

Connection Customer Steering Group

Notes from the meeting held 12th June 2018 at WPD's Gloucester office

Present:

Steve McElveen – SMS Plc	Stuart Cox - TUSC
Helen Ewing – Severn Trent	Hugh Taylor – Roadnight Taylor Ltd
Lucy Naughton – Green Frog	Charles Deacon - Lightsource
Mark Boyce – UCSM	Nikki Pillinger – British Renewables
Aidan Morris – AMP	Arwel Lloyd – Utilities Connections Management Ltd
Paul Graham – UK Power Reserve	David Richards – UK Power Solutions
Zach Bulloch – Amey	David Overman - GTC

Alison Sleightholm – Resources and External Affairs Director
Mark Shaw – WPD Network Services Manager (West Midlands)
Graham Halladay – WPD Network Services Manager (DSO)
Simon Yeo – Income Manager
Richard Allcock – WPD Connection Policy Engineer
Vanessa Buxton – WPD Connection Policy Co-ordinator
Penny Carolan – WPD Team Manager

1. Introduction

Alison Sleightholm introduced the agenda for the day.

2. Director's Update

Alison Sleightholm gave an update on WPD's operational performance including improvements in CML's and 2017/18 year end position for the Broad Measure Customer Survey.

RIIO ED1 update – Ofgem decided not to undertake a mid-year review following consultation. WPD have voluntarily returned unspent funds following the discontinuation of the rail electrification plan.

RIIO ED2 – Ofgem have consulted on RIIO ED2 which will commence in April 2023, with a decision expected before the end of July on initial framework. For RIIO ED2, each DNO is required to set up a customer engagement group which will need to agree the DNO's business plan. WPD already have a well-established Customer Panel which will provide a strong foundation for ED2 as well as the Connection Customer Steering Group. WPD's business plan will be developed in agreement with these and any areas of disagreement will be referred to Ofgem who propose to resolve through open meetings.

3. ICE Update

Alison Sleightholm gave an update on WPD's looking back and looking forward submission, available to view on our website at www.westernpower.co.uk/connections/ICE. Looking back at 2017/18 saw significant improvements, for example to the capacity map functionality. Looking forward to 2018/19 we continue with similar areas of focus to the previous year, including transition to DSO, with particular focus on flexibility services, further capacity map improvements and consideration of how capacity is allocated or reserved.

We have made this year's plan simpler to follow, removing the more granular sub-actions and keeping a set of key initiatives. This year's plan is once again a comprehensive plan with 48 initiatives to be delivered across 7 focus areas. Ofgem will open consultation towards the end of June on DNO's development and delivery of the ICE plan.

4. Distribution Charging Update

Simon Yeo provided background to the charging methodologies, set out in formats approved by Ofgem and included within DCUSA. There is open governance for any party (or non-party with party support) to propose changes at any time. These changes go through a period of consultation, impact assessment, voting and final decision by Ofgem on whether or not to approve.

Simon gave an overview of the two methodologies for charging:

- Common Distribution Charging Methodology (CDCM) relates to LV and HV supplies with generic charging and export credits applied to all generators; and
- EHV Distribution Charging Methodology (EDCM) which has site specific locational charges and export credits applied to generators providing network supporting output.

The CDCM and EDCM models are common to all DNO's and have been re-built to make them more user friendly in breaking down the calculation steps. The statements are issued to Ofgem each year for approval.

A number of DCUSA change proposals have recently been made, available to view at www.dcusa.co.uk/SitePages/Activities/Change-Proposal-Register:

- DCP228 – scaling
- DCP 161 – excess capacity charges
- DCP 179/272 – moving supplies to half hourly
- DCP 268 – move to red/amber/green tariff structure (with Ofgem for decision)

National projects are underway to review the charging structures, such as Ofgem led targeted charging review to look at residual charges, Charging Futures Forum to co-ordinate changes to charging structures. A conclusions paper following publication of the reform of electricity network access and forward looking charges (2017) is available to view at www.chargingfutures.com. As a result of this paper two task forces were set up – one looking at network access (Nigel Turvey representing WPD) and one to look at forward looking charges (no WPD representative).

