

Payment Process Specification v4.00

Pertaining to the Accelerated Loss of Mains Change Programme (“ALoMCP” or “Programme”)

INTRODUCTION

The purpose of this document is to set out the specification, the process, and the timeline for the payment scheme run by National Grid Electricity System Operator Limited (“NGESO”) and all distributors (DNOs and IDNOs) participating in the ALoMCP (“Participating Distributors”).

This document is referred to in the contract that governs the provision of the accelerated loss of mains (LOM) change service (“ALoMCP Distributor Agreement”) between NGESO and Participating Distributors and in the contract (“ALoMCP Provider Contract”) that govern the provision of services between the Participating Distributor and each owner of generating facilities participating in the programme (“Provider”). The terms of each ALoMCP Distributor Agreement require that the Participating Distributor and NGESO comply with the terms of this Payment Process Specification and the terms of the ALoMCP Provider Contract require the Participating Distributor and the Provider to also comply with the terms of this Payment Process Specification.

GOVERNANCE

This document has been adopted by the customer support workstream of the ALoMCP and adopted by all its members in accordance with the constitution of the Programme Steering Group and related Workstreams. Any changes to this policy are governed by the rules of the customer support workstream, which all members have agreed to comply with in the Framework Agreement between NGESO and Participating Distributors.

The customer support workstream will monitor the delivery of this policy and will develop and agree any necessary revisions to it according to the decision-making rules set out in the constitution.

VERSION CONTROL

Version	Date	Status	Notes
1.0	23.08.2019	Final	
2.0	30.09.2019	Approved	Approved 01 October 2019
3.0	11.05.2020	Approved	Addition of Table 10 for Forecast schedule
4.00	25.06.20	Approved	Inclusion of Fast Tracking

PAYMENT SCHEME

The Programme aims to incentivise Providers for early compliance with the revised LOM protection as specified in Engineering Recommendations G59 Issue 3 Amendment 7 ahead of the date specified in relation to these requirements. It is a major part, but not the only part of, the ALOMCP.

In order to qualify for participation, prospective providers will be required to submit an application via a dedicated online portal that will be made available on the ENA website. The applications will include an offer to achieve early compliance with the new LOM protection requirements in return for the payment. This offer will be reviewed then assessed in accordance with the [Procurement Methodology](#). Once an application has been accepted, the Provider will be required to implement the changes prior to an agreed deadline (works completion date) to receive the payment.

The Programme will be open for a limited period. Applications will be assessed within windows based on their contribution towards the overall risk reduction and the consequent reduction in BSUoS charge. The earlier an application is submitted, the higher the likelihood that application will be accepted as it will be assessed alongside the applications received in that window against a budget for the whole application period.

Providers who may have completed the works ahead of submitting an application may apply for payment, and their application will be evaluated on the same grounds as any other applicants.

A similar programme was run in Summer 2018 to accelerate changes away from Vector Shift protection at high-risk sites in the south of England. This exercise proved successful. Further information on this programme is available online at <https://www.nationalgrideso.com/balancing-services/system-security-services/transmission-constraint-management?market-information>

PRE-QUALIFICATION CRITERIA

To be eligible for participation, sites must meet the following pre-qualification criteria:

- operate in long-term parallel mode with the distribution network,
- have been connected and commissioned prior to February 2018,
- have their LoM protection, relays or otherwise, responding to either
 - o Vector Shift (VS); or
 - o Rate of Change of Frequency (RoCoF), where the settings are more sensitive than the settings required by the Engineering Recommendations G59 Issue 3 Amendment 7; or
 - o RoCoF, where the settings have been modified retrospectively on or after February 2018 to comply with the Engineering Recommendations G59 Issue 3 Amendment 7; and
- have not received any previous payment to modify their LoM protection either as a part of this Programme or any other similar programmes.

WORKS REQUIRED

In order to achieve compliance with the Engineering Recommendations G59 Issue 3 Amendment 7 requirements, Providers will have to;

- Ensure that where RoCoF is used to detect LoM, the protection settings are 1Hzs^{-1} with a definite time delay of 500ms; and
- Ensure that VS protection are no longer used as means of LoM protection.

