

# Thank you for joining this webinar on the Open Networks Queue Management Consultation.

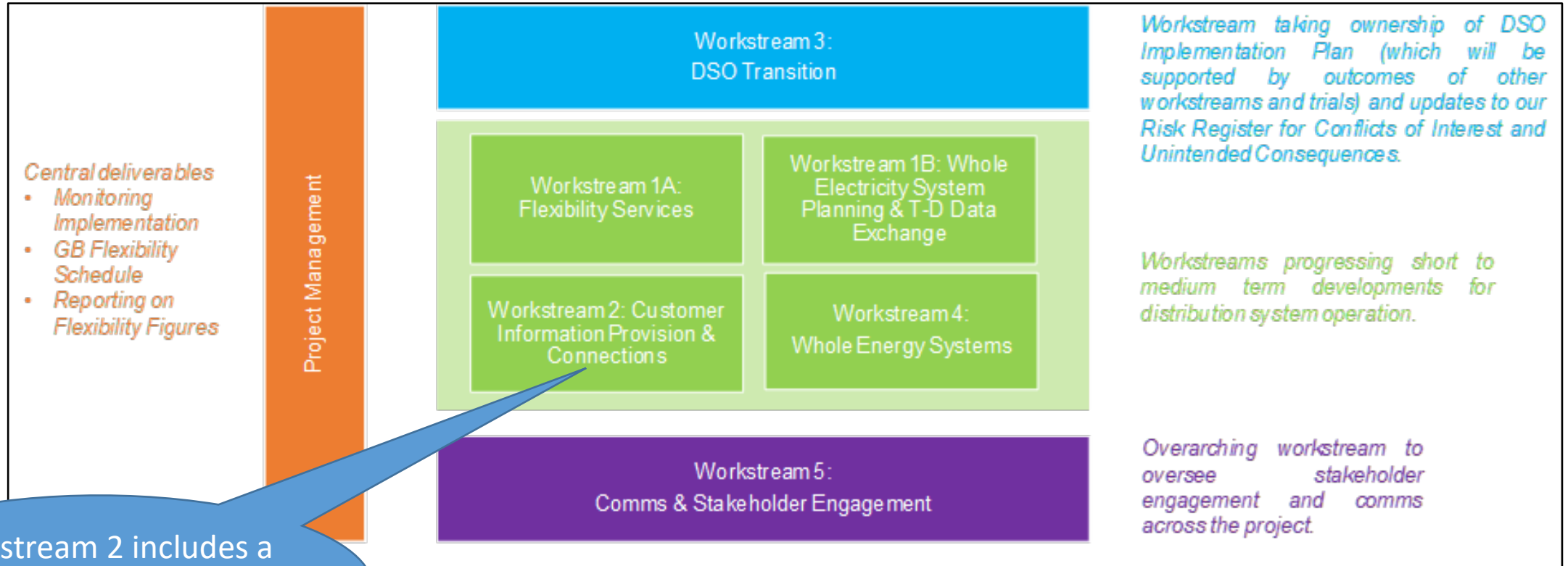
- We will start this webinar at 10:03.
- If you are unable to play the audio through your device, you can **dial in by calling 020 3478 5289 and using access code 846 097 043 .**
- Please ensure that your microphone is switched to 'mute' to avoid background noise, and that your camera is not in use.
- You may ask questions or make comments via the Q&A function throughout the meeting.
- This webinar will be recorded and published on the Open Networks website.
- If you would like to receive information about the Open Networks Project or have any feedback you would like to submit, please get in touch with us at [opennetworks@energynetworks.org](mailto:opennetworks@energynetworks.org).

# Agenda for Webinar

1. Introduction to Queue Management.
2. Main areas in consultation:
  - Managing Milestones
  - Tolerances & Cumulative Delay
  - Issues outside of customers' control
  - Utilising flexible resources
3. Next steps
4. Further questions and feedback.

# Introduction to Queue Management Open Networks Project and Queue Management

## Open Networks Workstreams



Workstream 2 includes a team updating Queue Management

# Introduction to Queue Management

## Benefits of an updated approach

- Queue Management (QM) is the process used to manage the network capacity rights allocated to customers after they accept connection offers.
- QM enables the fair and effective use of available network capacity. Without a QM policy, if projects don't progress, then capacity is not available to other projects. Projects further down a queue which are progressing would be delayed until network reinforcement is completed.
- The Smart Systems & Flexibility Plan actioned network companies to manage network connections more effectively for flexible assets such as storage that can bring wider system benefits.
- With more ambitious net zero targets, it is even more important that network capacity is effectively utilised.

