

Contestability in Connections

Contestability Working Group Meeting

NIE/SONI Joint Presentation

9 September 2015



Agenda

- ▶ Guidelines Document
- ▶ Scope of Contestability and contestability interfaces
- ▶ Application and offer process
- ▶ Connection Process
- ▶ Accreditation
- ▶ Shared Connections
- ▶ Clusters
- ▶ Governance/Disputes
- ▶ Next Steps

Guidelines Document

- ▶ Joint document covering transmission and distribution connections
- ▶ Drafting reflects contestability as it will be
- ▶ The document will be non-contractual
 - ▶ All contractual matters need to be addressed in other documents
 - ▶ Existing documents will need amending and new ones will be required
- ▶ The intention is the document will be updated as contestability evolves

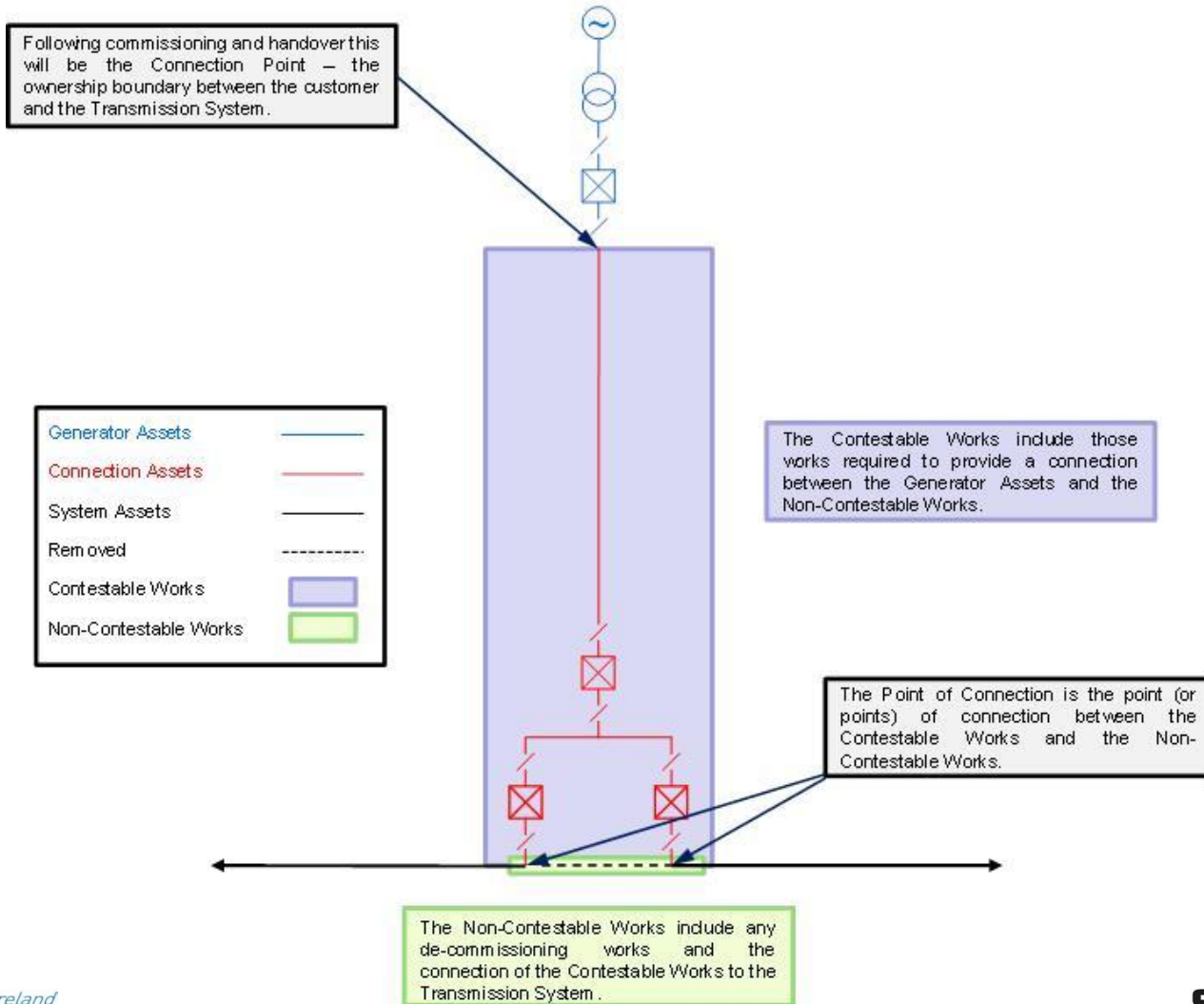
Scope of Contestability (1)

