

Requirement for Generators Emerging technology

19 November 2015

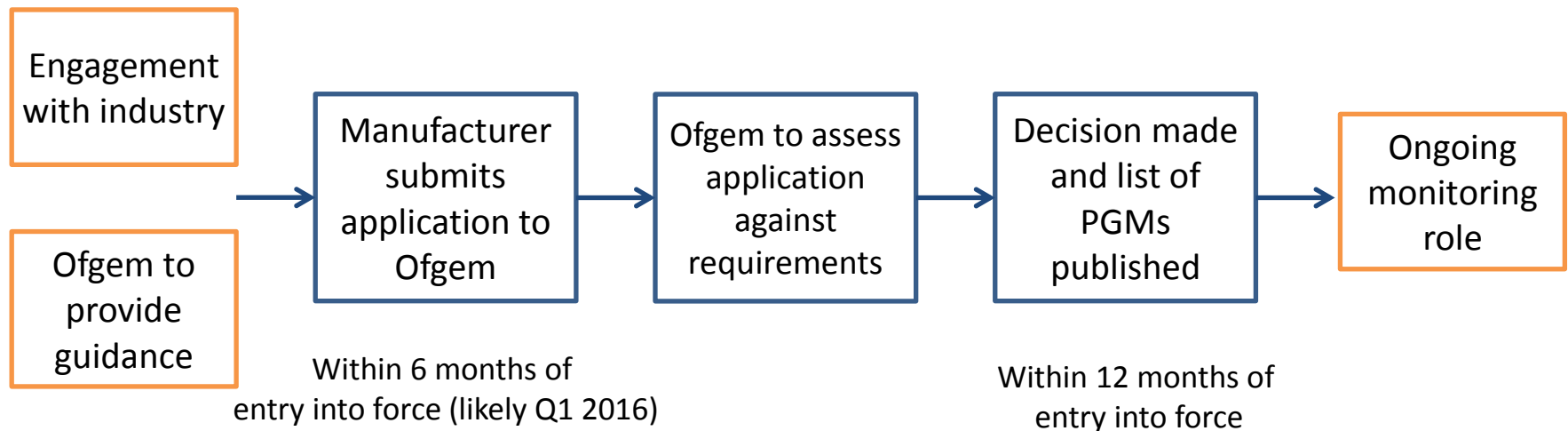
ofgem

Introduction & Background

- The intent of the ‘Emerging technology’ clause is to give time and space to relatively new technologies to adapt to the new requirements contained within the Rfg code. The Article was included in the RfG to ensure it’s implementation didn’t stifle the development of any new technology.
- Articles 66-70 place a responsibility on Ofgem to establish a process for manufacturers to apply for an ‘emerging technology’ classification.
- The purpose of today’s update is to;
 - 1) Share our interpretation of the responsibilities assigned to us
 - 2) Provide an overview of how we envisage the application process working
 - 3) Gather any initial feedback and discuss potential issues
 - 4) Share next steps and establish the best way forward
- Our work on this issue forms part of a much broader piece of work focused on the implementation of the NRA responsibilities for the Grid Connection Codes.

