

The Voice of the Networks



Energy Networks Association

**Fair and Effective
Management of DNO
Connection Queues:
Treatment of Changes
to Connection
Applications**

April 2016

1. Purpose and Objective

- 1.1. The purpose of this consultation is to seek the views of industry on what changes a customer can make to a connection request, while maintaining a place in the connection queue. This is governed by what is considered to be a 'material change' to the original connection request. The definition of a 'material change' determines when a customer who has made an application, is asked to submit a new connection application to the Distribution Network Operator (DNO). The requirement to submit a new application means that the customer will lose its place in the connection queue.
- 1.2. Losing a place in the connections queue can have a significant impact on a customer – increasing the time to connect and potentially the cost. Consequently, DNOs want to ensure that what constitutes 'material change' is fair and reasonable, both to the customer needing to make changes to an application but also other customers who are impacted when those ahead of them in the queue make significant changes to their planned development.
- 1.3. The Energy Network Association's (ENA's) DG-DNO Steering Group has identified eight scenarios where a customer may request a change to its original connection application. Some of these changes maybe inconsequential and can be dealt with easily by the DNO, with minimal impact on other customers in the queue, with no or minimal impact on others within the connections queue. This consultation seeks views on the balance between allowing customers some flexibility while progressing a connection application, but remaining fair to other customers in the connection queue.
- 1.4. We are seeking views on the various scenarios developed by the DG-DNO Steering Group and which should require a customer to forfeit a place in the queue (i.e. defined as a material change to the connection application). DNOs will use this feedback to assess how they chose to implement these definitions.
- 1.5. This consultation is part of the wider work being undertaken for [Quicker and More Efficient Connections \(QMEC\)](#) by Ofgem. Whilst the document has been prepared by the DG-DNO Steering Group, these change request scenarios have been developed to apply to all connection customers, not just Distributed Generation (DG).

2. Background

- 2.1. In some areas of the distribution network, there is limited capacity to connect new customers. This means that reinforcement is required which can take some time to complete. Prior to when reinforcement is undertaken, DNOs oversee a queue, managing the timing over who can connect once certain reinforcement has taken place.
- 2.2. Customers who request changes to their applications (both pre or post acceptance) can affect other customers who are behind them in the queue. At present, DNOs have slightly different criteria to what they define as a 'material change' and therefore the circumstances when a customer loses its place in the connection queue¹ are different.

¹Please see UK Power Networks policies [here](#) and Western Power Distributions [here](#).

- 2.3.** This issue has been raised by DG stakeholders specifically and was highlighted in Ofgem's [Quicker and More Efficient Connections – next steps](#), published in September 2015. This highlighted several actions for DNOs that they would take forward through the DG DNO Steering Group to address. These actions were:

'Explore the feasibility of all DNOs requiring a letter of authority from DG customers applying for a connection... The DNO-DG steering group [DG DNO Steering Group] will consider the feasibility of all DNOs requiring a letter of authority from DG customers applying for a connection. ENA to provide an update to Ofgem on progress by end of December 2015.

We want the DNO-DG steering group to develop the principles and rules that will apply to using milestones in connection offers... The DNO-DG steering group should provide high-level principles to us by December 2015. These principles will be subject to wider consultation with stakeholders before they are implemented.

Develop a set of principles for when DNOs can withdraw capacity from DG projects which aren't progressing... A set of high level principles to be agreed in the DNO-DG steering group and submitted to Ofgem by the end of December 2015.

*These principles will then be subject to a wider consultation. Consider wider queue management issues and develop options to release capacity for historic connection offers... The DNO-DG steering group will hold a workshop on queue management issues. Identify the different issues and develop a work programme to resolve them by the end of December 2015.'*²

- 2.4.** Ofgem provided an update to the original actions to be completed by December 2015, within [Ofgem's update paper on industry progress](#) published in February 2016:

*'We asked the DNO-DG steering group to also consider wider queue management issues such as, how to withdraw capacity from connection offers that have already been issued but which did not contain milestones. We expected this group to identify the different issues, and by December 2015 to have developed ways to resolve them.'*³

The DG-DNO Steering Group took an action to:

*'Consider...whether DG customers who make slight changes to connections requests (e.g. transformer location) should be treated as a new request and moved to the back of the queue.'*⁴

- 2.5.** A consultation on [Fair and Effective Management of DNO Connection Queues: Progression Milestones](#) was released on 1 April 2016.
- 2.6.** This document represents the action to consider wider queue management issues and which changes in a connection request will affect a customer's place in the queue, as part of a series of consultations on fair and effective queue management being issued by ENA.
- 2.7.** The ENA DG-DNO Steering Group is made up of a number of diverse stakeholders, including various DGs trade association representatives, six DNOs and an IDNO.

