

# Minutes of UR Contestability Working Group (CWG) - Meeting 6

<b>Location</b>	<b>Date</b>
UR Offices, Belfast	2 <sup>nd</sup> June 2015

**Attendance:**

Tanya Hedley (TH) - UR	Andrew Prinsloo (AP)
Ronan McKeown (RMK) – UR	Bob Weaver (BW)
Eimear Watson (EW) – SONI	Billy Graham (BG)
Malcolm Robinson (MR) -NIE	

**Apologies:**

Gorman Hagan (GH)	Stuart Hall (SH)
Jody O’Boyle (JO’B) – UR	Mervyn Adams (MA)
Iain Wright (IW)	Nigel Crawford (NC) – NIE

**Copies:**

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	<i>Responsibility - Action Items</i>
<b>1. Previous Minutes</b>	
The Minutes from Meeting 5 were approved as being accurate and passed to be published.	Noted
<b>2. Matters Arising from Previous Actions</b>	
Meeting 3 AP 2 – AP to complete action by next CWG meeting.  Meeting 4 AP 1 – AP to complete action by next CWG meeting.  Meeting 5 AP 1 - Complete AP 2 – NIE and UR to complete by next CWG meeting AP 3 – Ongoing AP 4 – Complete AP 5 – Complete	Noted
<b>3. Review of NIE and SONI Contestability Timeline</b>	
Before the timelines were discussed there was a general discussion around progress to date. The timelines were seen as a welcomed step forward although there was a view that the timelines were pushing the date of contestability being introduced too far into the future.  BW raised the point that accreditation is a process that needs to be worked through for companies interested in carrying out contestable works. BW suggested it would be useful for guidance to be provided to the marketplace confirming what accreditation process was going to be introduced to allow companies to work in tandem to attain accreditation status at the same time as work is on going by NIE, SONI and CWG creating the contestability processes.  An action was requested for the confirmation of what accreditation process was going to be used however TH suggested it is premature for any confirmation to be	

provided during the consultation period of the Next Steps paper.

MR introduced the NIE timeline and described the reasoning behind limited contestability being offered by August 2016. The limited contestability is based on the volume of jobs contestability will be applied to. The reason given for limiting contestability was that the large volumes of connection applications received would require major IT changes for the processes currently used by NIE. The extent of necessary IT changes is expected to include a full procurement exercise which will delay the introduction of contestability by a further 12 to 18 months. There is however the possibility of implementing manual processes to allow contestability to function, this would increase a level of demand on NIE resources that would render the process unworkable should it be applied to all connection applications. Limiting the volume of connection applications that contestability applies too would enable the contestable market place to operate with full contestability being implemented once the necessary IT changes have been completed.

Noted

BW questioned whether functional specifications timeline could be reduced on the basis that these specifications already exist. MR provided an example where NIE currently carry out all surveys, and new specifications would be required to allow third parties to carry out surveys to NIE standards. BG suggested that it would be easier to accredit a third party to do cable and substation works than overhead lines and therefore overhead lines should be looked at as a second phase of implementation. MR also stated that there has to be a process in place for NIE to manage accreditation.

The working group's opinion in general was the NIE timeline was not satisfactory. The opinion of the members of the working group was the latest contestability should be offered is Feb 2016.

BG stated that the NIE timeline for the implementation of limited contestability did not work for small scale generation. To be eligible for the current incentive regime projects have to be connected by the end of March 2017, an August 2016 date for implementation of contestability is too late for small scale generation projects to avail of this facility. BG restated his proposal to implement a restricted scope (cables and substations) as a first phase of contestability for small scale generation. This could be done in a much quicker timescale than that currently proposed by NIE since the specifications should be more or less existing and accreditation should be straightforward. He added that if contestability could be made work for small scale generation then it could be more easily established for demand connections (having pump primed this market). If something like this didn't happen to get things started, he couldn't see how contestability could actually happen in practice in a market as disparate as demand connections. He said that if we didn't move from the current direction this would be a real missed opportunity to establish a working contestable connections market in N Ireland.

TH went through a number of the specific tasks on the NIE timeline and asked for NIE to make comment on the following:

- Task 15 Planning Standards review and update – There has been a recent review of the current Planning Standards. Why do these need to be reviewed again and updated because of contestability?
- Task 16 Accreditation – Why is this task proposed to take 7 months when the proposed accreditation process is an already established process being offered by Lloyds?
- Task 14 Distribution Code review and update – The Distribution Code has recently been reviewed and how will the introduction of contestability effect

**Responsibility -  
Action Items**

the code? TH also expressed her view that she would be expecting NIE to be reviewing and amending any of the codes or standards with impartiality.

- Task 13 Revise Connection Charge methodology – TH suggested this should be having consideration in the current revision of the Statement of Charges review and detail provided even if just explaining the process rather than only starting the process in Fed 16.

BW stated that developers should be notified at the earliest opportunity what form of accreditation would be required to allow time for accreditation to be sought.