The works required to be completed by the Providers for each protection device – including relays, convertor controllers, or any other such device – that is used to provide a LoM protection function at their site are summarised in Table 1.

Table 1: Works required

Category of works	Detailed scope of works	Applicability
Protection settings change.	The Provider changes the settings of the protection device to meet the Distribution Code requirements.	For all protection devices that can accept the settings required.
Protection function deactivation.	The Provider disables the LoM protection function of the protection device.	For protection devices that cannot accept the settings required; provided that these protection devices are not used to protect synchronous generating units or doubly fed induction generation units.
Protection replacement works.	The Provider replaces the existing protection device with a new protection device that can be set to comply with the Distribution Code requirements.	For protection devices that cannot accept the settings required; provided that these protection devices are used to protect synchronous generating units or doubly fed induction generation units.

PAYMENT

Providers will receive a payment depending on the scope of works. This sum will be calculated for each Provider's facility, on the basis of the information provided in their application, as follows

1. £4000 plus VAT for each protection device that require protection replacement works; plus
2. Up to £4000 plus VAT that is made of
 - £1500 plus VAT for the first protection device that requires either protection function deactivation or protection settings change; plus
 - £500 plus VAT per protection device for up to 5 additional protection devices that require either protection function deactivation or protection settings change; plus
 - £0.0 for any further devices that require either protection function deactivation or protection settings change; plus
3. £500 plus VAT for sites that are subject to post-event sample site visits.

This breakdown is summarised in Table 2.

Table 2: Breakdown of payment sum for any specific site

	Payment (per protection device)		
	The first protection device	Up to 5 additional protection devices	Remaining protection devices
Protection replacement works	£4000 plus VAT	£4000 plus VAT	£4000 plus VAT
Protection function deactivation and/or protection settings change	£1500 plus VAT	£500 plus VAT	£0.0
Post event sample site visit	£500 plus VAT (per site)		
Fast tracking payment	For applications approved under a fast-tracking scheme, the additional payments per site specified in the Annex to this document for the fast-tracking scheme that the site has been approved for.		

These sums have been chosen to achieve a balance between the cost of the programme to the electricity consumer and the success of the Programme. The choice was guided by a bottom up assessment, conducted by an independent party, of the typical costs required to undertake the works required.

WITNESS TESTING AND ASSURANCE

Participating Distributors will be responsible for carrying out assurance activities as detailed in the [Delivery Assurance Policy](#) including witness testing where required, review of any evidence of completion of works, and post-event sample site visits. Participating Distributors will not charge Providers for a successful first witness test or a sample site visit during normal business hours.

The works for any site will not be treated as complete and the Provider will not therefore become eligible for payment until all the delivery assurance activities associated with those sites have been completed to the satisfaction of the Participating Distributor.

TIMELINE

Providers whose sites meet the pre-qualification criteria are entitled to apply for payment. The Programme comprises an application process and an implementation process.

Application Process:

The application process will run in cycles – hereafter referred to as windows. The opening and closing days of the four application windows initially planned are shown in Table 3 below. The milestones relevant to each window are shown in Table 4.

Table 3: The application process – Windows

Window	Opening Day	Closing Day	Duration
Window 1	02.10.2019	12.11.2019	6 Weeks
Window 2	13.11.2019	11.02.2020	3 calendar months
Window 3	12.02.2020	12.05.2020	3 calendar months
Window 4	13.05.2020	11.08.2020	3 calendar months

Table 4: The application process – Timeline

Milestone	Date	Description
Opening day	As defined in table 3.	The day in which the Participating Distributor will issue or renew the call for applications.
Closing day	As defined in Table 3.	The day by which the Provider must have submitted their application to the Participating Distributor so it can be processed within the timescales relevant to the window.
Pre-qualification day	10 business days (working days) after the Closing Day.	The day by which the Participating Distributor will have reviewed the applications received for consistency and for meeting the pre-qualification criteria and submitted them to NGENSO for consideration.
Distributor results day	10 business days after the pre-qualification day.	The day by which NGENSO will have assessed the applications using the evaluation criteria specified in the Procurement Methodology and notified Participating Distributors of successful applications.
Provider results day	10 business days after the distributor results day.	The day by which Participating Distributors will have notified Providers whose applications have been successful.

