

ACCESS AND FORWARD LOOKING CHARGES SIGNIFICANT CODE REVIEW (SCR) A BRIEFING WEBINAR

23rd March 2023



Scottish & Southern
Electricity Networks



DEBBIE CLOKE

**CONNECTIONS ENGAGEMENT
COORDINATOR**



INTRODUCTION

Purpose

Following the final approval of the DCUSA change proposals from Ofgem's Access and Forward Looking Charges Significant code review (SCR) we would like to update our customers and stakeholders on our changes and impacts for them.

Approach

We will present any decisions and what this means to our customers and stakeholders. We will also be seeking your feedback, and there will be opportunity for Q&A.



Speakers

Debbie Cloke Connections Engagement Coordinator

David Williams Lead Connections Policy Engineer

Zoe Farrell Access SCR Programme Manager

Nigel Bessant Head of Network Operations

Daniel Mellis Connections Policy Manager

Connections Engagement
connectionsfeedback@sse.com



AGENDA

Introduction

Safety Moment

Purpose, Approach & Speakers

Housekeeping & Online Interaction Tool

Summary – Nigel Bessant

Charging – David Williams

Curtailable Connections – Zoe Farrell

Over to You

Feedback and Q&A

Slido

Close

Thank you





NIGEL BESSANT

HEAD OF NETWORK OPERATIONS



ACCESS SCR SUMMARY



Scope

- A review of the definition and choice of **access rights** for distribution users
- A review of the distribution connection **charging boundary**

Purpose

- Reduce **barriers to network access**
- Enabling users to continue to **make efficient choices** about where to locate on the network and how to use it
- Supporting the continued transition to **Net Zero**



ACCESS SCR TIMELINE



June 2021	Ofgem issue consultation on Access SCR Minded-To position
January 2022	Ofgem issue consultation on <u>Updated Access SCR Minded-To position</u>
3 rd May 2022	Ofgem issue <u>Access SCR Decision and Direction</u>
May 2022	Commencement of DCUSA change proposal consultation
Late 2022	DCUSA change proposals ready for Ofgem Decision
Late 2022	Update of ECCR complete
Early 2023	Approval of all DCUSA Change Proposals
April 2023	Access SCR reforms begin to take affect



DAVID WILLIAMS

LEAD CONNECTIONS POLICY ENGINEER



ACCESS SCR DECISION AND DIRECTION

Key Principles

- A **Final Demand Site (i.e. Demand connection)** to have a shallow boundary. This means the DNO fully funds reinforcement and recovers through DUoS, unless High Cost Cap is exceeded
- A **Non-Final Demand Site (i.e. Generation connection)** to have a shallower boundary. This means the customer only contributes to reinforcement at the same voltage level as Point of Connection (POC), unless High Cost Cap is exceeded.
(Definitions of demand and generation connections largely in line with Schedule 32 of the DCUSA)
- **Generation High Cost Cap (HCC)** will remain at **£200/kW**. **Demand HCC** to be introduced at **£1720/kVA**. HCC will be based on the current Two Voltage rule (customer contributes for reinforcement at current voltage and one voltage level up)
- No change in definition of the **Minimum Scheme** or treatment of applications for **voltage** or **number of phases** greater than the current network can support
- Definition of **Speculative Developments** will be updated to give greater clarity for connections with planned phases and future expansion. Treatment of speculative developments remains and DNOs to have clear policy on its application
- **Storage** treated as Generation for charging purposes



PRIMARY PURPOSE ASSESSMENT

Primary Purpose Assessment

Use this tool to determine the Primary Purpose of the site for the application you are currently handling.
When determined, log your decision as this will affect how reinforcement charges are calculated

Complete dropdowns

↓

Is the site used entirely for energy storage?	Yes

RESET

If unsure, escalate to SSEN design manager

Primary purpose is **Generation**

Each application will undergo a **primary purpose** assessment to determine whether the sites' primary purpose is Demand or Generation.

Assessments will consider:

- Maximum capacity is greater for either Demand or Generation
- If any generation is installed to support the demand requirement and reduce consumer energy charges and only export where demand is not required/reduced
- If site used entirely for energy storage
- Any other information that we as DNO may find to be relevant
- Outcome of assessment will have direct impact to quotation charges for any reinforcements that may be required
- A tool will be made available on our website to help you determine the likely outcome of the assessment



SPECULATIVE ASSESSMENT

Speculative tool

Not all criteria applies to every job; if you do not have the information, then you cannot assess the criteria

Criteria	Response
5 Application consist of entirely future provision? All applications must include: - Will at least 75% of the total connections and/or at least 75% of the total load are delivered in the first phase of the development (excluding any temporary works). OR - Is only infrastructure being installed with no connections for end users requested, and the development is not within the Local Authority's development plans. Is the capacity ramping load profile clear and acceptable? All applications - The applicant does not provide an acceptable capacity ramp profile and a portion of the Required Capacity is for future expansion. OR - Is the site a Phased Capacity Site? What is the timescale of the site? Domestic and non-domestic developments - Does the development have an overall timescale of MORE THAN ten years from the date on which the initial application is made to completion of the final phase and a phasing plan for the complete development HAS NOT been provided. OR - Does the development has an overall timescale of UP TO two years from the date of the initial application is made until the completion of the final phase; or the applicant has provided a clear phasing plan for the complete development.	
3	
1	
2	