³ [Quicker and more efficient connections – an update on industry progress](#), pg. 10.

⁴ *Ibid.*

3. Principles of material change

3.1. The DG-DNO Steering Group has developed a set of overriding principles for use when considering what constitutes a material change. These are detailed below:

1. Any request that has a detrimental impact on other applicants will generally be regarded as a material change.
2. Where a request is regarded as a material change but does not have an impact on other applicants, the DNO will engage with the applicant to resolve (this may require a new application to be made).
3. A change in the Point of Connection relates to a change in circuit connectivity and not for example, a request to remove supply point from outside 2 Acacia Avenue to outside 4 Acacia Avenue, or from pole 57 to pole 58. If a PoC moves from one circuit to another, it will be regarded as a material change.
4. If a customer wishes to change its application from one where the DNO undertakes the full works to one where an ICP undertakes part of all of the works (or vice-versa) they will be permitted to do this once. If they try to do so twice, it will be treated as a material change and a new application required.
5. Where there is a fundamental change to the operational profile of the connection, for example for import only to export and this will be treated as a material change.

4. Change request scenarios

4.1. We have identified eight separate scenarios for change requests which could be made by a DG customer. We have used these to invite views on what should be considered a material change. Each change request has been set out below, with sub categories also included. These sub categories provide further details on the specifics of these change requests. For each scenario and sub category we have included views on whether the change request should be considered material and require a new application. It is this which we welcome views on.

4.2. The eight scenarios are as follows:

1. Change in generation type or technology mix;
2. Change to split of requested capacity
3. Change in requested capacity
4. Change to site boundary
5. Change in supply point/metering point location
6. Change of Point of Connection (PoC)
7. Change to requested offer type (where multi part/convertible quote provided)
8. Change to requested offer type (where only Competition in Connections quote originally requested)

Question 1: Are there any additional scenarios for a change request which are missing from the above list which are likely to occur on a wider scale? Or other comments on the approach to implementing material change? *Y/N Please identify.*

4.3. A project may have to make a change to its connection date. This can be because of a number of factors, for example, a delay in obtaining planning permission. The group would like to establish whether a change in connection date constitutes a material change, if the delay exceeds a certain time period.

Question 2: If a customer requests a change to the timescale in which to connect, should there be a limit to this timescale before which it would be considered as not being a material change, e.g. a six month limit? *Y/N please provide supporting reasons*

Question 3: If a customer exceeds this time period, should this then become a material change? *Y/N please provide supporting reasons*

4.4. Change Request One

Nature of Request			Enquiry Stage		Outcome
Change Scenario	Sub Category		Pre Acceptance	Post Acceptance	Queue Position
Change in generation type or technology mix	a) From any one technology to another or the addition of a new technology to an existing enquiry/site		Material Change	Material Change	Forfeited, new application required

Rationale: A change in technology type, e.g. from wind to solar, will have a significantly different impact on the network. For example, a DNO may be able to connect a wind farm at certain locations on the network without reinforcement. However, if the technology changes to solar it can have a very different impact on the network and require reinforcement. It seems fair to other customers in the queue that this is treated as a whole new connection application as it is completely different from the original application scheme. It should be noted that if a customer does have to submit a new application, they will not lose out on the cost of the design work already completed.

Question 4: Do you agree that Change Request One sub category a) constitutes a material change at either pre or post acceptance, requiring a customer to submit a new application? Y/N please provide supporting reasons

4.5. Change Request Two

Nature of Request		Enquiry Stage		Outcome
Change Scenario	Sub Category	Pre Acceptance	Post Acceptance	Queue Position
Change to split the requested capacity	a) Split of connection into two or more connection/metering points (no change to capacity)	Material Change	Material Change	Retained ⁵
	b) Split to capacity (unchanged) across two or more customers utilising one connection/metering point	Not Material Change	Not Material Change	Retained
	c) Split of connection into two or more connection/metering points (change in capacity)	Material Change	Material Change	Retained ⁶

Rationale: *If a customer makes changes to the split of capacity to two or more separate metering points, it may have an impact on other customers in the connection queue at that location. Consequently, it seems fair to define it as material change and ask for a new application.*

Question 5: Do you agree that Change Request Two sub category a) constitutes a material change at either pre or post acceptance and should require the second applicant to submit a new application? *Y/N – please provide reasons for your answer.*

Question 6: Do you agree that Change Request Two sub category b) does not constitute a material change at either pre or post acceptance and should allow a customer to retain its place in the connection queue? *Y/N – please provide reasons for your answer*

⁵ For the original applicant. The second applicant site would require a new application

⁶ The original applicant may elect to retain a lower capacity for part of the site whilst surrendering the remaining capacity (see change in requested capacity).

