

# Customer Services Update

Nigel Fox

Charging & Revenue Manager



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# Agenda

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- ◆ Queue Management history
- ◆ Interim Connect and Manage (ICM)
- ◆ Local and Wider Works
- ◆ Connections Update
- ◆ Offshore including charging implications

# Background

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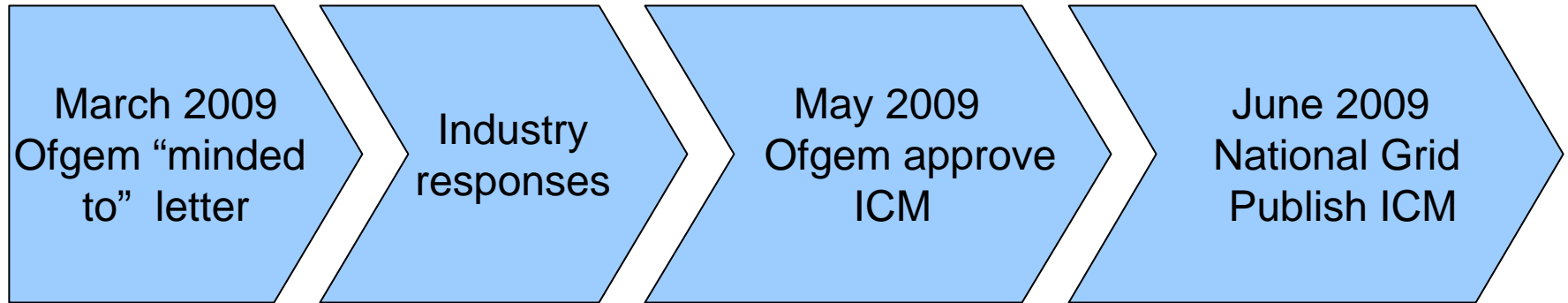
- ◆ At BETTA Go-Live (April 2005), National Grid was appointed GBSO
- ◆ Applications received between 1 September 2004 and 31 December 2004 were not required to secure Scottish Interconnector upgrades
- ◆ National Grid received a flood of Generation Applications which formed the GB Queue.
- ◆ Queue consisted of 12GW of new applications

# GB Queue Management

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- ◆ To facilitate movement in the queue, projects submitted quarterly reports to show readiness to connect
- ◆ The principle was not to worsen constraints realised at BETTA
- ◆ Attrition of projects allowed the queue positions to be reviewed and contracted and new projects to benefit

# How we arrived at Interim Connect & Manage



- ◆ From 8 May 2009 Connection Applications have been considered under ICM

# What is Interim Connect and Manage

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- ◆ A Connection date under ICM will be available where:
  - ✓ Consents are achievable within the requested timescales
  - ✓ Local works can be completed by the required date
  - ✓ Derogations against SQSS compliance are approved

