was last updated.

We particularly welcome the availability of case studies to assist EHV and HV customers in being able to better understand the likely cost and resource required to deliver a particular connection.

The planned jargon buster will be helpful.

Application and delivery process (Theme 2):

We welcome improvements to the application process which will make it easier to apply for a temporary site supply. It would be particularly helpful to be able to discuss the temporary connection application either with the same team who deal with the main connection or to ensure that excellent communication links between the different teams are built and maintained to avoid confusion.

In addition greater clarity on cost, information and associated timescales on different quotation options are encouraged. We encourage the following, which would also ideally be aligned across all the DNOs:

- Similar presentation of quotations between DNOs,

- Greater clarity and transparency regarding cost breakdowns (eg: itemised costs of works),
- Flexibility and acceptance of stage payments,
- Clear visual representation of the extent of the network operator's scope of works on site and,
- Earlier confirmation of when prices are fixed.

Communication:

A single point of contact in quotations and delivery for DG customers is a positive idea, however we would be keen to know how NPG will ensure that contact has the relevant skills base and experience to be able to deal with queries effectively. It is key that the experts in the technical and commercial areas are still available to attend meetings with customers to maintain good communication.

Technical & commercial developments (Theme 4):

The work plan does not give any detail as to what the policy revisions might entail for export limiting devices beyond that NPG are considering permitting these devices on the network. We would like to see technical and commercial advancements being made simultaneously in this area and would be very keen to be involved in discussions relating to revised policy which affects export limiting devices.

Whilst we support improved flexibility in witness testing requirements and the report specifically mentions small-scale generation projects, any policy change which also affects large DG customers will need to appropriately consider the effects this might have on timescales and efficiency for those customers. As a large scale DG customer we are content with the level of testing currently provided (G59 and constraint tests) and do not call for changes in this area.

We are very supportive of a review of the protection policies, including the protection scheme requirements. We would welcome the opportunity to view a draft of the revised policy before it is finalised.

- *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, in general the work plan gives targets to achieve in each quarter of 2016/17 and how they will consider their targets to be met. In comparison to other DNOs plans NPG's goals are described as bigger ticket items and set out at a higher level rather than as a detailed breakdown, while both approaches are fine the KPIs need to be determined by Ofgem as clear enough to make their performance assessment at the end of the year. In general KPIs for all the DNOs should be ones that Ofgem can objectively assess performance against.

- *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?

NPg have quoted where the commitment to future action has been derived from and this largely looks to be broad and inclusive.

Looking back:

We endorsed the suggested 2015/16 work plans of DNOs last year and hope that they have been followed. We seek an objective and thorough assessment of the ‘looking back’ reports by Ofgem. The KPIs should allow for Ofgem to make such an assessment of performance, where they do not Ofgem needs to change the KPI in relation to similar commitments for 2016/17.

WPD response

Looking forward:

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

Yes, WPD have collected feedback and created a plan around this to a good standard. We would be happy to provide further input at any time to support WPD in implementing these targets, and others which arise throughout the coming year. As a developer of long-lead time generation projects we particularly appreciate the effort made in including proposals to also improve the service post connection offer acceptance. The quality of service and taking a transparent approach through the whole project lifecycle is important from a customer perspective.

- *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?*

We have commented on sections of the work plan that we are particularly interested in:

Customer service:

A single point of contact in senior management for escalations is a positive idea. It is key that the experts in the technical and commercial areas are still available to attend meetings with customers to maintain good communication. It is important that the single point of contact is both sufficiently briefed and empowered to intervene where appropriate.

Availability of information:

The commitment to provide timely notice of information on planned outages is very welcomed, particularly for longer outages which cause more inconvenience and issues than odd days. Recent issues with regards to outage information and constraints management by WPD must be remedied.

We welcome the commitment to provide improved information to customers at the connection application stage. This should be offered by all DNOs. An outage forecast on quotation will be extremely informative for assessing project viability. The KPI for this should be more specific –e.g. outage forecasts issued in offers and this could be reviewed against out-turn in the longer run. We would encourage stronger engagement with customers from the outset to identify exactly what information customers feel could be improved and will seek to inform WPDs promised research exercise, workshops and outage management policy. For operational projects we request that as a minimum WPD issue a year ahead outage programme for planned maintenance. To provide the customer with sufficient visibility the year ahead programme should be updated periodically throughout the year.