No Reinforcement			
Acceptance date	Project Name	Capacity	Connection Date
Jan 19	A	50	2022
Feb 19	B	10	2022
March	C	30	2022
April	D	20	2022
Reinforcement			
May 19	E	30	2026
June 19	F	50	2026
July 19	G	10	2026
August 19	H	10	2026

**Illustration of a Connection Queue where Projects E to H are behind Projects A to D and have connection timescales dependent on network reinforcement.**

# Queue Management – Managing Milestones

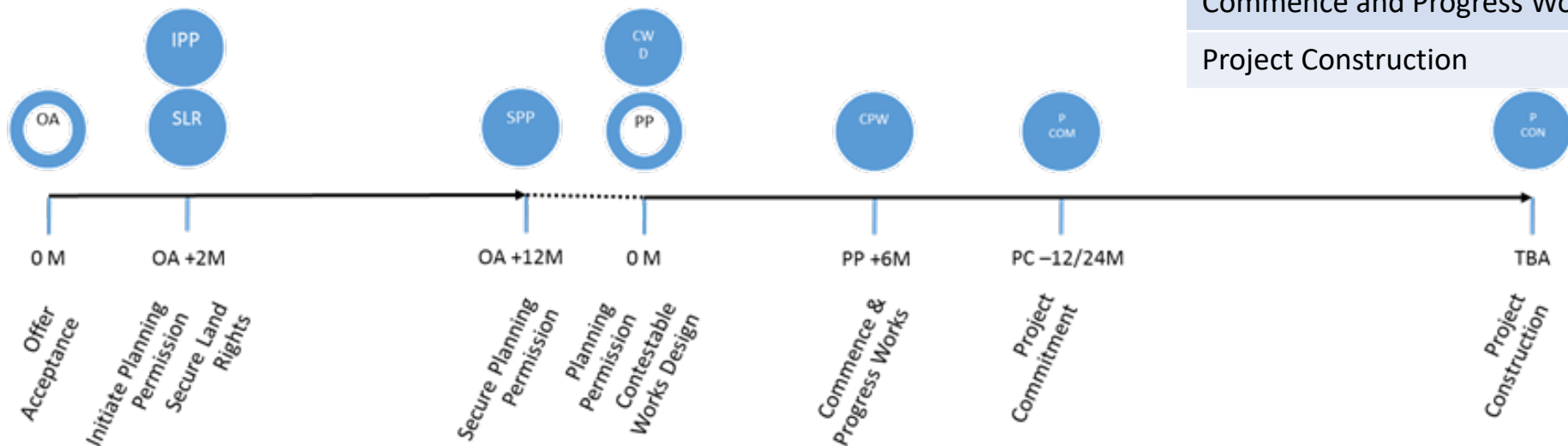
A Queue Management Guide has been developed and this looks to balance the interests of different customers by:

- a more consistent approach across transmission & distribution.
- allowing for projects to be moved in queues by measuring progress against a set of project milestones.

## Project Milestones for QM

- Initiate statutory consents including Planning Permission
- Secure consents inc Planning Permission
- Secure Land Rights
- TSO Interface
- Contestable Design Works Submission
- Project Commitment
- Commence and Progress Works
- Project Construction

