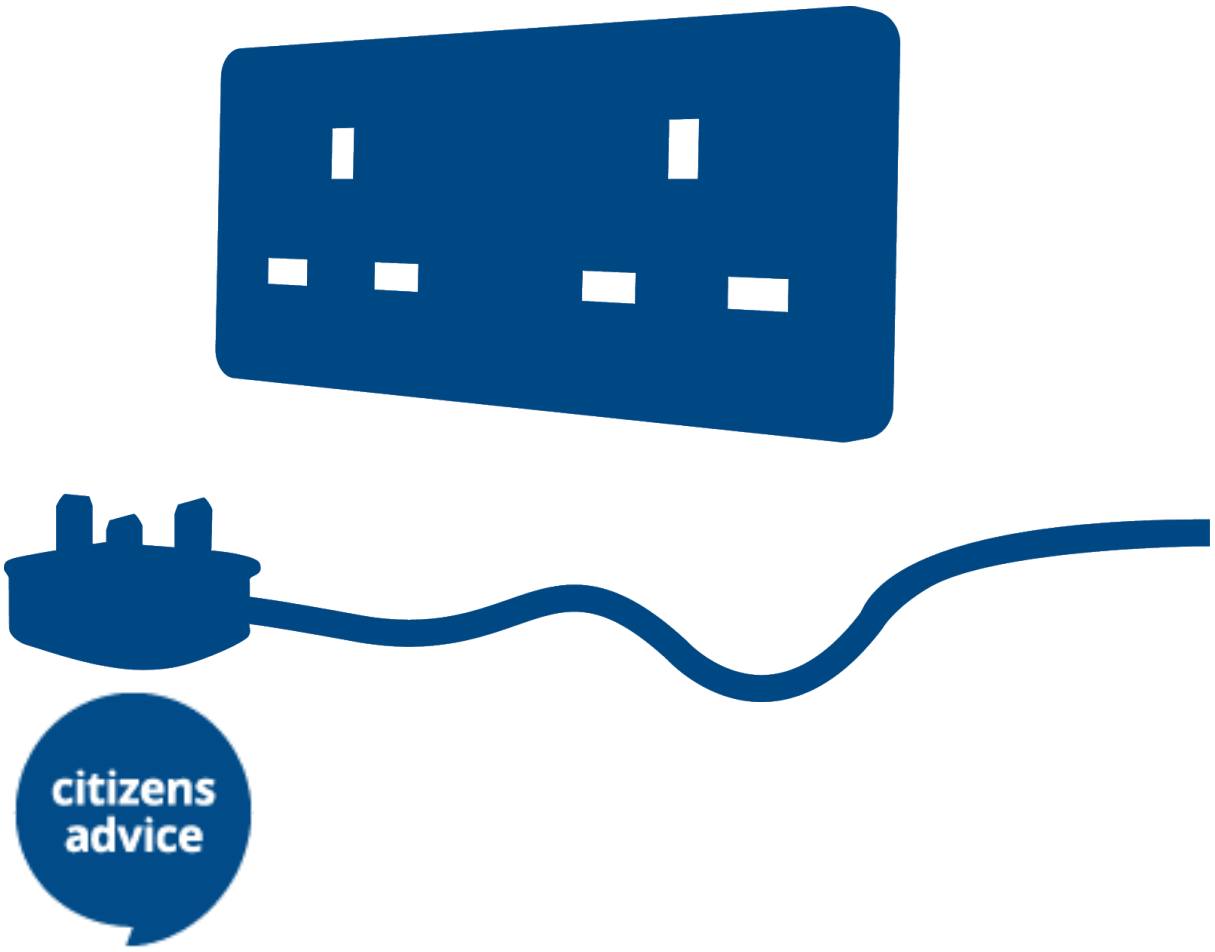
ENA Consultation - Application Interactivity and Connection Queue Management

Citizens Advice submission

September 2019



Introduction

Citizens Advice welcomes the opportunity to respond to this consultation as part of its statutory role to represent domestic and small business energy consumers in Great Britain (GB).

The Energy Networks Association (ENA) Application Interactivity and Connection Queue Management consultation presents an opportunity for the electricity transmission and distribution networks to standardise how connection applications are managed. A consistent approach across GB will be beneficial to the industry by offering a single clear process for developers, generators, and flexibility providers at both the application stage and during the ongoing development stage until projects are completed. Consumers will also benefit. This proposal should facilitate the growth of the flexibility market, help to decarbonise the energy sector, and reduce network costs for consumers.

The changes proposed to the Application Interactivity pre-acceptance stage for connections are based upon an existing UK Power Networks process and therefore there is a relatively high degree of confidence that these procedures will work as expected. We support the proposed modified 'conditional' interactivity process which should provide a clear procedure for allocating capacity while leaving initially unsuccessful applicants within the queue.

Proposed amendments to the Queue Management stage of the process builds upon previous queue management procedures and therefore, in principle, should be familiar to connections' parties. The newer elements, comprising a standardised approach, along with clarified fixed milestones, and a tolerance to permit projects to get 'back on track', appear to be valid and useful amendments, which we support. The further additional change to add prioritisation to projects which offer flexibility, where there is the opportunity to postpone or avoid network reinforcement, is welcomed as this will reduce overall costs to consumers, speed the addition of flexibility to the system, and fits with the aims of the BEIS and Ofgem Smart Systems and Flexibility Plan 2017 (Action 1.6)[1].