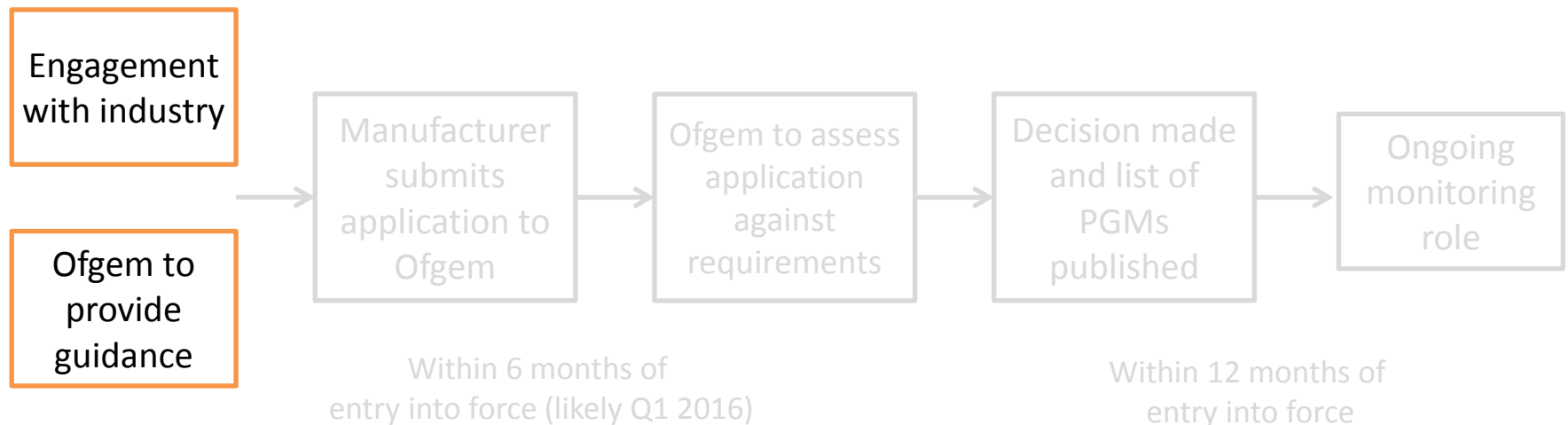
Introduction & Background

- The Articles dictate that manufacturers wishing to apply for the emerging technology status must do so within 6 months of entry into force. Ofgem, as the relevant NRA, has 12 months from the date of entry into force to decide which applications, if any, should receive an emerging technology classification.
- To help visualise how the application process will work we'll run through each of the stages outlined below.



1) Industry Engagement and Guidance document

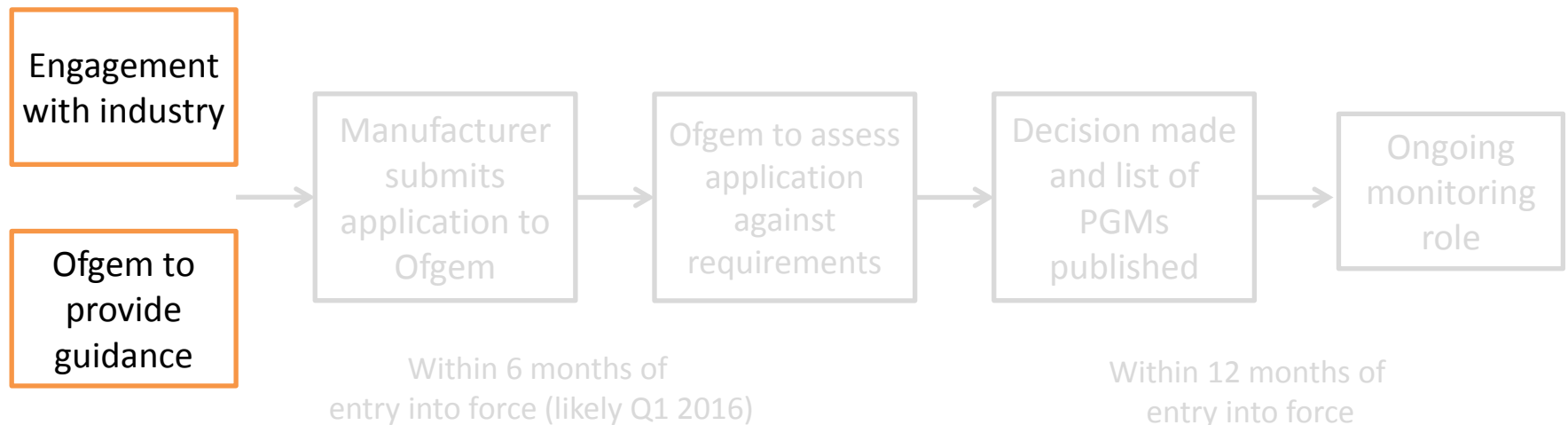
- In order to make the application process as simple as possible we will be developing a short guidance document, alongside an application template, for manufacturers to use.
- The guidance will allow manufacturers to check the minimum requirements, timelines and other relevant details to help them decide whether to make an application or not.



