Network Connections Project: Stage One

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Retail & Network Policy

BACKGROUND

NETWORK CONNECTIONS PROJECT OVERVIEW

Project objectives:

- Connecting to networks, and amending existing connections, is more efficient (e.g., easier, faster, consistent, equitable)
- Networks operate more efficiently by using fit-for-purpose standards

Project stages:

- Stage One – Address the barriers to the efficient connection of larger capacity DG and load

  o Policy work April - Nov 2024 (Aug consultation)

  o Implementation date - 2025

- Stage Two – Review the remaining provisions in Part 6

  o Policy work to commence late 2024

Out of scope:
- Network pricing (inc. DG pricing principles)

UPDATING REGULATORY SETTINGS FOR DISTRIBUTION NETWORKS PROGRAMME

This work is part of the Authority's *Updating regulatory settings for distribution networks* programme. Other work includes:
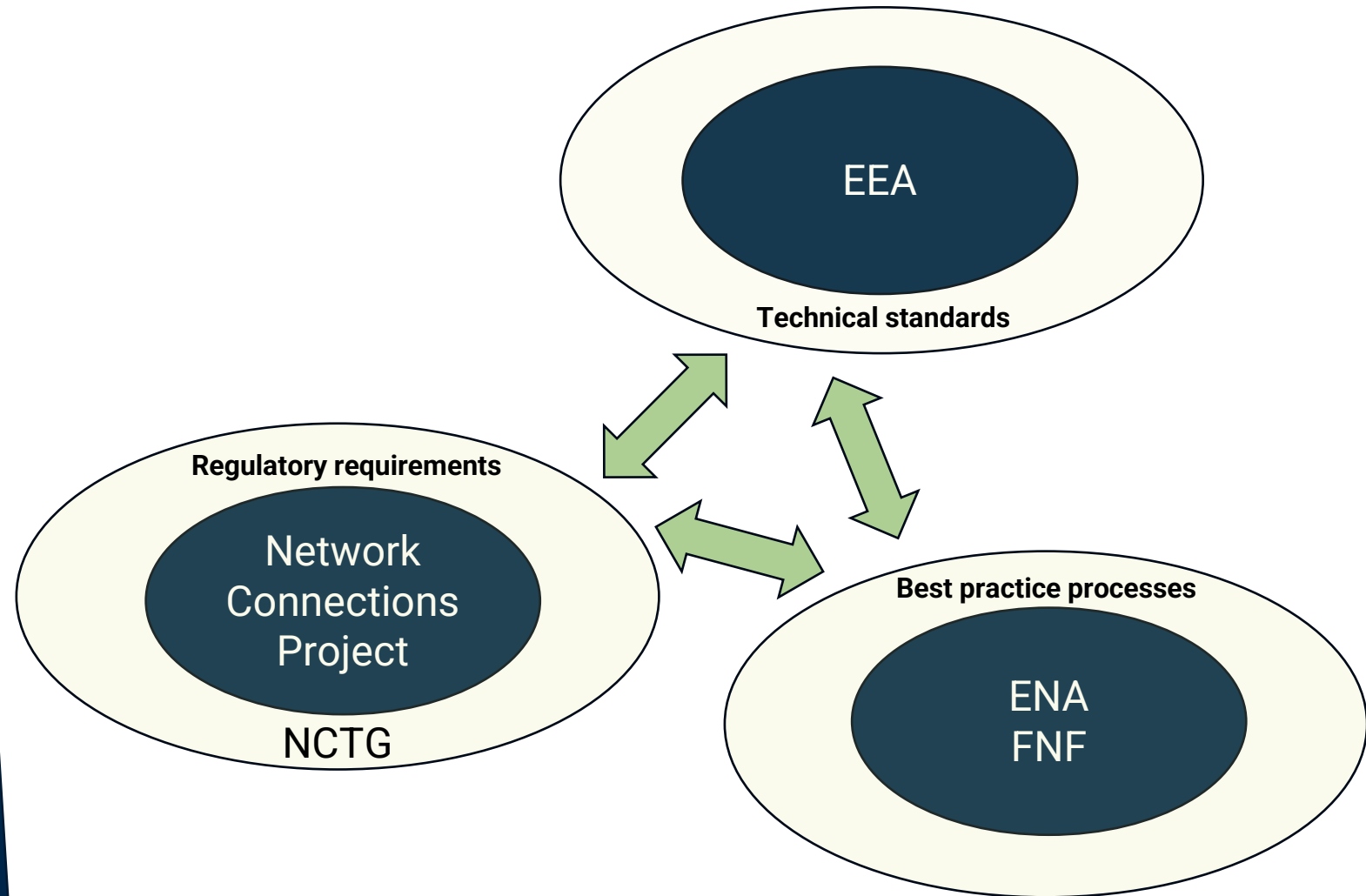
Data for performance
- Data is a core focus for the Authority. We are considering, for example:
  - more granular DG information in the registry
  - whether DER information should/could be in the registry
  - registry improvements (or alternative mechanism)
  - improving access to MEP information

Market settings
- Provide guidelines for conditional Code exemptions
- Provide guidance on imposing 'arm's length' rules
- Consult on bringing flexibility providers into the Code

STREAMLINING CONNECTIONS PROGRAMME

EEA

Technical standards

Regulatory requirements

Network Connections Project

NCTG

Best practice processes

ENA FNF

NON-PRICE BARRIERS TO NETWORK CONNECTIONS

SOME ACCESS SEEKER CHALLENGES

- There is limited visibility of available network capacity, which can compromise investment decisions

- There is no visibility of applications on a network, which can compromise investment decisions

- Applicants have poor visibility where they sit in the application process, including against other applications

- Some applicants have poor understanding of the process to connect

- There is a wide variation in distributors' application processes

- The Code has weak provisions for queueing and management of approved applications, and for competing applications

- Some EDBs can be difficult to engage and inflexible on connections standards

- EDB approval times can be slow, with long waits for electricity infrastructure to be installed.

