

Customers who opt for a non-standard connection

Context

- Potentially inefficient capital expenditure to facilitate new connections to the MITS
 - acknowledged at transmission price control
- Collectively termed “customer choice”
 - the GB SQSS issue
 - the connection design issue
- Also propose to address the connection design issue
 - amendments to the STC

The GB SQSS issue

- At TPCR, PB Power concluded that an n-1 secure compliant connection was not efficient for small remote intermittent generators
- Clear disincentive to ask for a variation to the connection design
 - liable for full TNUoS charge
 - loss of rights to access and compensation

SSE proposal

- Cost-reflective TNUoS tariff
 - Consistent with existing principles of methodology
 - Equal to capital saving made by the TO
- More information to the developer
 - Indicative TNUoS tariff provided with offer
 - Guidance on loss of rights

So, for example...

- On application, a developer could express an interest in a non-standard connection design
 - Tick-box on the application form
- GBSO would ask the TO to provide:
 - A standard (GB SQSS compliant) offer
 - A non-standard offer

Then...

- The GBSO would prepare two offers:
 - A standard (GB SQSS compliant) offer
 - A non-standard offer
 - Each offer would include:
 - An indicative TNUoS tariff
 - Guidance on rights to access and compensation
- ▶ Informed customer choice

Determining the cost-reflective charge

Capital investment: GB SQSS compliant	A	£5 million
Capital investment: lower standard than that specified in the GB SQSS	B	£2 million
Potential saving to the TO	$C=(A-B)$	£3 million
Equal saving to the generator	C	£3 million
Annualisation factor in the charging methodology	D	0.066
Annual saving to the generator	$E=(C*D)$	£198,000

The way forward I

- Changes required to the:
 - application form (Exhibit B)
 - TO offers process (STCP18-1)
 - charging methodology
 - bilateral connection agreement (Exhibit C)
- Propose a new access product: “TEC-lite”
 - cost-reflective TNUoS tariff
 - lesser rights to access and compensation
 - formalises clause 10 of the BCA

The way forward II

- Available to new and existing generators
 - cost-reflective tariff and access rights are a package
 - available to those in GB queue during optimisation
- Clarity in future eligibility for TEC-lite
 - linked to capital savings by TO
 - if investment is subsequently made, no saving to TO
 - hence, move onto full TNUoS product (including full access rights)