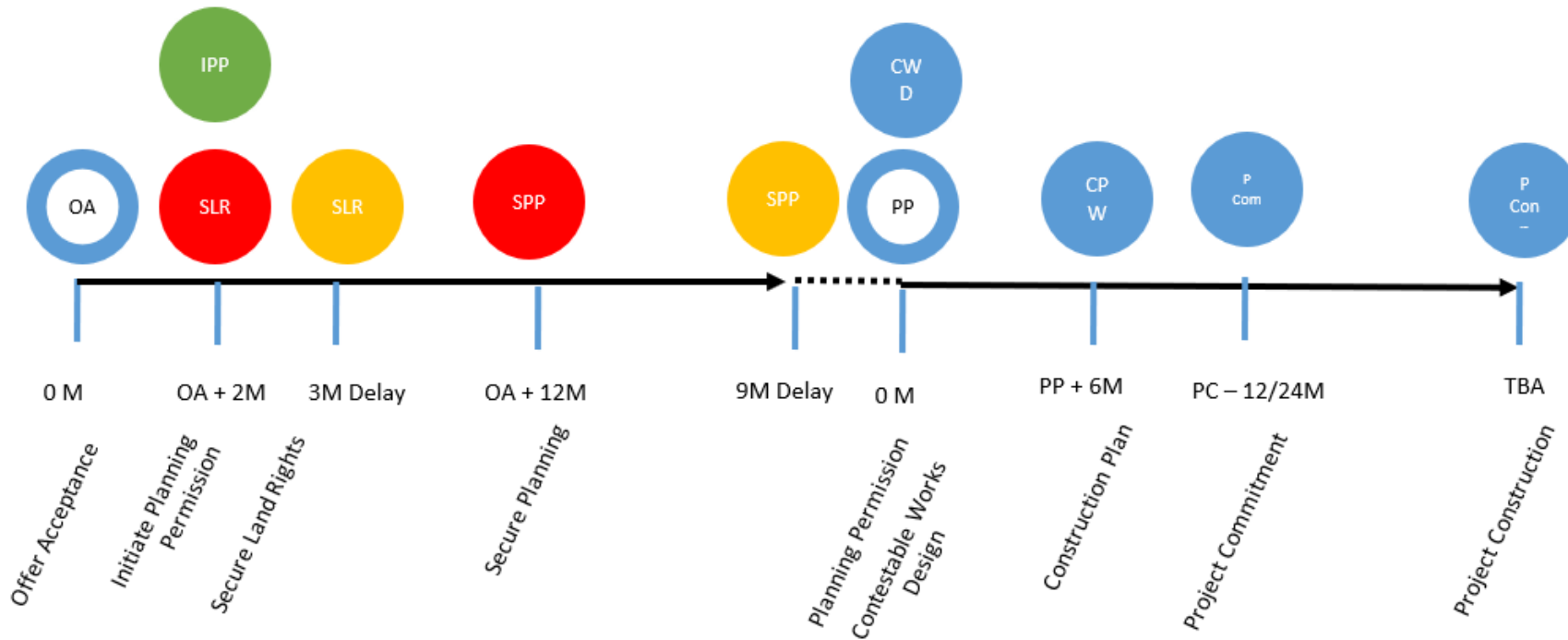
Illustration of Project Timeline



- Projects are classified with one of three different statuses depending on the extent of the cumulative delay:
  - ‘Work in progress’** – the project can proceed without any intervention;
  - ‘At Risk’** –the project’s position in the queue can be changed; or
  - ‘Termination’** - the network company is able to terminate the contract.
- If a project’s ‘cumulative delay’ across milestones exceeds a tolerance level, and the project is holding up other projects, it would move down the queue.

Project status	Tolerances for LV & HV	Tolerances for EHV & 132kV	Tolerances for 275kV, 400kV & offshore 132kV
Work in Progress	65 working days or less. (Approx 3 months.)	130 working days or less. (Approx 6 months.)	260 working days or less. (Approx 12 months.)
At Risk	Greater than 65 working days. (Approx 3 months.)	Greater than 130 working days. (Approx 6 months.)	Greater than 260 working days. (Approx 12 months.)
Termination	Greater than 152 working days. (Approx 7 months.)	Greater than 304 working days. (Approx 14 months.)	Greater than 608 working days. (Approx 28 months.)