DISTRIBUTOR CHALLENGES

- A significant increase in the number of applications to connect and competition for capacity

- Larger and more complex DG applications

- Historically low visibility of LV capacity

- The transition to electric transport, including supporting the installation of EV charging (both public and private)

- Responding to industrial customers seeking to decarbonise, which may require significant capacity upgrades

- Managing power quality in an increasingly flexible environment, with growth in multi-directional electricity flows and inverter-based resources

- Managing supply constraints (e.g., consultants, supply-chain)

- Making efficient use of flexibility, in a context of increasing electricity demand and capacity constraints

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CURRENT THINKING
(PROPOSALS ARE STILL IN POLICY
DEVELOPMENT, WILL REQUIRE
AGENCY AND LEGAL REVIEW, AND
EA BOARD APPROVAL – SO COULD
CHANGE)

WHAT WE WANT FROM PART 6

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Improves connection efficiency	Consumer centric	Standardised, transparent and fair processes	Prioritises firm projects
Increases rate of connections + upgrades	Supports power quality	Promotes competition and reliability	Aligns with grid processes where necessary
Flexible but firm where necessary	Cost neutral for distributors	Technology agnostic	Supports monitoring of sector performance
Supports Government goals	Improves investor confidence + decisions	Periodically reviewed and maintained	Aligns with industry processes

CURRENT THINKING - PROPOSED DG APPLICATION PROCESSES

Maximum export power ≤10kW	Maximum export power >10kW <300kW	Maximum export power ≥300kW
Process 1 + 1A	Process 2	Process 3
Considered in Stage 2	Based on Part 2 (2-stage)	Based on Part 2 (3-stage)
Fee changes	Finite timeline to process application	Finite timelines to process application
	Fee changes	Mandatory initial application fee
		Complementary applications
		Project thresholds for approval?
		Queueing and managing
		Applications put in network connections pipeline
		Fee changes

CURRENT THINKING - PROPOSED LOAD APPLICATION PROCESSES

Load capacity >69kVA <300kVA	Load capacity ≥300kVA
Process 4	Process 5
Based on Part 2 (2-stage)	Based on Part 2 (3-stage)
Finite timeline to process application	Finite timelines to process application
Maximum fees	Mandatory initial application fee
	Applications in network connections pipeline
	Maximum fees
Default terms S6.2?	
e.g., rights of access, obligations around interference, interruptions and disconnections, confidentiality requirements, liability	
Flexibility in default terms?	

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POSSIBLE EXAMPLES OF STREAMLINING CONNECTIONS COLLABORATION
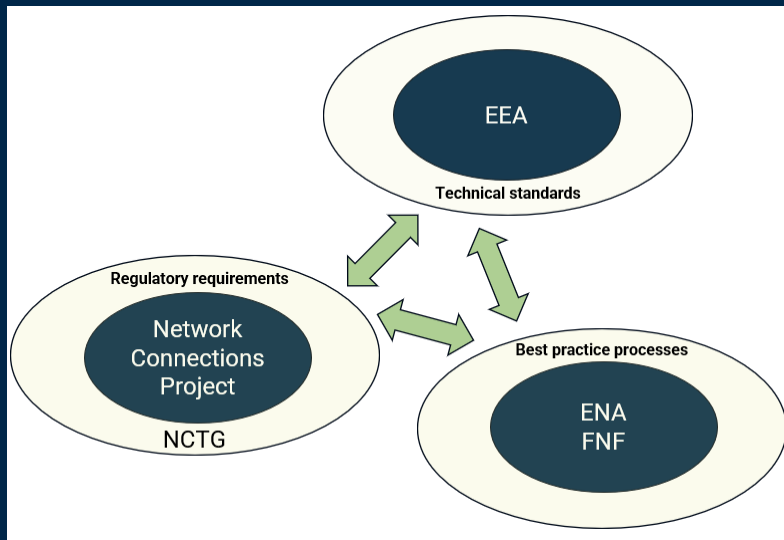
Base Code requirements	Process (ENA lead)
Publish capacity data	Specific metrics
Publish network connections pipeline	Standard reporting formats (could be centralised)
Queue and manage approved applications	Queueing and management policy (e.g., project stages, tolerance levels)
Manage Congestion	Congestion policy (e.g., principles, prioritisation)

Base Code requirements	Technical (EEA lead)
Connection and operation standards	Technical industry guidelines
Network studies	Best practice approaches (e.g., export congestion)
Inverter standards	Power quality requirements (e.g., for medium voltage)

QUESTIONS?

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