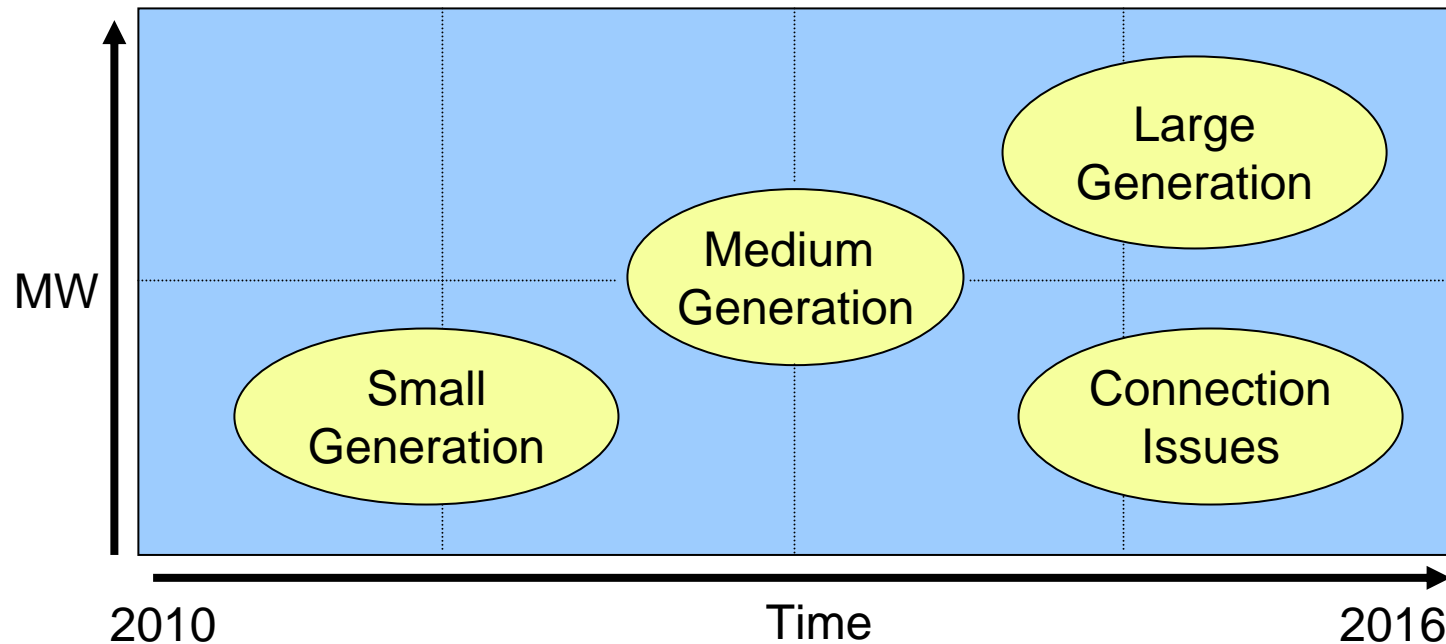
# Connection Offer Types

- ◆ Compliant Offer for connection dates when all works are complete
- ◆ ICM Offer for connection dates ahead of wider works
- ◆ ICM Offer for connection dates ahead of wider works, utilising commercial and user choice elements.



# Connection Dates

- ◆ Connection dates are envisaged to be 2016 or earlier



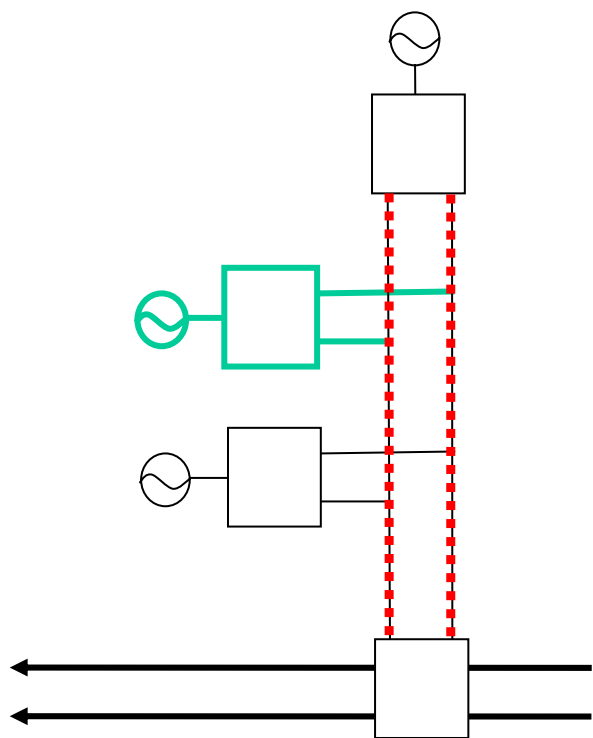
- ◆ Large sites 2014-2016
- ◆ Small sites up to 2013