# Queue Management – Cumulative Delay Example

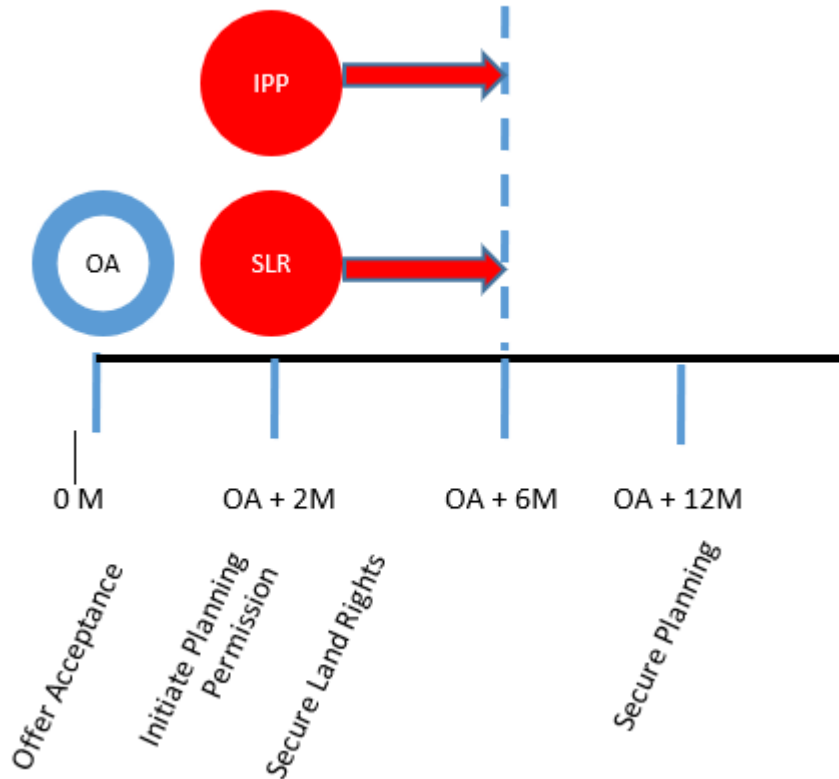


- IPP milestone has been completed on time – 0 months delay;
- SPP milestone has been completed late – 9 month delay;
- SLR milestone has been completed late – 3 month delay;
- Cumulative delay is 12 months.

Agreed Milestone Date	Missed Milestone Date	Achieved Milestone - Delayed	Achieved Milestone - On Time

Project status	LV & HV	EHV & 132kV	275kV, 400kV & offshore 132kV
Work in Progress	3 months or less	6 months or less	12 months or less
At Risk	> 3 months	> 6 months	> 12 months
Termination	> 7 months	> 14 months	> 28 months

# Queue Management – Concurrent Milestone Delays



If a project is delayed against more than one milestone at the same time, then only one of these delays would add towards the cumulative delay.

In this example:

- IPP milestone is late – 4 months delay;
- SLR milestone is late – 4 months delay;

As these are concurrent delays the total cumulative delay is 4 months.

Project status	LV & HV	EHV & 132kV	275kV, 400kV & offshore 132kV
Work in Progress	3 months or less	6 months or less	12 months or less
At Risk	> 3 months	> 6 months	> 12 months
Termination	> 7 months	> 14 months	> 28 months



# Queue Management – Consequences

- A project with “At Risk” status may be moved down a queue if it is blocking capacity that another project could utilise. The consequences may be enforced delays (to complete network reinforcement) and additional costs (in the form of reinforcement costs or increased securities and liabilities).
- If a project status is “Termination”, then the project’s connection agreement would be terminated following the usual processes as per the CUSC or DCUSA as applicable. Network capacity is then available to other projects that may be seeking to connect.
- Appeals would involve network company reviews of the queue management decision and further escalation in line with the relevant network company procedures as set out in CUSC and CCCM.

# Queue Management – Issues out with a customer's control

The guide recognises that there are issues that customers cannot control and some delays would not contribute to the cumulative delay. These include:

- Force Majeure
- Planning appeals and third party challenges
- Any delay which is caused by the network company  
(Certain other delays might not contribute and these could be considered on a case by case basis.)

Customers should discuss the specifics of a delay with the network company at the earliest opportunity and provide evidence to justify the specific delay.

# Queue Management – Utilising Flexible Resources

- The guide recognises that opportunities to utilise flexible resources to address the network constraints that underlie connection queues should be considered.
- The detailed mechanisms to do this are not covered but the use of flexible resources would require a contractual commitment to ensure that the resource would act to alleviate the specific network constraint.
- DNOs are beginning to consider how best to utilise flexible resources in practice informed by WS1A work on flexibility services.