Implementation Process:

The implementation process will run independently for each distributed generation site. However, all works completion dates will be aligned, where appropriate, with a provider results day to ensure that all implementation processes are synchronised. The milestones for this process are shown in Table 5 below.

Table 5: The implementation process – Timeline

Milestone	Date	Description
Provider results day	As defined in Table 2 above.	The day by which the Provider has been notified by the Participating Distributor of offer acceptance and required works completion date.
Confirmation of implementation date	No later than 10 business days after the provider results day and.	The day when the Provider commits to a date to undertake the works required.

Milestone	Date	Description
Proposed Implementation date	As notified by the Provider and not earlier than 20 business days following the confirmation of implementation date.	The day when the Provider proposes to undertake the works required. This date is subject to being agreed by the Participating Distributor where the works are subject to witness testing.
Implementation date	Either the same date notified by the Provider or an alternative date agreed between the Provider and the Participating Distributor as necessary to facilitate witness testing.	The day when the Provider undertakes the works required.
Works completion date	As notified by the Participating Distributor to the Provider on provider results day.	The deadline by which the Provider must have completed all the works necessary and submitted the evidence of such completion to the Participating Distributor for it to be eligible for payment.

PROCESS

The steps required for the application process and the implementation process are as follows:

1. Participating Distributors will issue a “call for applications” on the opening day of the first window and will renew this call for applications at the beginning of each subsequent window subject to closure of the scheme by NGESO and the Participating Distributors. The call for applications will detail the information and the timeline relevant to that specific window.
2. At any time following the first call for application up until closure of the Programme, Providers can apply through a dedicated web portal. The application will require the provision of contact details, an offer to complete the works in line with Engineering Recommendations G59 Issue 3 Revision 7, and of the technical information necessary to assess the application. This includes:
 - a. Capacity
 - b. Generation type
 - c. Number of LoM devices
 - d. Current LoM device type(s) and setting(s)
 - e. The scope of works required (i.e. Protection settings change, protection function deactivation, or protection replacement works)
 - f. Participating Distributor
 - g. Lead time for change
 - h. MPAN¹
3. Once submitted, an e-mail will be sent out to the Provider to acknowledge that the application has been received and the following actions will be undertaken by the deadlines specified in Table 6.

¹ Meter Point Administration Number, also known as the Supply Number

Table 6: The process

Action	Deadline
<p>a) The relevant Participating Distributor will review whether the application meets the pre-qualification criteria and that any information provided is consistent. Once satisfied, the Participating Distributor will submit the application (including the offer) via the portal to NGESO for assessment</p>	<p>Pre-qualification Day (Table 4).</p>
<p>b) NGESO will assess the applications using the evaluation criteria specified in the Procurement Methodology and, for selected applications, specify the works completion date by which the works need completing (which will take into account the “lead time for change” submitted by the Provider and any resource restrictions agreed between the Participating Distributor and NGESO), and thereby approve the offer</p>	<p>Distributor Results Day (Table 4)</p>
<p>c) If successful, the Provider will be notified of the acceptance by means of an email that is automatically generated by the portal and sent on behalf of the Participating Distributor. The email will include the works completion date by which the Provider must have completed the works and submitted the evidence required. The email will also include sufficient information about the next steps and the contractual terms that Provider is required to accept to qualify for payment.</p>	<p>Provider Results Day (Table 4)</p>
<p>d) The Provider will populate, via the portal, the date by which it is committing to make the required changes. By providing this date the Provider will have formally agreed to complete the works within the timescales specified in accordance with the contractual terms provided by the Participating Distributor to the Provider. The implementation date provided by the Provider must allow at least 20 business days from notification to ensure that the Participating Distributor can arrange witness testing of LoM protection if required.</p>	<p>Confirmation of implementation date (Table 5)</p>
<p>e) If the Participating Distributor is required to witness test the change (in accordance with the Delivery Assurance Policy), the Participating Distributor will contact the Provider to agree the proposed date or arrange an alternative date.</p>	<p>10 business days following notification of the proposed implementation date (Table 5)</p>

