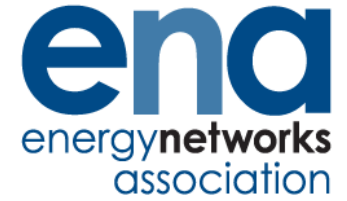


The Voice of the Networks



# Energy Networks Association

## WS2 P4 – Connection Agreement Review

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## WS2 P4 Connection Agreement Review – working group deliverable

- Conduct a short review of what is included in connection agreements (e.g. Flexibility Service schedule) in light of developments in Workstream 1A;
- Look at whether there is value in developing further consistency across network companies in connection agreements.
- This review will also take into consideration the National Terms of Connection (NTC) and common terms and schedules.
- A decision on whether to progress this would be made in mid-2019 when other related work is more progressed.

## WS2 P4 Review of existing arrangements

- The NTC is a legal agreement which sets out rights and duties in relation to the connection at which the network operator delivers electricity to, or accepts electricity from, the premises.
- An initial review of existing arrangement has established that there are generally two basic types:
  - a) Existing, older agreements – detailing of the parties to the agreement, a full set of legal clauses and site specific technical information collated during the application process.
  - b) Newer agreements - detailing of the parties to the agreement, referencing the NTC and site specific technical information collated during the application process which will be more detailed depending on the complexity of the connection.
- In the case of smaller premises, such as domestic sites, these will be covered under the NTC either via the supply contract or pursuant to S21 of the Electricity Act 1989.

## Site specific technical information

- DNOs have implemented differing formats for the technical sections of connection agreement which record the specific details of the assets connected at the point of connection.
- DNOs are obliged under SLC21 to maintain a Distribution Code which contains technical requirements for connection to, and use of, the distribution system.
- All DNOs currently operate the same version of the Code, and the Code is maintained by the Distribution Code Review Panel. All modifications to the Code are approved by Ofgem.
- This means that there is already a consistent technical approach to the designing of the connection which is also supported by the relevant Engineering Recommendation.

- The NTC is an industry standard agreement which is managed under open governance and final approval of any changes lies with Ofgem. No further consistency is required and any future on-going industry development will be handled through the current governance process.
- Although DNOs have different formats for the technical sections of agreement that there is already a consistent technical approach for the designing of a connection due to:
  - Licence requirement to maintain a Distribution Code which is currently common;
  - Compliance with relevant Engineering Recommendations; and
  - The information required to design a connection is relatively common, e.g. capacity, voltage, security of connection etc. and only differ on a site specific basis for more complex connections.

## WS2 P4 – the results of the review

- WS2 P6 focused on the approach to requests to make changes after a site is connected and recommended that “*Connection Agreements should ideally be reflective of the equipment installed and hours of operation of customers’ equipment on the connected site where appropriate”*. Connection Agreement already detail the equipment installed and where the design needed to reflect the hours of operation this information would be obtained during the application phase, factored into the connection design and documented in the connection agreement.
- The aim of WS1A:P4 (DSO Services Commercial arrangements) is to review and develop the Service Agreements and contracts utilised by DSO’s when procuring flexibility services. The initial view of this group is that the specific arrangements for DSO services will be dealt with through specific commercial arrangement and not through the connection agreement.

- As a result of this review the recommendations are that:
  - The NTC already provide common terms and has a clear open governance process in place with the final decision being made by Ofgem. Therefore no further work is required and any future development would be captured by those existing arrangements;
  - The output from other workstreams does not currently impact connections agreements, however, continued review of future output should be considered e.g. when work on access options concludes;
  - There is already a high level of technical consistency and any work to align the format of site specific schedules should be put on hold in order to continue to successfully delivery other workstreams. The benefit of a consistent format can then be reviewed in the light of the outputs from relevant workstreams.
  - As agreed at the steering group meeting this product is now complete and if any future ON or SCR work impact connection agreements it will be reviewed at that time.