Does the site have Planning Permission?
Domestic developments only
- Does the complete development include **more than** 5,000 dwellings **or** require **more than** ten permanent HV/LV substations beyond the POC.
OR
- Does the complete developed include **less than** 100 dwellings **or** require **less than** three permanent HV/LV substations beyond the POC.

In Progress

- OFGEM has determined an assessment where required, must be undertaken to determine whether a project is speculative
- The assessment will only apply where network reinforcements are identified as being required
- Assessment is based on defined criteria and scoring system. High criteria are scored 2 points and low criteria are scored 1 point
- Not all criteria will apply
- If outcome is speculative then full costs will apply to all reinforcement charges
- A tool will be made available on our website to help you determine the outcome of any assessment



ECCR 2022 AMENDMENTS


		Would the second comer be liable for reinforcement costs had they been the first connection under Ofgem's new connection charging arrangements?	
		Yes ²	No
Has the first connection customer contributed in part to connection costs?	Yes ^{1,1+}	Second comer would be required to reimburse first comer on a proportionate basis.	no reimbursement
	No	no reimbursement	no reimbursement

Clarifications

¹ **First connection applied pre-1 April 2023:** When a connection customer has contributed to reinforcement at same voltage level as connection or one above

¹⁺ **First connection applied from 1 April 2023:** When a generation customer contributes to reinforcement at same voltage level as connection,

² When a second comer generation customer contributes to reinforcement at same voltage level as the connection.



ECCR Determination Tool Rebate to DNO

Answer any questions to produce result
Handling fully customer funded reinforcement can be found in wi-net-com-xxx

<p>New Connection Questions <i>Questions in this section relate to the new connection that may be liable for ECCR charges</i></p> <p>Is the new connection, - determined to be speculative, or - is a temporary supply, or - is an enhanced scheme, or - has breached the High Cost Project Threshold for any reinforcement works? No <input type="text"/></p> <p>What is the Primary Purpose of the new connection? Demand <input type="text"/></p>	<p>Result</p> <p>No Rebate to DNO</p>
<p>First Comer Questions <i>Questions in this section relate to first connection that triggered the reinforcements on the register</i></p>	<div style="background-color: green; color: white; padding: 10px; width: 50px; margin: 0 auto; border: 1px solid black;">Reset</div>

INFORMATION
This section provides guidance only

Definitions
 Speculative Development - Refer to Speculative Development Tool for guidance. If you have not assessed your application as being speculative, then consider it non-speculative
 Temporary Supply - As currently defined (i.e. any temporary supply that will not later be used to form part of the permanent connection)
 Enhanced Scheme - As currently defined (e.g. where the customer has requested the network be built to accommodate additional capacity, or provide additional levels of security of supply etc.)
 Primary Purpose - Refer to the Primary Purpose Tool for guidance

Situations where first customer may have fully contributed to reinforcements (not an exhaustive list) --- NOTE: Full contribution usually indicated by "1-1" CAF on first comer reinforcements.
 Upgrade to 3-phase supply that was not required for capacity purposes
 Network reconfiguration
 P2/7 compliance
 Speculative Development, Enhanced Scheme, Temporary Supply

- The ECCR 2017 have been amended in 2022 to support the Access SCR direction
- The new ECCR regulation come into effect 1st April 2023
- 12• BEIS have provided helpful diagram to assist in determining whether your project will attract second comer charges



TRANSITIONAL ARRANGEMENTS & CLARIFICATIONS



Ofgem's Direction set out the following transitional arrangements:

- The new charging arrangements will apply to connections that have a valid clock start date from 1st April 2023
- In-flight jobs to remain under ED1 rules. Projects can be cancelled and re-applied for but costs already incurred are not refundable and queue position will not be retained
- Current curtailable connections customers (i.e. ANM schemes) can apply for a non-curtailable connection but may incur costs depending on specific reinforcement levels
- No changes to the current treatment of transmission work triggered by a distribution connection at this time
- An unsuccessful interactive application that re-applies within the set timescales for re-application should be considered a new application, albeit one that retains its queue position