Action	Deadline
f) The Provider will carry out the works on the agreed implementation date, with the Participating Distributor witnessing this where required.	Implementation date (Table 5)
g) The Provider (or the Provider's contractor) will undertake the works required and submit supporting evidence of completion to the Participating Distributor and an invoice for the payment.	Works completion date (Table 5)
h) The Participating Distributor will review the evidence submitted by the Provider.	As soon as reasonably practicable
i) If the Participating Distributor is required to carry out a sample site visit at the site (in accordance with the Delivery Assurance Policy), the Participating Distributor will contact the Provider to agree when this will be done	As soon as reasonably practicable
j) Where required, the Participating Distributor will carry out the sample site visit with the Provider in attendance providing the evidence.	On the agreed date
k) If the evidence submitted is acceptable, together with the outcome of any witnessing of testing and/or sample site visit (where carried out), the Participating Distributor will initiate the process to pay the Provider.	Within 30 business days ² of all evidence and visits being completed satisfactorily and on time.

Inconsistencies in an application may result in delays in processing the application. Where possible, Participating Distributors will undertake reasonable efforts to liaise with Providers to resolve such inconsistencies.

Applications that are declared to have met the pre-qualification criteria by the pre-qualification day of a window, but that are not accepted by NGESO, will be automatically reassessed in following windows unless the payment scheme has been made no longer available or the application withdrawn by the Provider.

The Provider will not be paid if it fails to

- complete the works satisfactorily and provide the supporting evidence required to the Participating Distributor by the works completion date;

² **IMPORTANT NOTE: All reasonable endeavours shall be made to meet this deadline. In circumstances where this is not possible, the neither the Participating Distributor nor NGESO shall have any liability for any delay to said payment.**

- facilitate a sample site visit if they are required to facilitate one; or
- demonstrate satisfactory completion of the works during the sample site visit

The Provider may reapply for payment however acceptance will be at the absolute discretion of NGESO and, if accepted, the payment will be subject to the successful demonstration of satisfactory completion of the works.

Independent auditing – further site visits, in addition to witness testing and post-event sample site visits, may be required for the purpose of independent auditing.

Providers that have successfully completed the works ahead of submitting their applications can state this in a tick box in the portal and should enter the lead time to making the changes as zero weeks. These applications will be assessed and if approved, subject to submission of the evidence required, will be paid accordingly.

The payment process timeline is shown in Figure 1 from a Provider perspective and in Figure 2 from a Participating Distributor and NGESO perspective. The detailed process timeline including all actions is shown in Figure 3.

FAST TRACKING

When a requirement for further acceleration of compliance for a certain category of site is identified, NGESO and one or more of the Participating Distributors may set-up a fast-tracking scheme to fast-track applications meeting specific criteria through application and implementation provided that the Providers are willing to deliver the accelerated LoM change service within short timescales. The details of such scheme will be published and will be made accessible as a separate document on the application portal. These details will specify

1. The day on which the fast-tracking scheme will become active;
2. The application cap for the fast-tracking scheme;
3. The criteria that the sites have to meet in order for the application to be fast tracked.
4. Any associated fast-tracking payment.

In addition, save for the cap, the details of any fast-tracking scheme will be included as an annex to this Payment Process Specification.

Participating Distributors and NGESO will apply reasonable endeavours to process applications that meet the pre-qualification criteria and the criteria of an active fast-tracking scheme submitted on or after the commencement of that scheme according to the fast-tracking timeline defined in Table 7.

Providers who already submitted an application that meets the pre-qualification criteria and the criteria of an active fast-tracking scheme, where their application has not been approved by NGESO, may request from the Participating Distributors to fast-track their existing application.

