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Accelerating Connections

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What is the issue?

When a customer applies for a connection to the National Electricity Transmission System (NETS) Transmission Entry Capacity (TEC) is allocated on first come first serve basis.

New applications are considered against the background of what is already contracted when planning of the NETS is undertaken.

Projects which are not actively progressing (or continually seeking to push back their original connection date) remain in the contracted background when available capacity is assessed. The result is that projects contracted later (which are able to progress faster) are behind projects which are not progressing - both in terms of connection date and works required.

Mechanisms to allow progressing projects to come forward are limited currently.

What has been done?

- 1. Connect and Manage
 Generation projects able to connect to the transmission system in advance
 of completion of wider transmission reinforcement works
- 2. Interim Restrictions on Availability
 Allowing projects to connect ahead of completion of some enabling works at developer's cost and risk

Both have helped to accelerate connections however there is more that can be done to manage non-progressing projects to release network capacity

We have engaged with industry to develop the proposals that we are presenting today

Proposals – High Level

Proposals seek to introduce a set of consistent Milestones and Rules to facilitate the release of TEC to projects in a position to progress where they are behind a project that has 'stalled'

In order for a project to be classified as 'progressing' it will need to meet criteria and submit a modification application to bring dates forward

Failure to meet a milestone will result in a project being 'stalled' however projects have opportunity to change dates before becoming 'stalled' twice on the same milestone via a modification application

Proposals - Defect

Projects which are not actively progressing to their original Completion Date (or are continually seeking to push their Completion Date back) remain in the contracted background during the assessment of available capacity for the connection of other projects.

Currently there isn't a method to release capacity from those projects which are not actively progressing to those which are.

Proposals – QM Milestones

1. Initiate
Planning
Application

2. Planning Permission Recieved

3. Land Rights

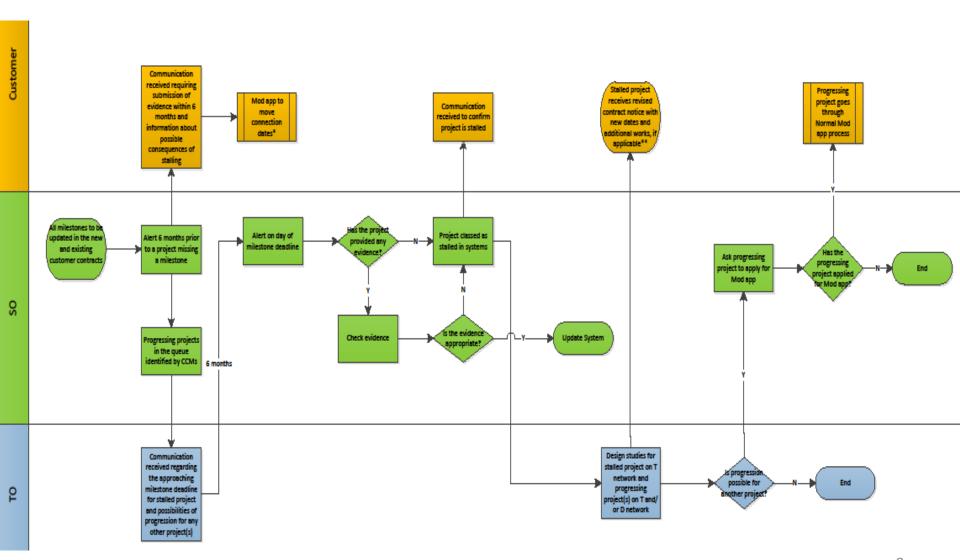
4. Confirmation no outstanding EMR contract requirement

5. Achieve FID or EPC contract

Confirmation of intention to proceed with programme

7.
Commencement
of User Works

Proposals – Rules / Process



Proposals – Anticipated Definitions

"Progressing" "Project" "Queue Management Milestone" "Queue Management Milestone Date" "Queue Management Milestone Evidence" "Queue Management Rules"

"Stalled"

Proposals – Amendments to Section 15

CUSC section 15 (2.4) outlines principles for delay to the Completion Date and the circumstances in which the Trigger Date will be revised as a consequence.

It outlines the principles when The Company exercises its rights under the Construction Agreement (2.4.2) and the principles when a change is at the Users request (2.4.3).

Need to ensure that these principles are not inadvertently undermined by this proposal. In the event of Queue Management Rules being enforced The Company will exercise its rights under the Construction Agreement however the delay will be the User's rather than the company's.

Need to recognise the Queue Management scenario in this section and make sure the affect is the same as in the case of a delay to the Completion Date as a result of the User's request.

Anticipated benefits

Release of network capacity to projects which are able to progress – accelerating connections

Improved programme alignment to meet progressing project aspirations

Greater real time intelligence on the status of projects which will help to avoid inefficient expenditure and improve TNUoS forecasting

Building upon work done by DNOs to provide consistent approach to both transmission & distribution projects

Anticipated Impact

Principles and definitions to be added to CUSC

Update to contracts required to facilitate (within defined implementation period)

STC change required to formalise process between transmission owners and system operator

Supporting guidance notes and engagement to provide customers with information they need

What are we doing now?

Drafting legal text

Exploring possibility of joint working

Understanding STC changes required

Reviewing additional feedback

Understanding contract amendments that would be required

What are we planning to do next?

Oct-17 STC Panel Presentation

Oct-17 Incorporation of additional feedback

Nov-17 CUSC Proposal

Nov-17 STC Proposal

Dec-17 Joint working arrangements

Any questions or comments?



Additional Information

For more information on industry workshops & outputs please contact:

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