Ofgem will consult in summer 2018 and make a decision on a reform programme late 2018/early 2019.

More information can be found at:

www.DCUSA.co.uk for forecast cost information

www.westernpower.co.uk/About-Us/Use-of-System-Charges to view the webinar on distribution charging and the DUOS guide

www.westernpower.co.uk/About-Us/Our-System/Use-of-System-Charges for the annual review packs

WPD Action: Send clarification on EHV boundary metering to Aidan Morris

5. DSO Transition

Graham Halladay provided an update on DSO transition. We have consulted and published our proposals to move forward as a DSO, available to view at www.westernpower.co.uk/About-Us/Our-Business/Our-Network/Strategic-Network-Investment/DSO-Strategy

WPD are leading the ENA's open networks project, with 4 main work streams:

1. Develop improved T-D processes around connections, planning, shared TSO/DSO services and operation
2. Assess the gaps between the experience our customers currently receive and what they would like, and identify any further changes to close the gaps within the context of a 'level playing field' and common T & D approach
3. Develop a more detailed view of the required transition from DNO to DSO including the impacts on existing organisation capability
4. Consider the charging requirements of enduring electricity transmission/distribution systems

Project Entire is exploring flexible services with the development of systems and processes in the East Midlands along the M1/M40 corridor with 14 constraint managed zones. We have signed contracts to provide flexible services to dispatch during winter 2018. More information can be found at www.westernpower.co.uk/Innovation/Projects/Current-Projects/Project-Entire

Business as usual expressions of interest are being issued in June 2018 for 5 constraint areas; Exeter, Plymouth, Rugeley, Northampton and Leicester, spanning 3 WPD licence areas, with South Wales not yet reaching constraint levels.

A regional development programme has been set up to provide detailed analysis of areas with large amounts of distributed energy resource (DER). We are also introducing deep connect and manage – a National Grid solution for generation connected to DNO network if there is potential to cause issues on NG's network. NG have the ability to pay generators to constrain during time of stress on their network. This removes the need for NG reinforcement and replaces the Statement of Works process as costs and liabilities become known. This process will be offered to new and existing connections >1MW. WPD will not be commercially involved, it is an arrangement and agreed pricing entirely between the connection and NG, who have already implemented this process with UKPN customers in the South East.

6. Connection Policy Update

Richard Allcock provided an update on the implementation of Connection Offer Expenses Regulations (A&D Fees). WPD undertook a staged approach, rolling out to EHV customers only during May 2018. Whilst data is limited at present, we have seen a decline in the application volume at EHV level but this followed a peak in applications pre-implementation. We will therefore continue to monitor over time and BEIS will also be carrying out a review and publishing a report.

There was varied feedback on the Connection Offer Expenses Regulations, with some users raising concerns regarding the impact of implementation and others raising questions about how they were applied.

Some FAQ's were produced which are available to view at www.westernpower.co.uk/Connections/useful-information/electricity-connection-offer-expenses-regulations

Richard also provided an overview of the Connection Offer letter format. These are in the process of being improved to reduce their size and move standard information into signposted locations on our website, including the general terms & conditions.

WPD consulted on capacity allocation and received over 20 responses from a range of stakeholders. The responses have been reviewed and gave a range of views with no clear consensus on the questions relating to our proposals. It is likely that WPD will consult further before making setting out an agreed approach towards capacity allocation and reservation.

WPD Actions: Richard Allcock to look into the query raised that the responses to Ofgem's consultation on the connection offer expenses regulations do not yet appear to have been published.

Complete: Richard has checked and the consultation on the 'Notice of statutory consultation on a proposal to modify Standard Condition 12 of all electricity distribution licences' closed on 28 March 2018. To date no responses have been published and it is still awaiting a decision from Ofgem. The consultation is available to view [here](#) and you may also register for updates from this webpage to ensure you are notified when new documents are published.

9. Wrap up – Summary and Next Steps

Alison Sleightholm summarised the output from the day and the plans for future meetings.

Future CCSG meetings:

	Suggested breakout session topics from CCSG members:
16 th Oct 2018	<ul style="list-style-type: none"> - A&D Fee Update - Charging Futures