

# Minutes of UR Contestability Working Group (CWG) - Meeting 7

Location	Date
SONI Offices, Belfast	30th June 2015

## Attendance:

Tanya Hedley (TH) - UR	Nigel Crawford (NC) – NIE
Ronan McKeown (RMK) – UR	Gorman Hagan (GH)
Eimear Watson (EW) – SONI	Bob Weaver (BW)
Edel Creery (EC) - NIE	Iain Wright (IW)
Malcolm Robinson (MR) -NIE	

## Apologies:

Billy Graham (BG)	Stuart Hall (SH)
Jody O'Boyle (JO'B) – UR	Mervyn Adams (MA)
Andrew Prinsloo (AP)	

## Copies:

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	<i>Responsibility - Action Items</i>
<b>1. Previous Minutes</b>	
<p>TH suggested the comment in the previous minutes concerning the working group not supporting BG's point did not reflect the view of the working group. All agreed and the minutes for meeting 5 were amended and re-issued.</p> <p>TH also requested a slight change to the minutes from meeting 6 concerning the UR approval of NIE and SONI costs for establishing contestability by highlighting the need for clarity and justification of the costs.</p> <p>Previous Minutes were passed with the above amendments.</p>	Noted
<b>2. Matters Arising from Previous Actions</b>	
<p>Meeting 4 AP 1 – IW highlighted an issue with Transmission adoption agreements due to transmission and generation assets not being permissible on the same agreement, the Slieve Kirk example was not suitable. BW will forward an example of a GB DNO distribution adoption agreement to the group.</p> <p>Meeting 5 AP 2 – RMK went through a number of worked examples and highlighted potential problems with shared contestable works. - Complete</p> <p>AP 3 – Ongoing</p> <p>Meeting 6 AP 1 – Complete AP 2 – Complete AP 3 – NIE will provide updates on accreditation issues as they arise when working through the process – Complete</p>	Noted

	<b>Responsibility - Action Items</b>
<b>3. UR Feedback on responses to Next Steps Paper</b>	
<p>TH suggested License Modifications would place an obligation on NIE and SONI to make contestability in connections available from the date of the modification. The modifications were not required for contestability to operate, however they will be put in place to put the onus on NIE and SONI, but also provide a safety net by providing the appropriate framework to operate under. TH asked the group what the view was on the UR delaying any license modifications to allow the process to be established beforehand, rather than imposing modifications that would legally bind NIE/SONI to offer contestable quotes. All were in agreement.</p> <p>RMK provided feedback on the responses to the Next Steps Paper.</p> <p><b>Connection Type</b> The view of the majority of the responses was there is a need for contestability in generation connections before there is a need in demand connections. After discussions around this, the view of the group was it is possible to base the first phase of contestability on size of connection albeit the size of connection still has to be agreed.</p> <p>GH brought up the area of housing developments and the interest from developers laying the LV distribution network. TH said there was already legislation in place that allows a developer to apply for a license then build and operate their own network around a housing development.</p> <p>There was agreement from the working group on applying a phased approach to contestability based initially on capacity of generation connections. EW suggested &gt;5MW for transmission connections. The UR and NIE will hold separate discussions to determine the best fit taking into account small scale generations connections. Load related including Housing Developments could be developed once the initial process was in place.</p> <p><b>Point of Connection (POC)</b> There was discussion around the definition of the POC. EW pointed out the term is used in current SONI documents with reference to new connections but it is a different definition to that used with respect to contestability. This was discussed and the point made that the POC referred to in the SONI documentation would only be applicable once the contested asset was adopted, at which stage the SONI definition was still accurate. All agreed the definition of the POC with respect to contestability is the connection point to the existing network.</p> <p>There was also agreement that the all or nothing approach remains and where a customer elects to construct the asset under contestability they must have the capability to do so.</p> <p>The final connection will remain non-contestable but will stay under review.</p> <p>Commissioning was discussed and the need for details separating the difference of commissioning and pre commissioning works. GH highlighted there is a difference between commissioning and pre-commissioning that is already established in NIE.</p> <p>The group agreed the contestability guidelines will define what can be carried out under contestability and what will remain the responsibility of NIE/SONI.</p> <p><b>Operation and Maintenance Costs</b></p>	Noted