[1] BEIS/Ofgem, 'Upgrading our Energy Systems: Smart Systems and Flexibility Plan', 2017, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/633442/upgrading-our-energy-system-july-2017.pdf

While the proposed changes are supported, we note that these standardised procedures may take some time to implement due to required code and licence modifications. We would urge the network companies to progress these changes as rapidly as possible to further facilitate the growth of the flexibility market, assist in the decarbonisation agenda, and reduce network costs for consumers.

Consultation questions

Q1. Do you agree with the 'conditional' interactivity solution being proposed as the preferred solution? If not, what reasons do you have for preferring a different solution?

We support the proposed modified 'conditional' interactivity solution as this will ensure that there is a consistent and relatively proven process to be introduced across all transmission and distribution network companies. This standardisation will be highly beneficial for developers, generators, and flexibility providers across the networks in understanding how their applications will be treated. The proposed solution is based upon the existing UK Power Networks' conditional procedure and therefore there is reassurance that the process has been trialled. The modification to UKPN's procedure, where those that have been unsuccessful at the first instance maintain their places in the application queue, appears to be a fairer system. We note that this solution has already been consulted upon and was the preferred solution by industry participants who felt that this would best suit customers and would be easiest to implement across the different network companies.

Q2. Do you agree with the proposal to form the connection queue (subject to interactivity) based on the date that the customer accepts the connection offer? If you do not agree, please provide justification in your response

We support the development of a consistent queue management process for the industry which should provide clear and readily understood procedures for the post-acceptance connections stage. We agree with the proposal to form the connection queue on the basis of the date of acceptance of the connection offer (subject to interactivity procedures). Each interactive offer is given the same 30 day consideration period and therefore it appears fair to select acceptance as the queue start date as those accepting an offer are signalling an intention to proceed.

Q3. Do you agree with the preferred queue management milestones, timescales and evidence requirements? Are there any projects where you think milestones should not be applied? Please provide justification

The current connections' principle of 'first to contract, first to connect' does have simplicity, however, as noted within the consultation, there is a concern that projects that fail to progress can hold back customers that are ready to proceed. In particular, customers that are held in the queue that would need reinforcement to go ahead may either be badly delayed or have to have costly reinforcement put in place that may, in reality, have not been required when a customer ahead in the queue eventually drops out. As such, the new procedures that mandate progress milestones to retain a place in the queue appears a suitable process to ensure that customers are not unduly delayed and save potential unnecessary costs. The milestones and timescales are adjusted for each type of connection (dependent upon the level of voltage connection) and we note that these have been developed following work by the ENA Distributed Energy Resources Steering Group and a consultation process. We therefore support the milestones and timescales' principle although recognise that industry participants will have better direct knowledge in how to set these parameters.

Q4. Do you agree with the preferred approach to providing 'tolerance'?
In particular, we would welcome your views on the following;
I. The concept of tolerance and cumulative delay
II. The timescales set out in table 1 that will be used to determine projects that are 'at risk'
III. The timescales set out in table 2 that will be used to determine if a project is subject to termination.

Tolerance appears to represent a reasonable element within the milestones and timescales' process to permit a degree of leeway where progress on a particular milestone may suffer some delay. The use of cumulative tolerance will allow customers to accommodate unforeseen problems in progression while not permitting a customer to accumulate substantial or never-ending periods of delay. We are not providing commentary on the specific timescales set out in table 1 or table 2 as we believe that industry participants will be better placed to judge exact timings, however, the timescales, adjusted for the differing voltage level connections, do appear reasonable.

Q5. We would welcome your views on the preferred approach to queue management rules illustrated in the examples provided .

Specifically;

a) Do you agree with the position that where a project moves to the bottom of the queue, milestones will be updated to reflect the new connection date, whereas any cumulative delay accrued from the date of offer acceptance will be carried over?

b) Do you agree with the position that a project would be required to reduce capacity if the capacity available is less than the capacity of that project?

No response provided.

Q6. Do you agree with the preferred approach to the treatment of flexibility in a connection queue? Please provide justification, if you do not agree.

One of the main aims of the Open Networks project, of which this consultation is part, is to progress flexibility operation within the electricity system. The increased use of flexibility should drive down network costs for consumers, facilitate a low carbon future through reduction in overall generation and via the addition of lower carbon local generation. As such, the increased prioritisation of flexibility providers within the connections' queue management system is appropriate. Such prioritisation also fulfils a goal of the BEIS and Ofgem Smart Systems and Flexibility Plan 2017 (Action 1.6)[2] which tasked the industry with better connections' management to facilitate increased storage capacity. The proposal to offer a flexibility provider a higher queue position, subject to the positive effects on the constraint position of the relevant section of network, appears to offer benefit via reducing delays to other connection customers, avoidance of network reinforcement, and in providing (hopefully) a lower cost flexible solution. The requirement for the flexibility provision to be ensured via the formal contracting of flexibility services prior to connection appears to be a sensible precaution.

[2] BEIS/Ofgem, 'Upgrading our Energy Systems: Smart Systems and Flexibility Plan', 2017, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/633442/upgrading-our-energy-system-july-2017.pdf

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