# Terminology

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- ◆ **Local Works** – Works that are required to be completed before the generator can connect with ‘firm’ CUSC rights
- ◆ **Wider Works** – Works that are required to be completed to retain compliance with the SQSS, but the generator does not have to wait for their completion before it connects

# Local Works Example



- ◆ Radial network, with two existing generators, owned by same company
- ◆ Limited spare capacity
- ◆ New Generator - Physical Connection = Local Works
- ◆ Circuit reinforcement
- ◆ Limited diversity therefore Circuit reinforcement = Local Works

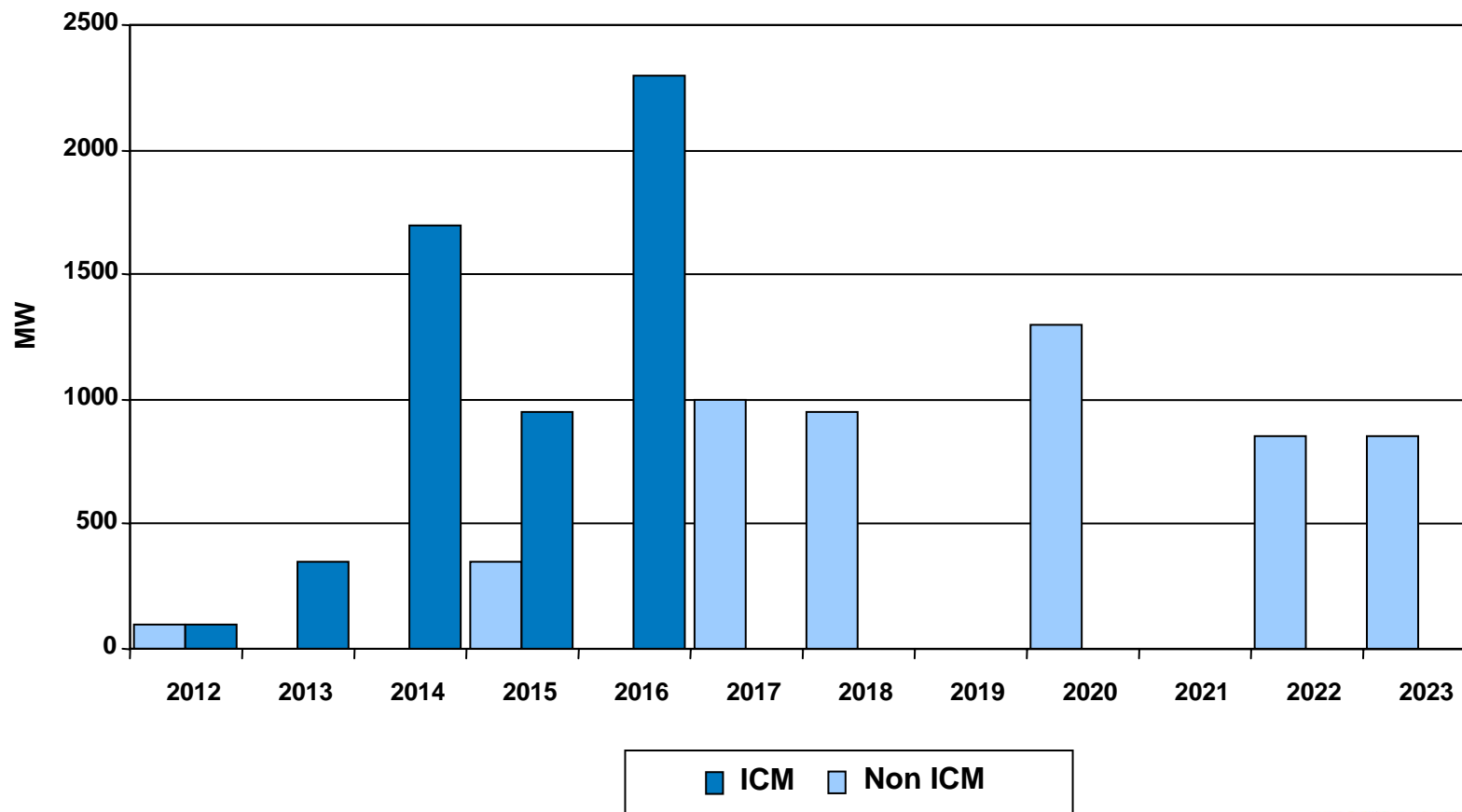
# Derogations for Wider Works

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- ◆ The relevant Transmission Owner with support from the System Operator will apply for derogations from SQSS
  - ◆ Derogation Request (TO) + Cost Benefit (SO)
- ◆ Interim Connect and Manage offers will be conditional on the derogation being granted by Ofgem

# Benefits of ICM

- ◆ With ICM we have offered 5.5GW connection dates ranging from 2012 to 2016
- ◆ Without ICM the connection dates would have ranged from 2012 to 2023



# Position – April 2009 (pre ICM)

	<b>Scotland April 2009 (MW)</b>
Projects with Offers issued	<b>454</b>
Projects identified for advancement	<b>457</b>
Projects requesting advancement	<b>200</b>
Projects on target to optimal completion date	<b>1300</b>

# Current Position – October 2009

	<b>Scotland October 2009  (MW)</b>	<b>England &amp; Wales October 2009  (MW)</b>
Projects with Offers accepted	<b>454</b>	<b>0</b>
Projects invited to advance or identified for advancement	<b>900</b>	<b>4600</b>
Further projects requesting advancement	<b>178</b>	<b>0</b>
Projects on target to optimal completion date	<b>1300</b>	<b>6300</b>

# Connection Summary

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- ◆ Successes
  - ◆ 6 GW Identified for Advancement through Queue Management
  - ◆ 5.5 GW Offered ICM Connection
  - ◆ Potential for 11.5 GW to achieve earlier connection
- ◆ Connection by 2016 will be achievable where:
  - ◆ Consents are achievable within the requested timescales
  - ◆ Local works can be completed by the required date
  - ◆ Ofgem approve derogations against SQSS compliance

