

## Competition in Connections Code of Practice Panel

### Minutes

Wednesday 7<sup>th</sup> September 2022

David Overman (Chair)	DO	GTC
Brian Hoy	BHo	ENWL
Tracey Pitcher	TP	ENWL
Maryline Guinard	MG	SSEN
Kyle Smith	KS	WPD
Beverly Hudson	BH	SPEN
Steve McLaren	SMc	SPEN
Leo McNeice	LMc	NPG
Martyn Crocker	MC	UKPN
Gareth Pritchard	GP	HEA
Patrick Daly (part)	PD	PN Daly Ltd
Jayson Whitaker	JW	Energy Assets
Glynn Jones (part)	GJ	Avon UG
Matthew Porter (part)	MP	PSE2 Consulting
John Spurgeon (Secretary)	JS	ENA

#### 1. **Welcome and apologies**

The Chair welcomed the panel and reminded the group of its obligations under the Competition Act.

Apologies were received from Chris Roe, Eon.

#### 2. **Minutes of previous meeting/actions**

The group approved the minutes as an accurate record of the previous meeting.

#### 3. **Modification Proposal ‘Licence Inconsistency and lack of Transparency BESS Sites G99/P28 Technical Compliance Requirements’**

The Panel Chair welcomed Glynn Jones and Mathew Porter who joined the meeting to speak to the modification proposal.

##### Presentation of the modification proposal

The following key points were made by GJ & MP in support of the proposal:

- There is a signature list of over 40 parties supporting the proposed change.
- There is an issue which most DNOs are aware of over the approach calculation methodology differences associated with the way battery energy storage systems (BESS) projects are assessed and connection designs put forward.

- Over a period of time individual issues have been raised directly with individual DNOs, including exercising the dispute process, none of which have come to any definitive conclusions. The issue was then raised with ENA through the Distributed Generation Group. Mike Kay who chairs the group covered this issue (at the group's meeting) including that it has been ongoing for over 12 months with no outcome, i.e. there is clarity on the BESS connection design logic and approach from a majority of DNOs. Up to now only two DNOs have made their positions clear. ENA has not set out an agreed industry position. It was subsequently suggested that this modification proposal be raised.
- Fundamentally there is still no consistency between DNOs and no clarity for ICPs, consultants or third parties on the policies or network methodologies being used by DNOs.
- The proposed solution to this issue (set out in the modification proposal) is to strengthen the requirement within the Code of Practice (CoP) for consistency and clarity on the policy position associated with the fundamental requirements associated with BESS connections and for greater clarity on the policy position and requirements of each DNO and for it to be in the public domain.
- A degree of consistency and clarity is needed as the market is finding differing requirements across licence areas and there is no policy. For some of the DNOs there may be internal policies, but these have not been shared. NPg and WPD have clarified their positions, and one is published. The policies also vary in terms of expected outcomes from a connection application.

#### Panel Questions to the proposer

The following questions were raised by the Panel:

(i). Request for clarification on what any impact is on competition in connections and whether this is a compliance issue with the existing CoP and so does not require a change.

GJ responded that this is probably more of a compliance issue than a CoP change requirement issue. On the competition in connections aspect, when ICPs or consultants are attempting to undertake design work on connections, unless there is complete clarity on the risks it becomes a big issue. Inconsistent P28 compliance requirements are normally completed by the DNO after acceptance, which introduces risk to the ICP and developer.

Also, If there is no published policy and a DNO cannot say what their policy is, it is not realistic to make a judgement on the question of whether the approach in one DNO area is being applied fairly for all applications.

(ii). Request for further detail on the background to the proposer's suggestion that there is *'an inability across DNOs to have a clear single position'*.

GJ said that an attempt was made to achieve consistency through the ENA. MP said that as previously outlined this was discussed at an ENA group when it was agreed that there is a problem in the areas associated with the different applications across DNOs. Mike Kay wrote to all DNOs to seek clarity on their policy and at the aforementioned meeting

attempted to achieve a common position – but could not. As things stand there is a lack of information on the policies being applied from the majority of the DNOs.

The Panel noted that that at the point an application is made the design parameters, including P28 and any other issues, are assessed at that time and wondered whether the lack of consensus may be due to a project not being able to be meaningfully assessed at the point of application.

GJ said that in order to try to get a more accurate real measurement of the impacts, the ENA changed the SAF form that addressed the rate of change and voltage swing. This has resulted in DNOs not looking at the SAF form parameters and applying different parameters to those submitted by the applicant. These policies are not in the public domain. MP said that the DNO's initial assessment does not take into account anything in the SAF form. Whilst all DNOs are applying the same P28 principle, they are not stating the underlying assumptions. There can be no confidence that applications will be treated on the same basis even within a single DNO. There is inconsistency, not just between DNOs but within them. A DNO cannot claim they are treating each application fairly and on the same basis. GJ said that all of the major players in this market sector are in support of the modification proposal and that this long-standing issue needs to be addressed.

DO clarified whether the proposed changes to text in 2.3.1 of the CoP would fully or in part address the issue? GJ said this a fundamental compliance issue which needs to be addressed separately or the CoP needs to be strengthened. GJ said that there will be a significant increase in the need for storage and this issue is not therefore temporary.

GJ and MP left the meeting.

#### Panel consideration of the modification

The panel discussed the proposal. The following points were made:

- The proposal seeks to change the CoP objectives. The CoP objectives are embodied in SLC52 which takes precedence. The proposal is therefore out of scope as it is outside the Panel's vires to change the distribution licence.
- Taken on face value the issue appears to be more one of compliance. But that is not clear at this stage.
- It is also not clear how the issue affects competition in connections and therefore its relevance within the context of the CoP.
- Any change of the type set out in the proposal would also duplicate existing consistency requirements in the CoP and DNO licence.
- As a general observation, it would not seem viable for all DNOs to reach the same conclusions in respect of a particular application, as results can vary across DNOs for technical reasons.

Panel vote on the modification proposal

The Panel decided that the modification proposal should not advance to a working group.

The panel noted that any new proposal should be clearer on what the issue is and the objectives it seeks to achieve.

**4. AOB**

None.

**Date of next meeting date: 7 December 3.00pm**