- ▶ Contestability is available to connections at the following stages:
 - ▶ Applicants who have received an offer but not yet accepted
 - ▶ Applicants who have accepted an offer but works (pre-construction or construction) have not yet started
 - ▶ This approach is to facilitate the introduction of Contestability for all applicants
- ▶ Contestability will be introduced in two phases:
 - ▶ Phase 1 is contestability for connections of 5MW and above
 - ▶ Phase 2 is contestability for all other connections
- ▶ NIE/SONI are doing everything we can to facilitate implementation of Phase 1 in as short a timeframe as possible and are in discussions with UR regarding implementation dates

Scope of Contestability (2)

- ▶ **System protection is non-contestable, however**
 - ▶ User specific protection equipment can be designed and installed independently but the protection design needs to be reviewed by the Licensee to ensure compatibility.
 - ▶ Certain elements of protection equipment may need to be manufacturer specific.
- ▶ **Metering is non-contestable**
 - ▶ NIE will continue to purchase, install and calibrate meters and be the meter registrant.
- ▶ **Communication via SCADA is non-contestable**
 - ▶ NIE/SONI will continue to purchase, install, test and maintain the communications equipment.
 - ▶ This will include any UPS, RTU, cable termination cabinet etc. that may be required.

Contestability Interfaces



Scope of Contestability (3)

▶ Pre-commissioning

- ▶ The applicant shall be responsible for all pre-commissioning of the contested works.
- ▶ Pre-commissioning is the testing of the Contestable Works carried out prior to and in readiness for energisation and commissioning.
- ▶ NIE and SONI shall be given the opportunity to witness pre-commissioning tests.
- ▶ The applicant shall provide certification to the Licensees detailing all pre-commissioning tests and along with a statement of compliance with relevant technical specifications and standards.

▶ Commissioning

- ▶ The commissioning of contestable assets, including final testing and energisation, is non-contestable to ensure safety, system security and reliability. The Licensees will specify the testing programme and any user assistance required.

Note – Distribution Code and Grid Code requirements also apply.

Application and Offer Process

- ▶ Connection application does not require any contestability information.
 - ▶ Licensee will provide an offer which sets out details of the Connection Works and Reinforcement Works required for the new connection.
 - ▶ Customer shall inform the Licensee at this stage if the Connection Works will be shared with any other party.
- ▶ Initial offer will not be split into contestable and non-contestable works.
- ▶ Customer shall notify Licensee at the time of offer acceptance if an additional offer is required.
- ▶ Additional offer will be split into Contestable Works and Non-Contestable Works.
 - ▶ Customer can then choose to accept the offer for the non-contestable works which would supersede the acceptance of the first offer.
 - ▶ Timelines will be defined for the second offer – for provision and acceptance
- ▶ Licensees unsure of the uptake of contestability and hold the view that it would be inefficient to provide contestable offers where not required

Connection process

- ▶ Level of surveillance and monitoring during pre-construction and construction is still under consideration.
- ▶ We envisage the development of a quality plan early in the process, subject to review and agreement.
- ▶ The plan will contain details on:
 - ▶ All inspection and review points
 - ▶ Liaison during pre-construction and construction
 - ▶ Documentation requirements
 - ▶ Certification requirements
 - ▶ Type test, routine tests, etc.