# Offshore

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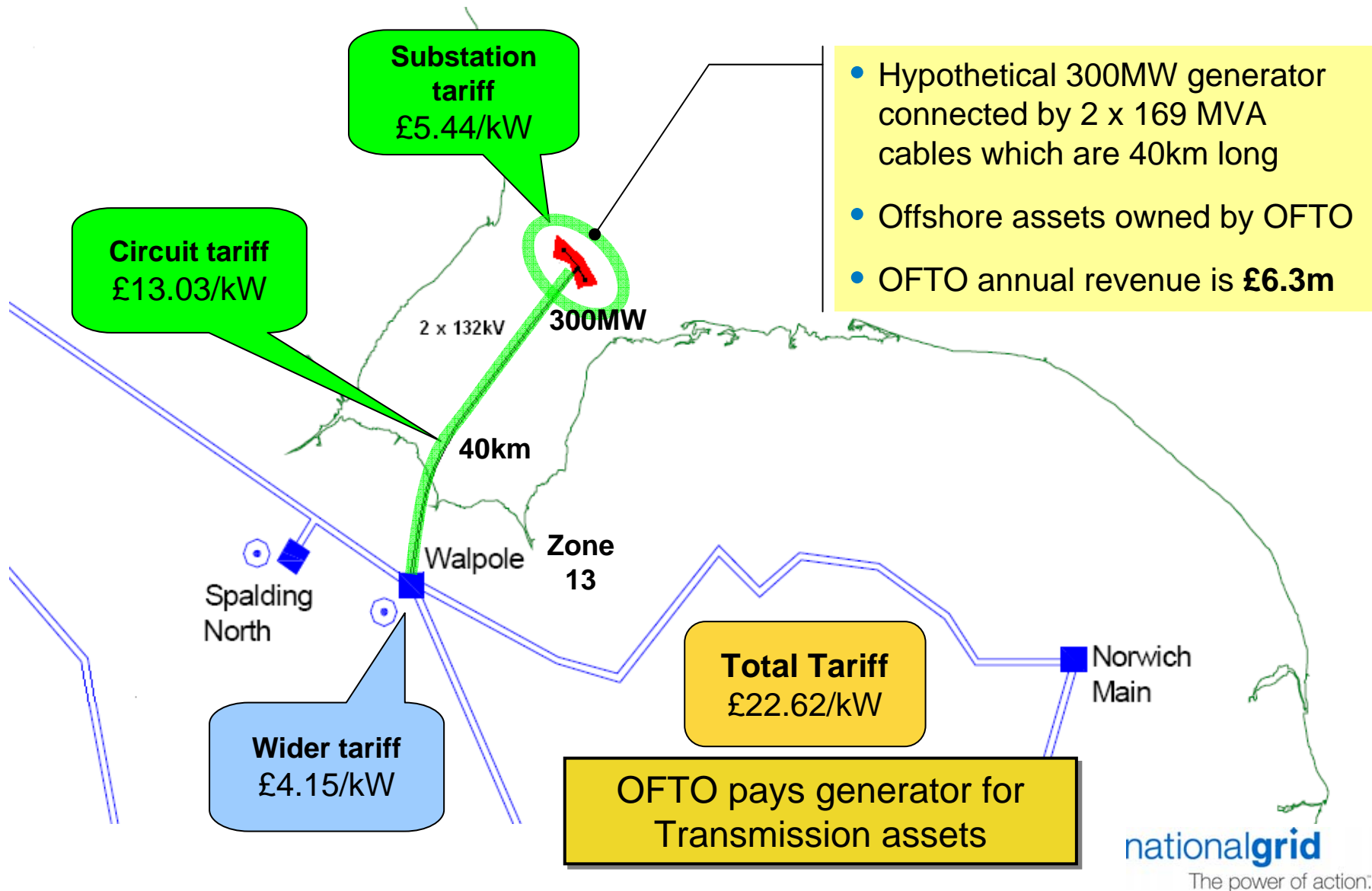
- ◆ New offshore regime,
  - ◆ Go-Active 24 June 2009
  - ◆ Go-Live presently anticipated as 24 June 2010
- ◆ Transitional – Offshore Transmission assets constructed by developer (existing or in construction windfarms) ‘wet offers’ made – need signed agreements by 24 December 2009
- ◆ Any new applications received now are treated under the new regime

# Offshore Developments - Summary

## 2020 Scenarios

	<b>Business as Usual (MW)</b>	<b>Gone Green (MW)</b>
Existing	300	300
STW	500	700
R1 & R2	5700	6200
R3	2000	11500
<b>Total</b>	<b>8500</b>	<b>18700</b>
Pentland (wave/tidal)	100	500

# Post Go-Live Charging



# Offshore Next Steps

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- ◆ We are working closely with The Crown Estates
- ◆ A National Grid connection agreement is one of the Crown Estate's key milestones in the lease agreements
- ◆ Pentland Firth Workshop 11 November, Inverness
- ◆ If you are an interested party in offshore developments please arrange to talk to Customer Services
  - ◆ Duncan Burt 01926 656703
  - ◆ Julian Leslie 01926 653350

# Useful Internet Links

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- ◆ Ofgem's Approval of Interim Connect and Manage
  - ◆ <http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/tar/Documents1/20090508%20derogations%20interim.pdf>
- ◆ National Grid ICM Guidance Document
  - ◆ <http://www.nationalgrid.com/NR/rdonlyres/428758BB-9578-4F57-847E-53E20063BCAE/35345/NationalGridGuidanceonICMv10.pdf>
- ◆ National Grid Policy and Guidance documents
  - ◆ [http://www.nationalgrid.com/uk/Electricity/GettingConnected/gb\\_agreements/Policies+Guidance/](http://www.nationalgrid.com/uk/Electricity/GettingConnected/gb_agreements/Policies+Guidance/)