TH explained that once licence modifications are in place the SONI/NIE must provide contestable connection offers, regardless of whether processes are in place.

MR explained review of the various codes and standards would be more of a sanity check ensuring there was not something that would inhibit contestability and confirmed that impartiality would be applied at all times. With regards to the Accreditation there may be a level of safety built into the proposed timeline, however due to the introduction of a formal accreditation process being something new, albeit an already established GB process, it is still something new for NIE and there is a number of unknowns which are difficult to accurately account for when creating a timeline.

AP suggested NIE were making contestability more difficult than it needed to be. He made the point that any competent organisation should have no problem submitting plans for approval without the necessary guidelines and specifications having been published. Also any designs that are not acceptable to NIE can be refused regardless. MR stated that NIE would not be willing to receive designs for approval without the necessary specification framework in place to reinforce any decisions that resulted in designs being rejected and this approach would avoid unnecessary disputes.

EW then presented SONI's timeline which was proposing a similar lead in time to the provision of a contestable market place. The point was made that SONI will be linked with NIE's timeline due to NIE being TAO and in particular responsible for the transmission technical specifications. EW also commented that she had began looking at an Eirgrid paper on Implementation Guidelines. TH requested EW to circulate the Eirgrid paper around the rest of the CWG. EW also agreed with MR that Grid Code and Planning Standards were to be reviewed only to ensure nothing would inhibit contestability.

The task on both NIE and SONI timelines around project funding was queried by AP. TH explained that the introduction of contestability is a task that will require resources that was not considered in the current price control and as such necessary costs would be considered by the UR for approval. TH commented that NIE and SONI will need to justify and provide clarity on the costs associated with introducing contestability prior to UR approval.

A point was raised on what are the Planning Standards and codes referred to in the timelines that need to be reviewed. These were described as the System Security and Planning Standards, the Distribution Code and the Grid Code. An action was given to NIE and SONI to circulate links to the various Codes and Standards.

The question around NIE's concerns about the accreditation process. AP stated he had been in contact with Lloyds and stated representatives from Lloyds would be willing to visit NIE to talk through the process and address any concerns NIE may

Noted

	<b><i>Responsibility - Action Items</i></b>
<p>have. An action was given against NIE to provide an overview on what the risk and concerns they see with accreditation.</p> <p>EW suggested a brain storming exercise was required to discuss Cluster methodology and define the process.</p> <p>TH discussed GH's email received prior to the meeting around considering different options. TH suggest the alternatives suggested by GH would be discussed at the next meeting in the context of the Eirgrid implementation guidelines.</p>	
<b>4. AOB</b>	
<b>5. Date of Next Meeting</b>	
Date of next meeting proposed as 30 <sup>th</sup> of June at SONI offices	Noted

### Actions Summary From Meeting 3 on 12<sup>th</sup> February 2015

Action Number	Section	Action	Responsible	Required By
1	Matters Arising	Lloyds Accreditation contact details to be provided to UR	AP	Complete
2	Next Steps	Forward GB DNO connections process map to NIE	AP	30 <sup>th</sup> June
3	Next Steps	Circulate links to GB DNO published engineering specification	JO'B	Complete

### Actions Summary From Meeting 4 on 5<sup>th</sup> March 2015

Action Number	Section	Action	Responsible	Required By
1	WF Discussion	Circulate an example of adoption Certificates or Agreements	AP/IW	30 <sup>th</sup> June
2	WF Discussion	Circulate note to include potential W/L process	IW	Complete
2	WF Discussion	Circulate WPD W/L process policy paper	BW	Complete
4	General Discussion	Circulate the Second Comer paper to the working group	BW	Complete

### Actions Summary From Meeting 5 on 12<sup>th</sup> May 2015

Action Number	Section	Action	Responsible	Required By
1	Next Steps Review	Forward GSOP standards to working group	BW	Complete
2	Next Steps Review	Provide worked examples on different connection types and what activities for each connection are contestable	NIE/UR	June 30th
3	Next Steps Review	Explore the possibility of NIE providing a service where requested by the ICP to construct contested distribution O/H lines	NIE/UR	Ongoing
4	Next Steps Review	Forward proposed timelines to UR for publication as Annex 1 and 2 of Next Steps Paper.	NIE/SONI	Complete
5	Date of Next Meeting	Forward proposed dates to group	RMK	Complete

### Actions Summary From Meeting on 2<sup>nd</sup> June 2015

Action Number	Section	Action	Responsible	Required By
1	Timeline Review	Circulate Eirgrid Implementation Guidelines paper around the group	EW	30 <sup>th</sup> June
2	Timeline Review	Forward to RMK links to Network Security and Planning Standards, Distribution Code and Grid Code	SONI/NIE	30 <sup>th</sup> June
3	Timeline Review	Provide information on NIE's view on risks associated with accreditation	NIE	30 <sup>th</sup> June