Question 7: Do you agree that Change Request Two sub category c) constitutes a material change at either pre or post acceptance and should require a lead applicant to submit a new application? *Y/N – please provide reasons for your answer*

4.6. Change Request Three

Nature of Request		Enquiry Stage		Outcome
Change Scenario	Sub Category	Pre Acceptance	Post Acceptance	Queue Position
Change in requested capacity	a) Decrease requiring change in PoC/design	Material Change	Material Change	Forfeited, new application required
	b) Decrease requiring no change in PoC/design	Not Material Change	Not Material Change	Retained
	c) Increase	Material Change	Material Change	Forfeited, new application required

Rationale: *A change in the capacity requested by a customer will require the DNO to undertake a new study of the network in that area. It is likely that this will require a reassessment / redesign. Consequently, we consider that where any decrease or an increase in requested capacity results in a change on the PoC, or in the design of the connection, that the customer should be required to submit a new application.*

Question 8: Do you agree that Change Request Three sub category a) constitutes a material change at either pre or post acceptance and should require a customer to submit a new application? *Y/N – please provide reasons for your answer.*

Question 9: Do you agree that Change Request Three sub category b) does not constitute a material change at either pre or post acceptance should permit a customer to retain its place in the connection queue? *Y/N – please provide reasons for your answer.*

Question 10: Do you agree that Change Request Three sub category c) constitutes a material change at either pre or post acceptance and should require a customer to submit a new application? *Y/N – please provide reasons for your answer.*

4.7. Change Request Four

Nature of Request		Enquiry Stage		Outcome
Change Scenario	Sub Category	Pre Acceptance	Post Acceptance	Queue Position
Change to site boundary	a) Within original land ownership boundary	Not Material Change	Not Material Change	Retained
	b) Outside of original ownership boundary	Material Change	Material Change	Forfeited if change to PoC, otherwise manage with variation

Rationale: DNOs accept that as a project develops, there may be some circumstances whereby customers need to change the location of the site, for instance for planning permission. DNOs will do all they can to ensure that this can be accommodated. Where the changes do not require a change to the PoC, the change to a site boundary will not be considered a material change.

Where the proposed new location of the supply or metering point is outside the land or development boundary in the original application this will be considered a material change. We consider that this approach will drive customers to undertake as much research and validation on the location of the supply or metering point prior to application to the DNO. This leads to a more efficient use of DNO's time and resources for all stakeholders. Even if a change is outside the scope of the site boundary, DNOs will look to move the variation within the existing connection request, where it does not alter the PoC.

Question 11: Do you agree that Change Request Four sub category a) does not constitute a material change at either pre or post acceptance and should permit a customer to retain its place in the connection queue? Y/N – please provide reasons for your answer.

Question 12: Do you agree that Change Request Four sub category b) constitutes a material change at either pre or post acceptance and should require a customer to submit a new application, unless it can be dealt with through a variation so as not to result in a change in PoC? Y/N – please provide reasons for your answer.

4.8. Change Request Five

Nature of Request		Enquiry Stage		Outcome
Change Scenario	Sub Category	Pre Acceptance	Post Acceptance	Queue Position
Change in supply point/metering point location	a) Location change within the site boundary identified in original application but PoC remains unchanged.	Not Material Change	Not Material Change	Retained
	b) Location change within the site boundary identified in original application triggered by changes outside the control of the customer or DNO (e.g. Environmental, flood risk, RADAR, land rights cannot be obtained)	Material Change	Material Change	Retained, providing not detrimental to other customers
	c) New location outside of the site boundary identified in original application	Material Change	Material Change	Forfeited, new application required

Rationale: DNOs recognise that when making an application for connection that it may not always be possible to select the optimum location within the identified site boundary, or that requests may be made by others that may affect the location. For this reason we believe that changes within the original boundary should not be regarded as material change, provided

that the PoC remains unchanged. A change to a new location outside of the original identified site would be seen as a material change.