1) Industry Engagement and Guidance document

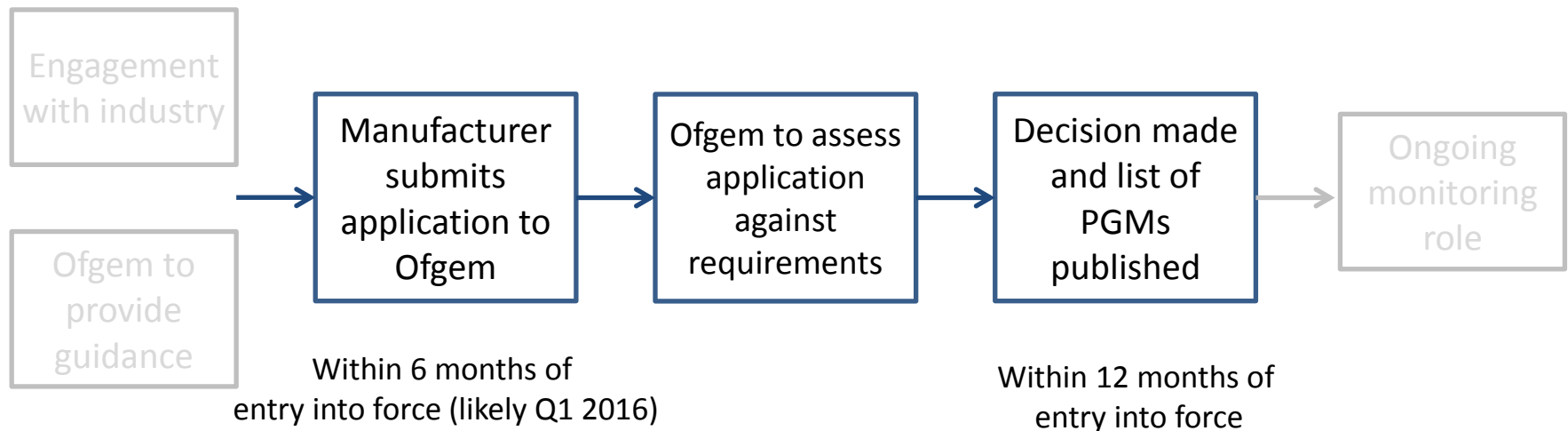
- For information the necessary requirements for any PGM to be classified as an emerging technology are as below;
 1. It is of type A (connection point below 110 kV and maximum capacity of 0.8 kV to [??])
 2. It is a commercially available PGM technology
 3. The accumulated sales of the PGM technology within GB at the time of application do not exceed 25% of the maximum level of cumulative maximum capacity established by Ofgem (and DECC).

We have calculated this figure to be **74.931 MW**, 25% of which is **18.73 MW**



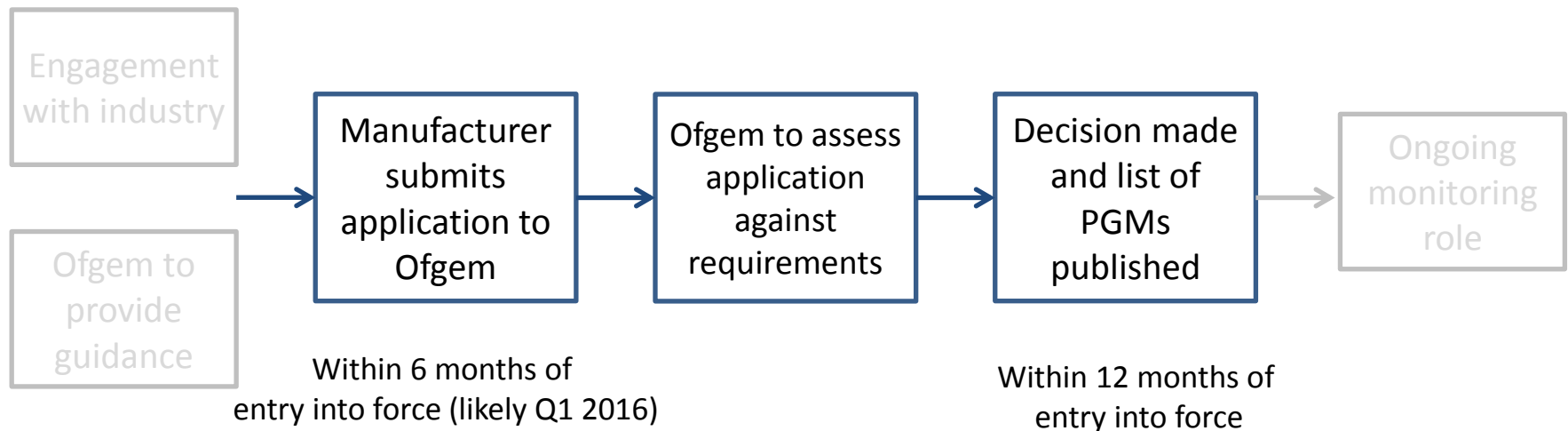
2) Submission Process

- Each application must contain evidence against the criteria set out in the guidance to allow us to make a decision. This will include;
 - a) Technical requirements of the PGM
 - b) Evidence that the PGM is commercially available
 - c) Evidence of the sales of the PGM in order to prove that they are below the threshold level established
 - d) A justification of why the application is being made.
- Separate applications will be required for each PGM and manufactures must be prepared to answer any additional questions we may have.