Providers who already submitted an application that meets the pre-qualification criteria and the criteria of an active fast-tracking scheme, where the application has already been approved by NGESO, may advise the Participating Distributors to have their previous submission re-assessed by NGESO. Such requests will only be considered if

- the Provider advises a new lead time that they are willing to complete the works within;
- the new lead time is in-line with the criteria of the fast-tracking scheme; and
- the works completion date following the re-assessment is at least two weeks before both the Works Completion Date and the proposed implementation date of the existing application.

The request to re-assess an application will be treated as a new application in lieu of the existing approved application and, if approved, the Participating Distributor will send the Provider on the provider results day a notice to vary the contractual terms associated with the previous agreement.

Table 7: The application process – Timeline for fast tracking

Milestone	Date
Opening day	For the fast-tracking window, Monday of every week
Closing day	For the fast-tracking window, Friday of the same week as the opening day
Pre-qualification day	Wednesday on the following week following the fast-tracking window.
Distributor results day	Thursday of the following week following the fast-tracking window.
Provider results day	Friday of the following week following the fast-tracking window.

Once the application cap for a fast-tracking scheme has been reached, NGENSO will notify Participating Distributors that the fast-tracking scheme is no longer active.

The Provider will only be paid one fast-tracking payment per site even if the site meets the criteria for multiple fast tracking schemes. The Provider may not be paid the fast-tracking payment if the evidence submitted following the completion of the works fails to demonstrate that the works met the criteria of the fast-tracking scheme(s) for which that site was approved.

SCHEDULING, REPORTING AND REIMBURSEMENT

Within the 10 business days ahead of the opening day of any window, NGENSO and the Participating Distributors will agree

- NGENSO's targets in relation to the offers to be accepted within the window, and
- Restrictions on the number of offers to be accepted within the window for implementation in any specific future window as necessary to ensure the efficient management of resources for each Participating Distributor and the timely completion of works at all sites within the scope.

By no later than 5 five business days into each calendar month, Participating Distributors shall submit to NGENSO in relation to the previous calendar month and any adjustments related to previous months,

- An invoice for the costs incurred by the Participating Distributor and
- Progress reports detailing the works completed and the costs incurred in the format shown in Table 8 and Table 9 with sufficient details to allow accurate reconciliation and transparent technical and financial reporting.

By no later than the distributor results day of a window, the Participating Distributor shall submit to NGENSO, in relation to the current window and the forthcoming window, the Participating Distributor reasonable estimate of

- Progress anticipated, both in terms of number of sites and total MW capacity, and
- costs anticipated in the format shown in Table 8 and Table 9 and Table 10.

In each window, within 10 business days following the provider results day, NGENSO will publish a performance report detailing the progress achieved within the current window and the projections for the next window.

Table 8: Cost schedule

Category	Description of activities	Period covered		
		FTE (Full time equivalent)	Staff Cost	Other
Stakeholders activities	1. 2. 3. : :			
Customer support activities	1. 2. 3. : :			
Value assurance activities	1. 2. 3. : :			
Delivery assurance activities	1. 2. 3. : :			
Meetings and programme governance	1. 2. 3. : :			

Table 9: Cost breakdown for individual sites

	Application ID	Cost		
		Sum paid to Provider	Charges payable to the Participating Distributor (witness testing/site visits where applicable)	Total
1.				
2.				

3.				
:				
:				
	Total for the invoice			

Table 10: Forecast schedule

Stage	Current Window (k)		Next Window (k)		Comments
	# sites	Volume (MWs)	# sites	Volume (MWs)	
Applications					[please detail any associated risks, dependencies, obstacles etc]
Completed works					[please detail any associated risks, dependencies, obstacles etc]
Witness Tests					[please detail any associated risks, dependencies, obstacles etc]
Sample Site visits					[please detail any associated risks, dependencies, obstacles etc]
Self-Certified					[please detail any associated risks, dependencies, obstacles etc]