## Before:

Queue	Project	Connection Date	Capacity	Status
<b>No reinforcement required to connect projects A to D</b>				
1	A	October 2020	50	Work in progress
2	B	January 2021	10	Work in progress
3	C	April 2021	30	Work in progress
4	D	April 2021	10	Work in progress
<b>Reinforcement required to connect projects E to G</b>				
5	E	August 2022	50	Work in progress
6	F (Flexibility)	September 2022	30	Work in progress
7	G	September 2022	30	Work in progress



## After:

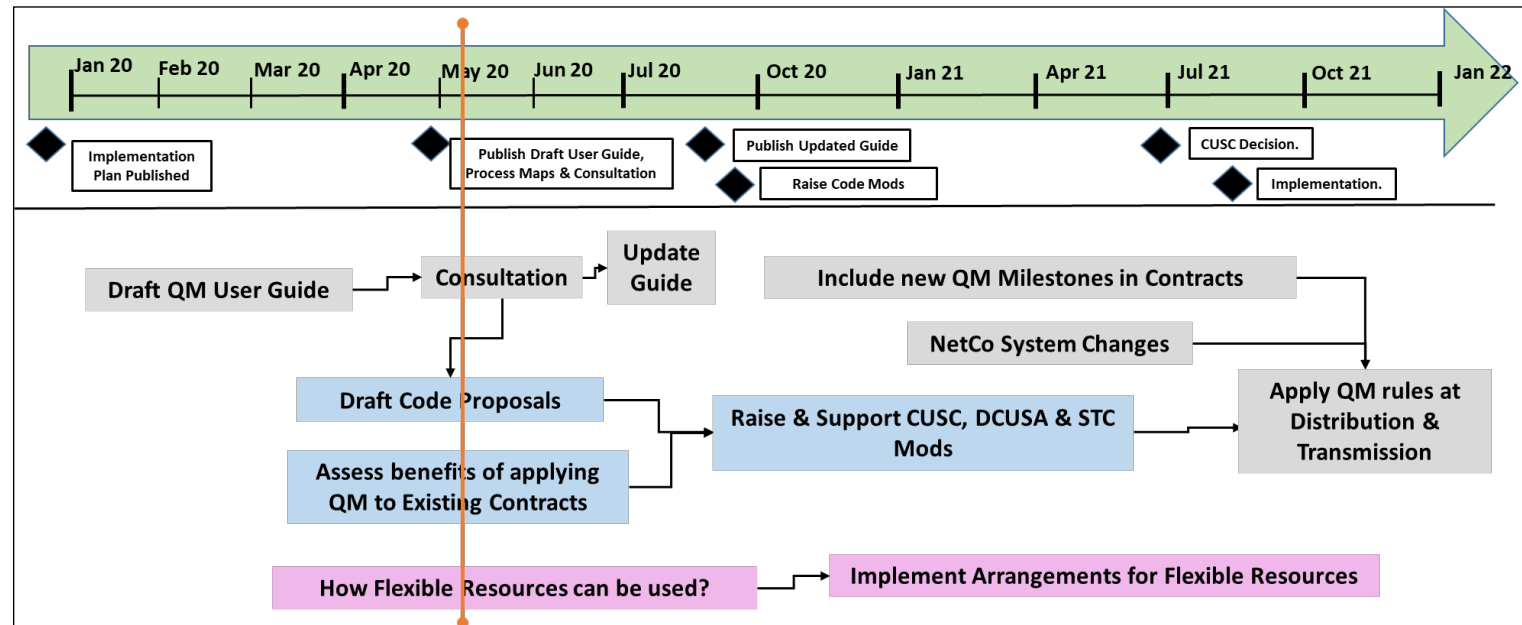
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4	D	April 2021	10	Work in progress
5	F (Flexibility)	September 2021	30	Work in progress
6	G	September 2021	30	Work in progress
<b>Reinforcement required to connect projects E</b>				
7	E	August 2022	50	Work in progress

In this example, Project F accepts an offer to connect earlier to delay the need for reinforcement and Project G benefits.

# Next Steps for WS2 P2 Queue Management

The remaining 2020 QM work will:

- Update and publish the User Guide following the consultation.
- Begin to include updated milestones in connection contracts.
- Take forward supporting code changes (e.g. CUSC, DCUSA)
- Assess the benefits of applying QM to existing contracts and how this can be achieved.
- Agree an implementation plan including the use of flexible resources in connection queues to better utilise capacity in constrained network areas.



# Queue Management – Further Questions and Feedback



The Queue Management consultation document and User Guide can be found at:

<https://www.energynetworks.org/electricity/futures/open-networks-project/open-networks-project-stakeholder-engagement/public-consultations.html>

The consultation will close on 24<sup>th</sup> June 2020.

Please send responses to [opennetworks@energynetworks.org](mailto:opennetworks@energynetworks.org)