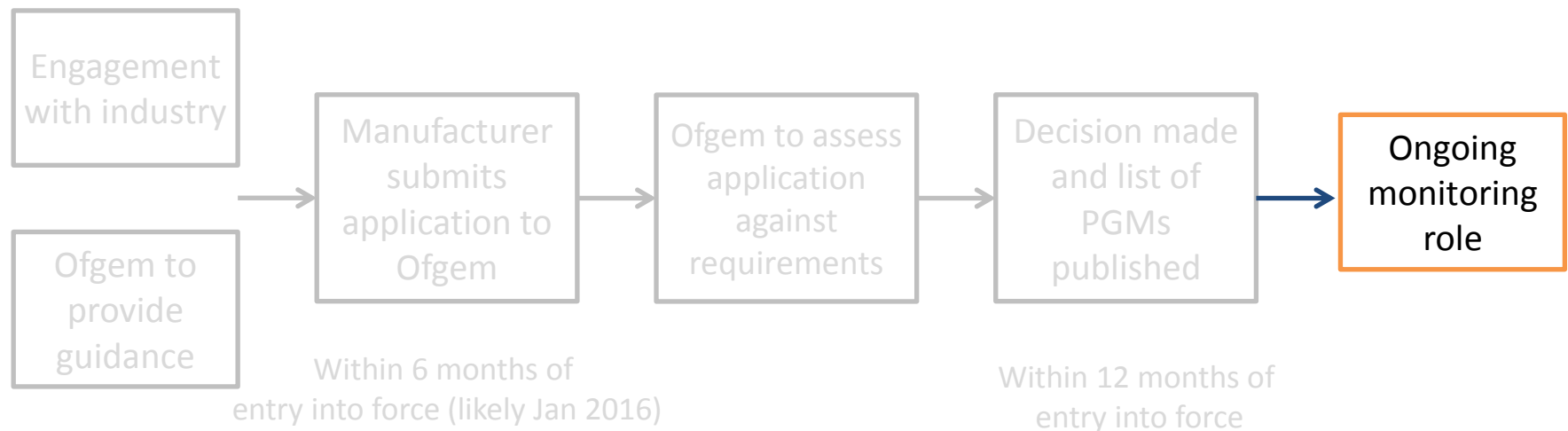
3) Assessment Process

- Ofgem must make a decision on all applications we receive within [12 months](#) of entry into force.
- We are able to request a prior opinion on each application we receive from ACER (The Agency for the Cooperation of Energy Regulators). ACER will issue any recommendation within 3 months of receipt of the request.
- Once we have made our decision it will be published on our website.



4) Ongoing monitoring

- Once we make a decision to approve an application, the manufacturer must submit to Ofgem every 2 months an update of the sales of the PGM in GB for the previous two months.
- The code requires us to remove the emerging technology classification from PGMs if they exceed the threshold established.



5) Implementation

- Distribution Code Modification:
We envisage implementing these requirements through a distribution code mod. This will state that any person connecting a PGM classified as an ‘emerging technology’ will be treated as an existing generator.
- Enforcement
 1. Manufacturers – if a manufacturer fails to comply with the reporting requirements (i.e. submitting an update of sales every two months) we will withdraw the classification
 2. Generators – If an individual generator connects something to the system that is non compliant with the RfG and has not be classified as an ‘emerging technology’ they would be in breach of the distribution code. We need to consider how we would take enforcement action against Type A generators.

Questions?

Issues we'd like to discuss:

- Oversubscription (gauging interest and likelihood of this being a problem)
- Anything additional that should be added to the Guidance/Application template
- Whether monitoring and reporting requirements are realistic

Next Steps:

- Any immediate views/concerns/questions not discussed today to be sent to Ofgem as soon as possible
- Draft version of the guidance and application template to be circulated in early December ahead of the RfG WG on the 17th December
- Final version to be published in January 2016