An index on the techinfo website is a small but welcome proposal and we would suggest that this includes some way of identifying which stage of the process each document/page relates to – design based on connection offer, installation or testing and commissioning. This will make such a tool more user-friendly.

It is also welcome that WPD commits to making capacity constraint information at the sub-station level available online. Other DNOs already do this and it is useful to prospective customers' pre-application stage. The commitment to improve consistency of service and processes between different teams, geographical locations and voltages of connection is particularly welcome. We would support a combined focus on frequency of updates and quality of information within each update as both are of great commercial importance when using the tool to greatest effect. We also support having increased visibility of connected/contracted work on the heat maps.

Processes & agreements:

We appreciate the effort taken by WPD to reflect on the lessons learnt from the implementation of a new WPD process for SOW in 2015/16. The first application of the process was not smooth and improvements will be very welcome. The provision of site specific SOW information earlier in the process post-acceptance of an offer is essential. Customers must be informed at the point that they are deemed in scope for SOW assessment. Updates on the timelines for the assessment process should be provided to 'in-scope' customers as the assessment between NGET and the DNO takes place behind the scenes. While wider stakeholder meetings will be useful to an extent, individual customers that may be impacted must be notified directly at the earliest possible stage.

Cost Breakdowns

In addition to this we seek greater clarity on cost, information and associated timescales on different quotation options. We encourage the following, which would also ideally be aligned across all the DNOs:

- Similar presentation of quotations between DNOs,
- Greater clarity and transparency regarding cost breakdowns (eg: itemised costs of works),
- Flexibility and acceptance of stage payments,
- Clear visual representation of the extent of the network operator's scope of works on site and,
- Earlier confirmation of when prices are fixed.

Consistent information regarding curtailment

We would ask that this commitment is extended beyond ANM schemes to all uniform offers.

Queue management

We support efforts to ensure that DNO's better manage queues. In particular we see BEIS's next steps on Design and Assessment fees as critical in achieving a more efficient system. We appreciate that this is outside the control of the DNO but as it's a key step it is worth us noting it here.

Innovation:

Engage on future forecasting with broad range of stakeholders – through strategic network study (South West and South Wales then Midlands) and stakeholder events. Follows on from initial event in 2015. We support this and feel that it can also aid cross network planning between the distribution and transmission networks.

- *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, in general the work plan gives targets to achieve in each quarter of 2016/17 and how they will consider their targets to be met. Clearly some of the components of the commitments are more challenging to achieve than others- missing some at the end of the year will have more impact than missing others. In general KPIs for all the DNOs should be ones that Ofgem can objectively assess performance against.

For all DNOs perhaps the Ofgem consultation on ICE plans needs to be issued earlier as many of the commitments are already overdue (Q2 2016) and therefore presumably set in stone at this stage.

- *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?*

WPD have quoted where the commitment to future action has been derived from and this largely looks to be broad and inclusive.

Looking back:

We endorsed the suggested 2015/16 work plans of DNOs last year and hope that they have been followed. We seek an objective and thorough assessment of the 'looking back' reports by Ofgem. The KPIs should allow for Ofgem to make such an assessment of performance, where they do not Ofgem needs to change the KPI in relation to similar commitments for 2016/17.

SPEN response

Looking forward:

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

Yes, SPEN have presented evidence that they collected feedback and have created a plan around this to a good standard. We would be happy to provide further input at any time to support SPEN in implementing these targets, and others which arise throughout the coming year. The work plan contains many commitments which we are pleased to see and support, but focuses heavily on getting customers to the first offer stage but less on the stages which come after that. We would like to see further commitments which aim to improve the overall customer journey from offer request right through to energisation.

- *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?*

We have commented on sections of the work plan that we are particularly interested in:

Application process:

AP2: We commend SPEN for committing to push for the implementation of A&D fees as we see the DNO's management of the volume of applications as a huge burden on their resources and also as a significant cost to the consumer. Clearly the success of this commitment is dependent on BEIS's actions but we would like to take the opportunity to reiterate our support.

Information provision:

IP1: Regarding improvements to the technical document library, we would support this including making information for each stage of the process from design to commissioning and testing better available on the website. In addition, we very much welcome the planned review and improvements of the quality of information provided to prospective connection customers about costs of getting connected and identifying clearly what works are contestable. This should relate back to our comment above, AP2, requesting detail in a simple and digestible format.