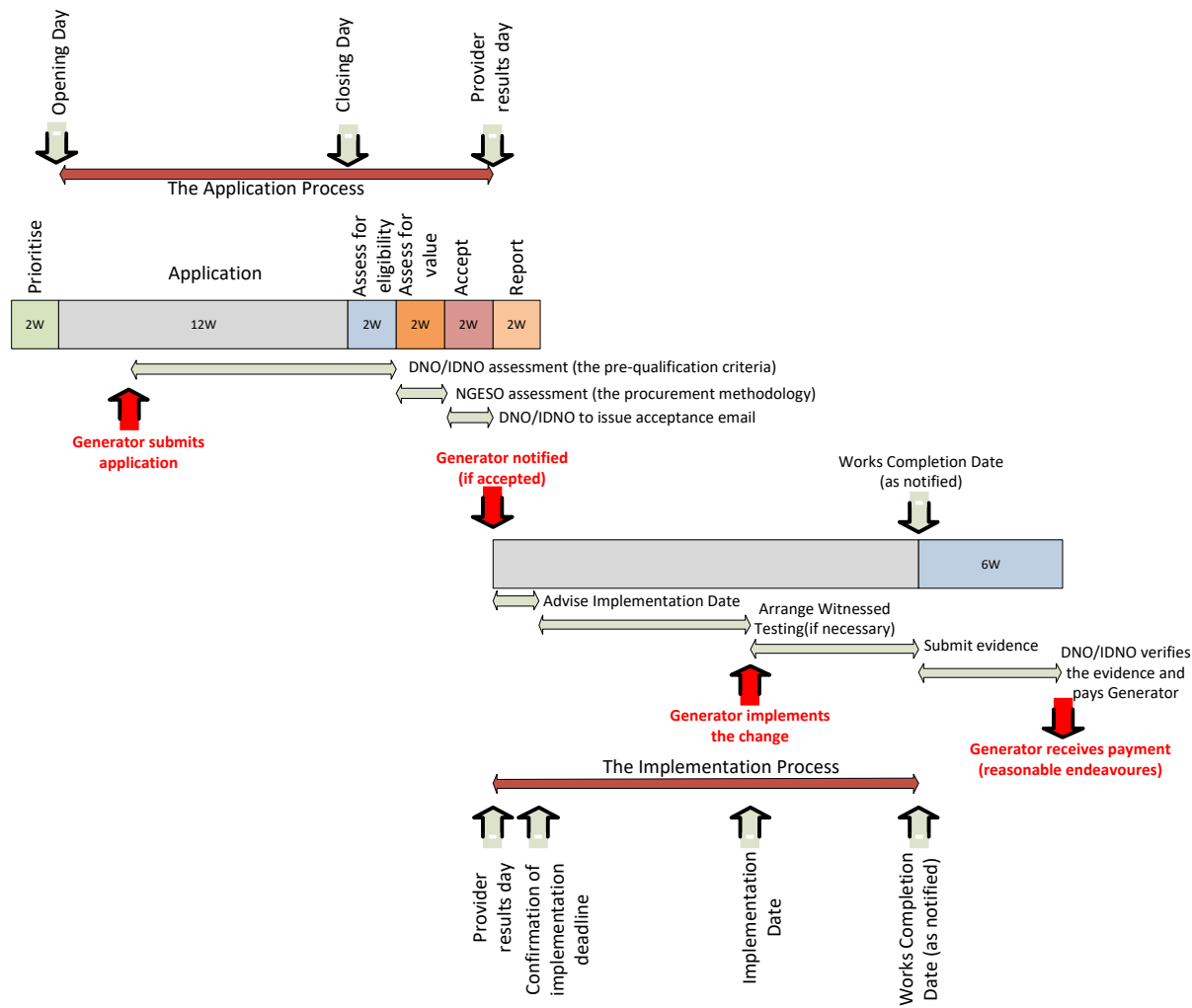


Figure 1: Payment Process Timeline - Provider Perspective