Question 13: Do you agree that Change Request Five sub category a) does not constitute a material change at either pre or post acceptance and should permit a customer to retain its place in the connection queue? *Y/N – please provide reasons for your answer.*

Question 14: Do you agree that Change Request Five sub category b) does constitute a material change at either pre or post acceptance and permit a customer to retain its place in the connection queue, providing that this is not detrimental to other customers in the queue? *Y/N – please provide reasons for your answer.*

Question 15: Do you agree that Change Request Five sub category c) constitutes a material change at either pre or post acceptance and should require a customer to submit a new application? *Y/N – please provide reasons for your answer.*

4.9. Change Request Six

Nature of Request		Enquiry Stage		Outcome
Change Scenario	Sub Category	Pre Acceptance	Post Acceptance	Queue Position
Change of Point of Connection (PoC)	a) From the minimum scheme at the request of the customer	Material Change	Material Change	Forfeited, new application required
	b) For reasons unforeseen at time of application (eg. Environmental, flood risk, RADAR, land rights cannot be obtained)	Material Change	Material Change	Retained, providing not detrimental to other customers

Rationale: A change in the PoC requires a detailed system study to be undertaken by the DNO and to accommodate the requested capacity at another point on the network, it is highly likely to have an impact on the cost and timescales of connection for other DG customers in the queue. Therefore, we think it's only fair on those customers that this is treated as a material change and a new application required so as not to change the costs and timescales of connecting for other DG customers. Please note that where the minimum scheme changes at a later date which, is not caused by the customer, then this would not be considered a material change, even if this results in a change in PoC.

Question 16: Do you agree that Change Request Six sub category a) constitutes a material change at either pre or post acceptance and should require a customer to submit a new application? Y/N – please provide reasons for your answer.

Question 17: Do you agree that Change Request Six sub category b) constitutes a material change at either pre or post acceptance and should retain its place in the connection queue? Y/N – please provide reasons for your answer.

Question 18: If the minimum scheme for a connection charge changes, which in turn leads to a change in PoC, do you agree that a customer should have this treated as a material change? Y/N – please provide reasons for your answer.

4.10. Change Request Seven

Nature of Request		Enquiry Stage		Outcome
Change Scenario Event	Sub Category	Pre Acceptance	Post Acceptance	Queue Position
Change to requested offer type (where multi part/convertible quote provided)	a) Change from a full works (section 16) offer to a non-contestable (CiC) offer	Material Change	Material Change	Retained, providing not detrimental to other customers
	b) Change from a non-contestable (CiC) only offer to a full works (section 16) offer	Material Change	Not Material Change (please see principles for material change)	Retained at post acceptance, but not at pre acceptance

Rationale: Traditionally DNOs have provided separate quotations for Section 16 and Competition in Connections (CiC) applications. All DNOs now offer multi part / combined / convertible quotations for customers requesting a Section 16 offer only. This effectively provides customers with sufficient information to make an informed choice regarding the delivery of their project at an early stage. However, we recognise that a customer may wish to change their mind and that they may do so only once (please see overriding principles). The other scenarios will be classed as material change, but if it has no impact on other customers, the DNO will allow a customer to retain its position in the queue.

Question 19: Do you agree that Change Request Seven sub category a) does constitute a material change at either pre or post acceptance and should allow a customer to retain its place in the connection queue, providing that this is not detrimental to other customers in the queue? Y/N – please provide reasons for your answer.

Question 20: Do you agree that Change Request Seven sub category b) constitutes a material change at pre acceptance and should require a customer to submit a new application? Y/N – please provide reasons for your answer.

Question 21: Do you agree that Change Request Seven sub category b) does not constitute a material change at post acceptance and should retain its place in the connection queue? Y/N – please provide reasons for your answer.

4.11. Change Request Eight

Nature of Request		Enquiry Stage		Outcome
Change Scenario	Sub Category	Pre Acceptance	Post Acceptance	Queue Position
Change to requested offer type (where only CiC quote originally requested)	a) Change from a non-contestable (CiC) only offer to a full works (section 16) offer	Material Change	Material Change	Forfeited, new application required

Rationale: Customers have traditionally been able to request connection offers for both Section 16 and Competition in Connections, with many DNOs providing these separately. All now offer multi part / combined / convertible offer (see Change Request Seven). In some circumstances these are only offered to a customer requesting a connection Section 16 offer. A customer that has previously requested a CiC only offer but then proceeds on a Section 16 basis would need to reapply. Customers have traditionally been able to request connection offers for both Section 16 and CiC, with many DNOs providing these separately. All now offer multi / combined / convertible (see Change Request Seven). In some circumstances these are only offered to a customer requesting a connection Section 16 offer. A customer that has previously requested a CiC only offer, but then wishes to proceed on a Section 16 basis would need to reapply.

Question 22: Do you agree that Change Request Eight sub category a) constitutes a material change at either pre or post acceptance and should require a customer to submit a new application? *Y/N – please provide reasons for your answer.*

5. Responses

5.1. Responses should be submitted to the ENA secretariat by 9 June 2016 at 17.00 to alexandra.moore@energynetworks.org.

6. Next Steps

6.1. After the closing date has passed, the DG-DNO Steering Group will consider the responses received and DNOs will decide individually how they take the conclusions forward.