	<b>Responsibility - Action Items</b>
<p>There was general agreement on the proposed method for O&amp;M costing. IW queried if a contestable design is more expensive than the NIE/SONI design what will the O&amp;M be based on? NC suggested the job would need to be re-priced based on the new design to calculate the accurate O&amp;M cost. The point was raised that in such circumstances the costs for re-pricing could be added to the O&amp;M fee.</p> <p><b>Accreditation</b> Discussion was had around the need for accreditation with varying views – UR view is they recognise the benefit of using an accreditation scheme but it is a decision for SONI and NIE. BW made the comment that if NIE and SONI decide on the accreditation route, once that information is communicated to the industry, it will make it happen without much difficulty.</p> <p><b>Planning Standards</b> The planning standards were discussed briefly, NIE and SONI both said the need for work in this area was more of a sanity check and at this stage neither could foresee any changes to the current standards. The UR has carried out an initial review of the planning standards, grid code and distribution code and considers that there are no issues with regard to introducing contestability. The UR asked the group to highlight any issues that they may find in their review to them.</p> <p><b>Clusters</b> The charging methodology for clusters was discussed and TH said the UR's view is <u>if any</u> customer funding is required the cluster it would not be appropriate that contestability is allowed.  The need for the cluster will be identified by SONI/NIE. For a new connection the POC, determined by NIE, will be out of cluster. However, if a lead developer can be appointed by the collection of developers, the cluster can be built contestably with no customer funding – all were in agreement.</p> <p><b>Timelines</b> TH updated the group on the current position of the Next Steps paper and advised it has been pushed back a month from the proposed publication date. It was pointed out that delays in the availability of the Final Steps paper may impact on NIE's timeline.  EC advised that NIE had engaged with external consultants to assist with moving contestability in connections forward as quickly as possible.  The possibility of trialling contestability was discussed but MR said NIE had been in discussions with other DNO's and ESB who both advised against opening trials before the appropriate framework was in place. The experience from the ESB in particular was the trial they carried out in contested connection resulted in the ESB being used as consultants and also raised laborious and problematic issues that took months to resolve.  IW asked when the phased approach to contestability would be made available. TH said the UR would not be providing a date at this stage and does not see the final Next Steps paper providing it either. Action 1 – NIE and UR to discuss connection type based on capacity including small scale generation that will provide the best fit for Phase 1 of Contestability</p>	<p>Noted</p> <p>NIE/UR</p>

	<b><i>Responsibility - Action Items</i></b>
<b>4. Next Steps</b>	
<p>Contestability will be applied to all qualified connections from a certain date.</p> <p>IW asked a question regarding refunds but TH advised this was not a regulatory issue.</p> <p>After Next Steps paper is published (end of July), a draft implementation plan will be issued and a workshop planned possibly in September to work through and finalise the Implementation guidelines. TH enquired if it would be possible for the implementation guidelines to be available for the same date as the final version of the Next Steps paper. EW commented that it was very unlikely that the implementation guidelines would be ready for the end of July and more time would be required before it would be available for circulation. TH agreed that the implementation guidelines would be released as soon as possible but that it would be some time in August.</p> <p>BW talked about NIE producing a paper to the market on where network capacity is available. NIE pointed out there is already a detailed heat map available providing this information and that it is updated regularly.</p> <p>RMK suggest NIE has a look at the generation pipeline and see if it's possible to identify a natural split on size of connections that could be used for the phased approach.</p>	
<b>5. Date of Next Meeting</b>	
<p>Date of next meeting proposed as 4<sup>th</sup> August 10am-12pm – UR Offices</p> <p>Date of workshop proposed as 9<sup>th</sup> September 2pm-4pm – UR Offices</p>	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	BW	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	Complete
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 6 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	Complete
2	Timeline Review	Forward to RMK links to Network Security and Planning Standards, Distribution Code and Grid Code	SONI/NIE	Complete
3	Timeline Review	Provide information on NIE's view on risks associated with accreditation	NIE	Complete

## Actions Summary From Meeting 7 on 20<sup>th</sup> June 2015

Action Number	Section	Action	Responsible	Required By
1	UR Feedback on responses to Next Steps Paper	Discuss connection type based on capacity including small scale generation that will provide the best fit for Phase 1 of Contestability	NIE/UR	4 <sup>th</sup> Sept