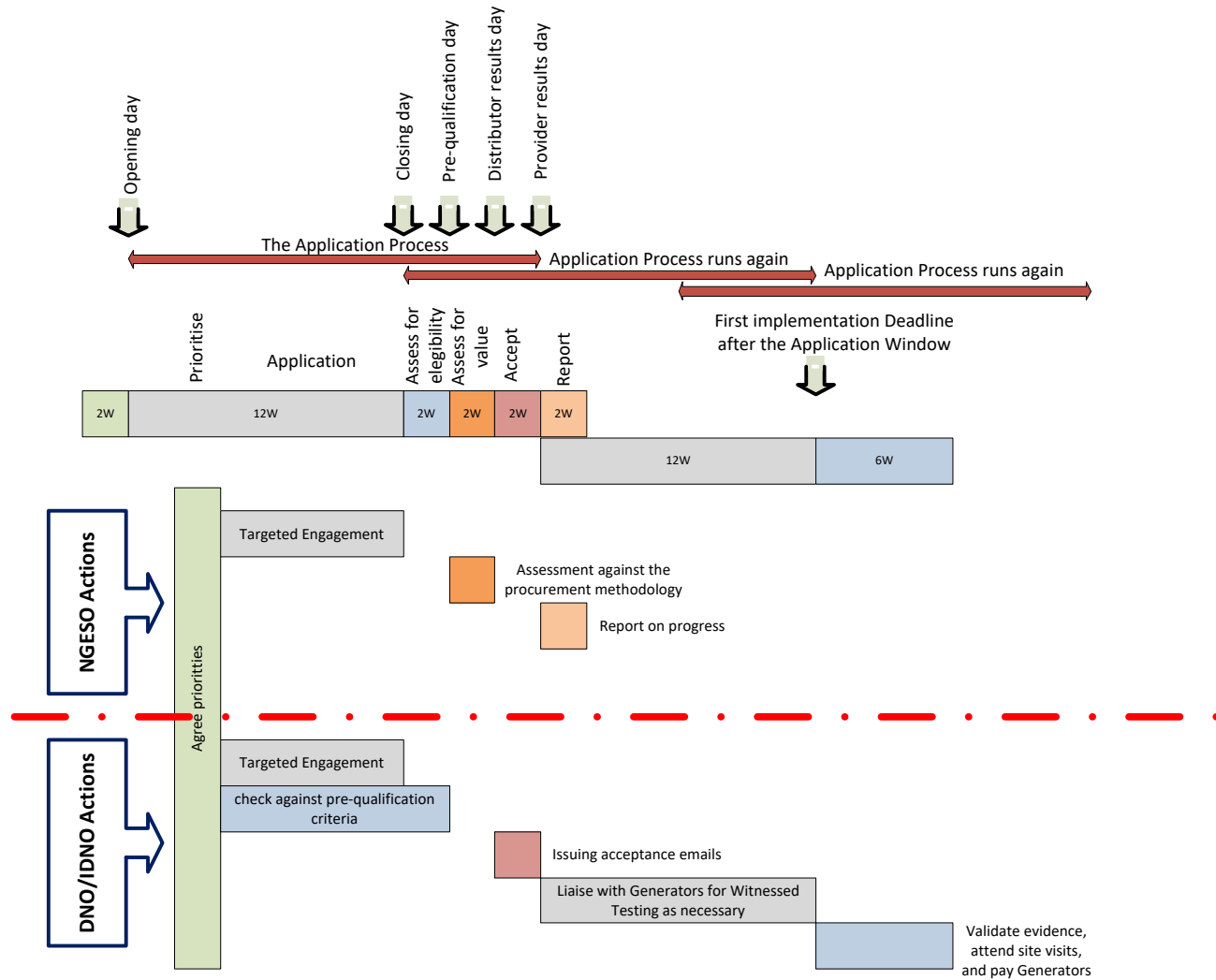


Figure 2: Payment process timeline (NGESO and Participating Distributor perspective)