ZOE FARRELL

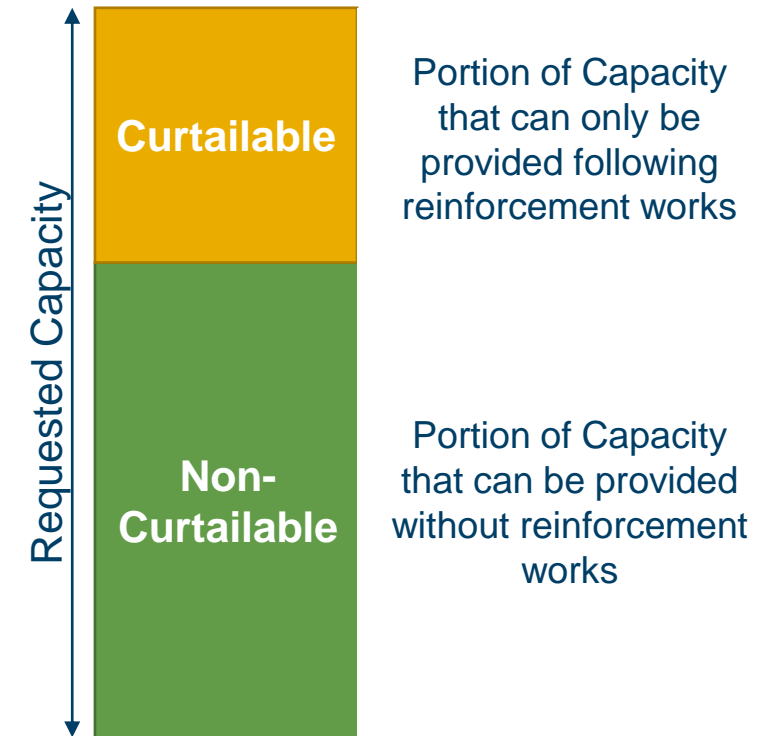
ACCESS SCR PROGRAMME MANAGER



CURTAILABLE CONNECTIONS

Introduction of a standardised **Limited-Curtailment Access Options**

- **Limited – curtailment access arrangements** will be available to users where there is a requirement for reinforcement and a specific network need for curtailment to manage local network constraints
- A **Curtable Connection Offer** will only be made when:
 - Reinforcement is needed in accordance with the Minimum Scheme;
 - The customer is not a “small user”;
 - There is a “network benefit”;
- When a Curtable Connection **Offer** is received, it will include up to 4 options to connect:
 - The default offer will include as much electrical capacity as is available now and allows you to connect up to the offered level of Curtailment until the Curtailment End Date.
 - Following completion of the Distribution Reinforcement Works you should have full non-curtailed access.
 - The cost of this option will include paying for any necessary Distributed Energy Resource Management System (DERMs) to manage your Curtable Connection and any applicable share of the reinforcement costs.





CURTAILMENT LIMITS



HOW IS THE CURTAILMENT LIMIT CALCULATED?

- **Curtailment Limit** calculations are defined in DCUSA and form a key part of our connection offers and agreements
- Data used in this calculation will be made available to the Customer by the DNO or the IDNO when it is requested by the Customer
- A Curtailment Limit will represent the number of hours that a Customer may be subject to Curtailment over a 12-month period
- The limit will typically remain unchanged for the duration of a Curtailable Connection

IS THIS THE SAME AS A CURTAILMENT ASSESSMENT?

- Curtailment Limits are different from **Curtilment Assessments** which can be offered to give an indicative forecast of curtailment based on a set specific assumptions
- SSEN is revising its approach to Curtailment Assessments to reflect the new limited curtailment access products
- We will be able to begin to offer Curtailment Assessments analysis as a separate service for demand and generation connections from October this year
- In advance of this, we will continue to offer access to the source data underpinning assessments to allow Customers and their agents to complete their own analysis



HOW WILL A CURTAILABLE CONNECTION BE MONITORED?

- We may need to install and maintain specific system management equipment, which the Customer may be liable to pay for as part of its Connection Charge
- A Curtailment Instruction may be given to restrict the capacity available via that connection for a specified period and to a specified level

WHAT IF THE CURTAILMENT LIMIT IS EXCEEDED?

- The DNO/IDNO will measure Curtailment relative to the Curtailment Limit as a minimum on a quarterly basis
- It shall use reasonable endeavours to not exceed the Curtailment Limit, including procuring Distribution Flexibility Services where appropriate
- At the end of every fourth Quarter (measured from the end of the Quarter in which the connection is energised) if the Curtailment Limit has found to have been exceeded, the DNO/IDNO shall pay the Customer within 30 days following the end of that Quarter for Curtailment above the Curtailment Limit
- The price used to determine the amount paid is the Exceeded Curtailment Price – the calculation of which is specified in Schedule 2D of the DCUSA



CLOSE

Thank you for attending today's session.

Useful links

[Smarter electricity system \(DSO\) – SSEN](#)

[Connections Meeting Leaflet](#)

[Events Calendar](#)

[Videos](#)

Contact & Escalation Guides:

- [SHEPD \(north\)](#)
- [SEPD \(south\)](#)
- [ICP/IDNO \(north & south\)](#)





THANK YOU

Connections Engagement Team

E: connectionsfeedback@sse.com

W: www.ssen.co.uk/Connections/



Scottish & Southern
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