



Competition in Connections Code of Practice – Consultation

0007 – Review of DNO Exclusion at 2.2.1

14 January 2019

1 Aim and Rationale

- 1.1 The purpose of this modification is to ensure that the wording of Code of Practice clauses 2.1.1 and 2.2.1 do not give the impression that delivery of connections by licensed undertakers is without obligations compared to delivery by the ICP route.
- 1.2 In order to achieve this a number of options to re-draft the wording within the clauses 2.1.1 and 2.2.1 have been proposed, and the purpose of this consultation will be to determine which (if any) of these options best meet the objective.
- 1.3 This consultation document has been published on the [Competition in Connections Code of Practice website](#) and communicated to ICPs, IDNOs, DNOs and other interested Parties.
- 1.4 The modification aims to meet the requirements of Competition in Connections Code of Practice version 1.4, modified in April 2017.
- 2.3.1 The relevant objectives of this Code of Practice are to:*
- a) facilitate competition in the market for new electricity distribution connections through:*
 - i) minimising, to the fullest extent reasonably practicable, the number and scope of Input Services which are only available from the licensee;*
 - ii) providing Input Services on an equivalent basis to all Connection Parties that operate in the Local Connections Markets;*
 - iii) harmonising, to the fullest extent reasonably practicable, the Input Services provided by the Distribution Service Providers*
 - b) not distort, prevent or restrict competition in the Local Connections Markets;*
 - c) facilitate compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and*
 - d) facilitate the efficient discharge by the licensee of the obligations imposed on it by this condition.*
- 1.5 This change proposal is intended to meet the requirements of the Relevant Objective shown at 2.3.1(b): ‘not distort, prevent or restrict competition in the Local Connections Markets’.
- 1.6 The Review of DNO Exclusion at 2.2.1 Working Group is seeking responses by 5pm, 22nd February 2019. The working group will consider all responses and publish a final modification report. This report will go to the Competition in Connections Code of Practice Panel (‘the Panel’) to consider its recommendation for approval or rejection,

which will then be submitted to Ofgem for final decision on whether to include the changes in the Code of Practice.

- 1.7 This consultation outlines the proposal to alter clauses at 2.1.1 and 2.2.1 with one of the options presented here.

2 Background

- 2.1 In July 2015 Ofgem approved the Code of Practice which had been developed by DNOs. This code outlines the way in which DNOs will provide the input services to facilitate competition in the electricity connections market. DNOs are required to comply with the Code of Practice by standard licence condition 52 of the electricity distribution licence.
- 2.2 The Code of Practice includes governance arrangements to manage changes to it over time. Under these governance arrangements a Panel was established. This comprises representatives from DNOs, trade associations representing ICPs (specialising in both metered and unmetered connections) and IDNOs. A full list of Panel members can be found on the [Code of Practice website](#).
- 2.3 Any interested party may submit a modification proposal to the Panel. If the Panel decides that the modification proposal may better meet the Code of Practice relevant objectives, then a working group will be created to develop the modification proposal. The working group must consult with interested parties and produce a report for the Panel, to include both recommendations and demonstrate how any consultation responses have been taken into account. The Panel will vote on whether the proposals better meets the Code of Practice relevant objectives and the outcome of the vote will determine if the working group's report recommends that Ofgem approves or rejects the proposal. The report, together with any recommendation, will be sent to Ofgem for a decision. If Ofgem approves the modification, then the Code of Practice will be modified accordingly.

3 Working Group

- 3.1 The working group comprises the following individuals:

Patrick Daly (Chair)	PN Daly Ltd.
Geoff Earl	Northern Powergrid
Neil Fitzsimons	BUUK
Colin Fletcher	Eclipse Power
Brian Hoy	Electricity North West
Drew Johnstone	Northern Powergrid
Paul McGimpsey	SP Energy Networks

Steve Rogers
Paul Smith
Jayson Whitaker

UK Power Networks
Western Power Distribution
Energy Assets

4 Summary of Proposed Changes

For full details please see *Annex Two – Legal Text Change Proposal*.

5 Questions in summary

- 5.1 Do you agree in principle that a change of the type outlined in this consultation document is required? Please explain why or why not.
- 5.2 Do you believe that the modification proposal meets the Code of Practice Relevant Objectives, as stated in Section 1 above, more effectively?
- 5.3 Do you believe there is a better way in which the Code of Practice Relevant Objectives might be met than through the changes proposed?
- 5.4 Please indicate which, if any, of the options presented here you would support (from most to least). Please also indicate which options, if any, you would not support.
- 5.5 Do you have any other comments or observations you would like the working group to take into consideration?

6 Implementation

- 6.1 Responses should be submitted to the Code of Practice Secretariat (code.administrator@energynetworks.org) by 5pm, 22nd February 2019. All responses will be published on the Code of Practice website, unless listed as confidential.

7 Annexes

- 7.1 Annex One – Modification Proposal: Review of DNO Exclusion at 2.2.1
- 7.2 Annex Two – Legal Text Change Proposal
- 7.3 Annex Three – Consultation Response Form