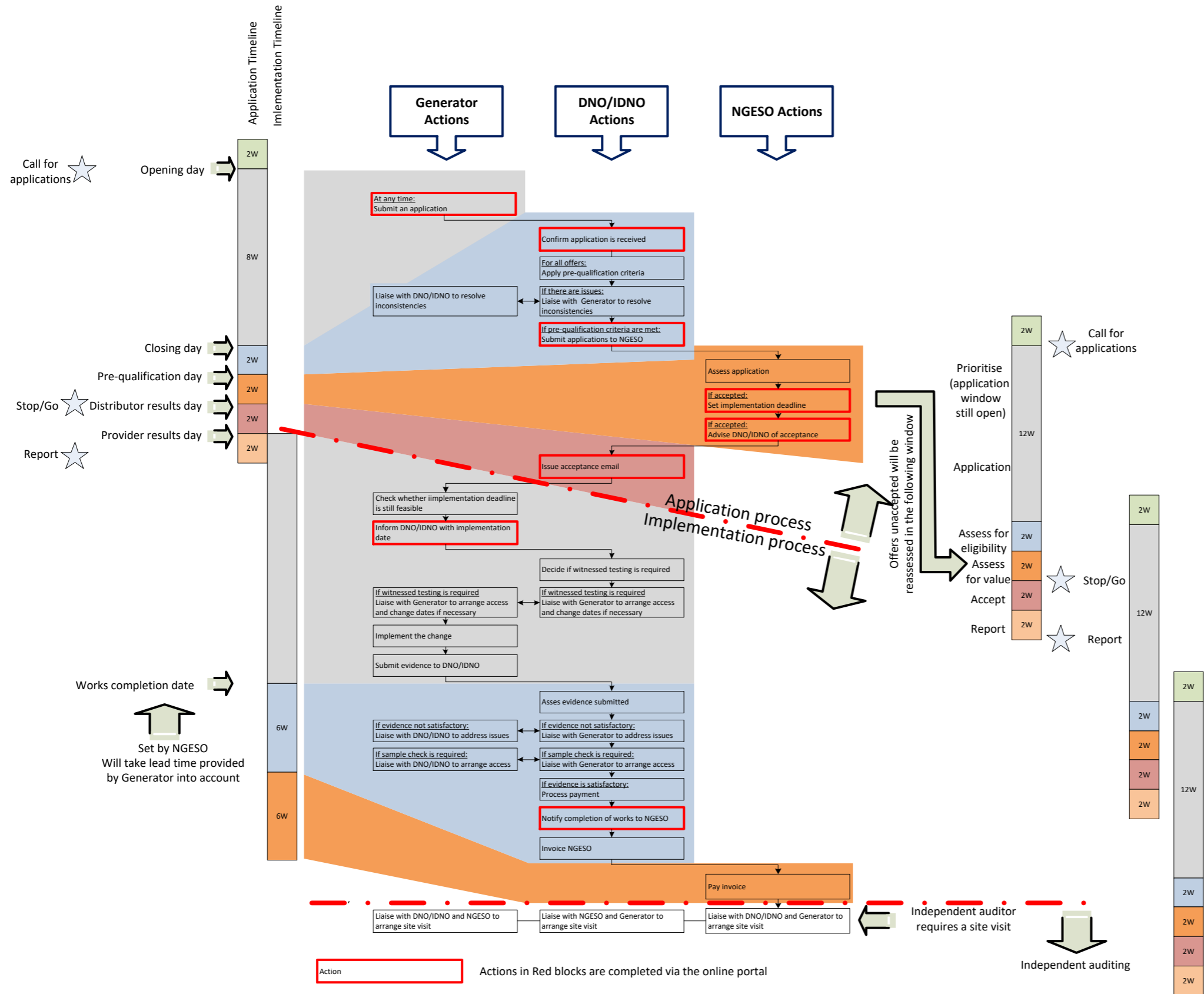


Figure 3: Payment process detailed timeline

Annex 1: Details of Fast Tracking Schemes

Fast Tracking Scheme I: Critical RoCoF

Item	Description
Scheme becomes active on	29/06/2020
Cap	To be determined by NGENSO taking into account any resource restrictions advised by the Participating Distributors.
Criteria	<p>Site Registered Capacity: minimum 500 kW but less than 5MW</p> <p>Type of LoM protection: RoCoF</p> <p>Pre-change RoCoF settings: Up to and including 0.2Hz/s.</p> <p>Lead time: Less than or equal to 4 weeks</p>
Fast-tracking payment	£5000 (plus VAT) per site