Review and improve Cost Information for customers: we are very supportive of this action and would encourage this action to result in the following being aligned across all the DNOs:

- Similar presentation of Connection Offer quotations between DNOs,
- Greater clarity and transparency regarding cost breakdowns (e.g.: itemised costs of works),

- Clear contract milestones suited to the nature of the project
- The Acceptance of stage payments proportionate to DNO works progress,
- Clear visual representation of the extent of the network operator's scope of works on site and,
- Earlier confirmation of when prices are fixed.

IP2: We welcome the increased frequency of heat map updates to quarterly. It is imperative that these are kept up-to-date with detailed contracted capacity information as they provide valuable data to inform customer's design of their plans pre-application. We would like to see future commitments to further developing the heat maps, including splitting the connected and contracted capacity down further. Other DNOs provide detailed information on this already, listing contracted, connected projects – specifying projects by capacity, technology, date contracted to connect etc.

Communication:

C1: This is a welcome commitment but it does not include whether this will be targeted at only new or both new and existing customers. We would want this to be for all.

As general feedback, this 'looking forward' work plan focuses heavily on getting customers to the first offer stage but less on the stages which come after that. The new commitments regarding establishing communication frequency and agreeing project timescales at the initial design meetings seem helpful as does the commitment around the pre-construction meeting. We would like to see clear commitments to delivering excellent customer service from the initial enquiry through to energisation and commissioning phases within the work plan. This would include periodic project updates throughout the life-cycle for major projects to keep the customer in the loop on what the DNO is working on behind the scenes. The regularity can be agreed between the customer and DNO at the contract onset. We welcome the commitment to run capacity constraint workshops, this will be very useful for customers. Ideally, we would like to see all DNOs offering an outage/constraints forecast on quotation/on offer acceptance as this will be extremely informative for assessing project viability.

For operational projects we request that as a minimum DNOs issue a year ahead outage programme for planned maintenance. To provide the customer with sufficient visibility the year ahead programme should be updated periodically throughout the year.

Choice:

CH4: The outcomes of this commitment should link to our comments at AP2 and IP1.

Enablers to connection:

EC1: We are supportive of the plans that SPEN have outlined regarding the treatment of 'stalled projects' and look forward to seeing the final form of the plan and a pilot. We would like to see this system adopted by all DNOs if it works.

EC3: We are very supportive of the action to promote this policy and would like the opportunity to provide feedback on any changes proposed in the future.

EC4: In addition to promoting awareness of the ANM scheme we would also like to see information widely available for unfirm (non-ANM) projects.

EC6: Customers must be informed at the point that they are deemed in scope for SOW assessment. Updates on the timelines for the assessment process should be provided to 'in-scope' customers as the assessment between NGET and the DNO takes place behind the scenes. Individual customers that may be impacted must be notified directly at the earliest possible stage.

EC9: We are very supportive of the commitment to improve SPEN, SPT,-NGET interface. This will be particularly important for customers with SOW impact. DNO's have a challenging middle-man role.

EC7: We welcome the commitment to continue to focus on managing the queue, particularly supporting that this process will align with industry best practise.

Innovation:

IBP1: We are supportive of this commitment and will encourage all DNOs to develop a policy on storage. If DNOs can align policies where practical that will also be welcome.

IBP3: SPEN are leading the way in taking on the challenge and opportunity to become a DSO. We endorse their foresight on this and think that DNOs should be looking at this now so that they can transition swiftly to meet the changing demands of our electricity system. We welcome this commitment and would add that the commercial framework for a DSO model must be developed alongside technical innovation.

We are also keen to explore potential opportunities around voltage control and distributed generation and would encourage SPEN to consider this in the coming year.

- *Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc.)?*

Whilst some commitments have very defined measurable outcomes, other given KPIs are very general and do not necessarily seek to follow up on measuring success. For example, where a policy is to be reviewed, updated and published there is no indication in the report of an intention to seek feedback on the success of this aim throughout the year.

- *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?*

SPEN have quoted where the commitment to future action has been derived from and this largely looks to be broad and inclusive.

Looking back:

We endorsed the suggested 2015/16 work plans of DNOs last year and hope that they have been followed. We seek an objective and thorough assessment of the 'looking back' reports by Ofgem. The KPIs should allow for Ofgem to make such an assessment of performance, where they do not Ofgem needs to change the KPI in relation to similar commitments for 2016/17.