

ESO RIIO-2 Stakeholder Group

Transforming the Connection Process

Agenda item: ERSG-4.5

Meeting date: 03/04/2019

Our ambition

We will drive the whole energy system transition through;

- working with stakeholders to optimise planning, development, investment and operation of GB energy networks.
- reducing friction for participants in their interactions anywhere on the electricity network thereby accelerating the efficiency and effectiveness of the energy transformation.

This paper focuses on how we can deliver this ambition for customers wishing to connect to networks or change their connection. The ESO plays a pivotal role in facilitating new connections to the transmission system. An increasingly significant part of this role is now working with Distribution Network Operators (DNOs) to streamline the connection process for Distributed Energy Resource (DER) where there may be a transmission impact. Our ambition is to ensure that both processes take a common whole system view, improving the connection experience. We also need to ensure that stakeholders are supported by the right tools both to identify connection opportunities and also more easily manage their accounts.

Stakeholder engagement and guidance

Over the past few years we have worked closely with stakeholders to develop a shared understanding of what whole electricity system will mean in RIIO-2 and beyond. This work has principally occurred through the ENA Open Networks project which is a collaboration between network companies supported by the participation of many other energy system stakeholders. This has included significant milestones in the connection process including stakeholder facing development of both the Statement of Works and Appendix G processes to streamline the connection process for DER whose connection may have a consequential impact on the transmission system.

Additionally we regularly engage on customer connection matters with stakeholders both bilaterally and through our six monthly seminars. At our most recent seminars earlier this month we talked to customers about our proposed connections activities in the RIIO-2 Ambition document. 59 organisations representing networks, generation, transmission and demand connected companies attended these seminars across the two days. We asked a poll question on which of our options customers would support further work on at this stage. Most votes (58%) supported further work on the proposal to 'Establish dedicated connection account managers for distributed energy resources, and work with DNOs to take a whole electricity system view of connections'. We will seek further views on what it is about this particular proposal that customers liked.

In a round table discussion with a DNO and two small renewable energy customers, there was support for:

- consistency of processes across transmission and distribution connections;
- sharing best practice in connections processes across different parties (T and D) and streamlining these; and

- an online system with up-to-date customer-specific information.

We also asked more generally at the customer seminars whether there was anything that we were missing so that stakeholders could provide free text responses. They requested transparency of connection charges including use of system, application fees and securities

We will consider these responses when developing the detail of our options using the engagement channels set out in the table below.

Channel	Date	Stakeholder groups	Approach
Bilateral meetings	Various	Existing customers – transmission connected demand, generation	Further test our proposed activities with different groups of customers
Bilateral meetings	Various	DNOs and TOs	We want to ensure that we provide a high-quality service to our customers and we can't do this without collaboration with network companies. We want to ensure that we are sharing our respective RIIO-2 proposals in this area particularly where associated IT solutions may need to be compatible.
Industry association committees and meetings	Ongoing March, April and May	We have invitations from Energy UK, the Association for Decentralised Energy and Renewable UK to attend the relevant meetings to canvass member views on our emerging proposals for connections	Dependent on meeting but likely to include a presentation with Q and A
RIIO stakeholder workshop	11 th April	All stakeholder groups	Targeted round table to discuss our proposals for connections.

Our proposals

From feedback to date we have identified four proposed transformational activities for the ESO in RIIO-2. We believe that these activities are critical to delivering our ambition to drive whole energy transition. These activities are referenced in our March ambition paper. In this ERSG paper we provide further context including how they add value and how they have been informed by stakeholder views to date.

Proposal 1 – Central connections hub for parties wishing to connect to electricity system

What is this; This is a central connections hub for parties wishing to connect to any part of the electricity system. This will work in co-ordination with the support tools provided by other network organisations ensuring a seamless customer experience. The hub will be accessible to all, providing useful information including support material and interactive maps indicating the volume of available capacity at transmission interface points.

How this adds value; Improving the customer experience and making the connections process simpler and more efficient. This in turn will increase the number and rate of new connections, facilitating the decarbonisation of the energy sector and reducing costs to the consumer.

Stakeholder views; Stakeholders have told us that they value consistent approaches and data sources. As a national entity we believe we are well positioned to provide a central repository of information for parties wishing to get an electricity connection anywhere in GB.

Cost of this proposal; There will be IS and resource costs in establishing the Connections hub and developing the services it provides over the RIIO-2 period. Additionally there will be an associated ongoing resource requirement to update information.

Development timeline position; initial scoping

Proposal 2 - Working with network organisations to improve the customer connection experience

What is this; We will provide additional support to parties looking to connect to distribution networks. This will include extending our successful Customer Connections Seminar programme to have a broader whole system view and be more geographically mobile. We will also increase our frontline support to provide advice to parties wishing to connect to distribution networks of any potential transmission impacts and how we can help them.

How this adds value; Improving quality of service through co-ordinated customer management and support across the whole electricity system. Facilitating timely connection of DER to support the decarbonisation of the energy landscape.

Stakeholder views; Recently we have listened to feedback from Distributed Energy Resource (DER) in the challenges they face in getting connected and the need for us to work more closely with other network organisations to improve this. Whilst we have made significant improvements to the connections process we believe that there is more that can be done.

Cost of this proposal; There will be additional costs for extending our current seminar brand, potentially to provide more regional coverage. There will also be a small additional resource requirement to provide additional customer support.

Development timeline position; initial scoping

Proposal 3 – Secure on-line customer connections account management

What is this; This activity would see the ESO establish systems similar to those used in online banking. Secure portals would allow customers to instantly access up to date information about their existing connection agreements and any applications they have submitted.

How this adds value; Improved quality and efficiency of service through information access and reduced process costs.

Stakeholder views; This is an area that we believe could add value and will be seeking stakeholder feedback shortly.

Cost of this proposal; There will be additional IS costs for this work and resource costs to maintain the tool and process.

Development timeline position; initial scoping

Proposal 4 - Providing improved access for DER to available headroom across T/D interfaces

What is this; During RIIO-1 we have worked with distribution companies to provide a more efficient route to connecting embedded generation customers. This work provided visibility of available capacity and a headroom figure at Grid Supply Points to allow DNOs to allocate this capacity to their customers (Statement of Works and Appendix G). By the start of RIIO-2 this process will be rolled out across GB. In RIIO-2 we propose to maintain this information, ensuring it is updated in a timely manner, whilst making it available for prospective new connectees via the proposed Central Hub (Proposal 1) or an alternative mechanism.

How this adds value; This process will allow developers to proactively understand the impact of networks on potential connection options, facilitating new efficient new connections and supporting the decarbonisation of the energy landscape. By frequently reviewing the data sources we can ensure developers have an accurate picture of network opportunities for connection.

Stakeholder views; Through our work to reform both Statement of Works and Appendix G processes we have received significant feedback from developers to continue this work and further simplify the process for connection across the T-D interface.

Cost of this proposal; IS costs are included in proposal 1. Therefore additional costs are limited to resource only.

Development timeline position; option development

Feedback sought; None specifically

Next steps

Our proposed engagement is described earlier in this paper. This engagement will help to shape the development of the four proposals described in this paper which will then be considered for inclusion within our July submission document.

Ask of ERSG

We would value your feedback on the following questions;

- 1) Are you comfortable with the stakeholder engagement that has taken place on this subject and how the feedback has been used?
- 2) Do you agree with our proposals in the paper?
- 3) Are there any potential areas of consumer value you believe we have not sufficiently explored?