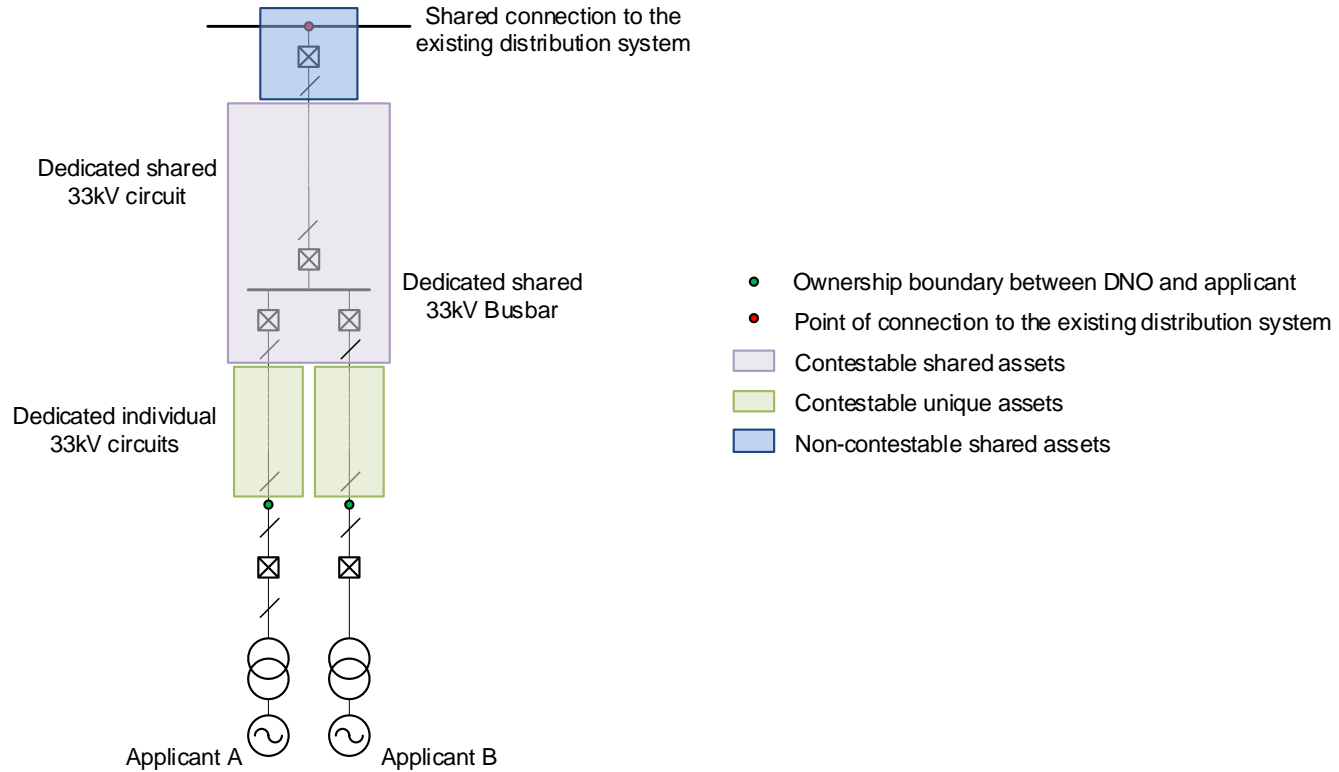
Accreditation

- ▶ The draft guidelines proposes that ICPs must hold relevant accreditation for specific activities undertaken under the National Electricity Registration Scheme (NERS) Operated by Lloyd's Register.
- ▶ Where the contestable works have been installed by an ICP then failure to operate under the NERS may affect commissioning and adoption of the assets by the Licensee.

Shared connections (1)

- ▶ Shared assets can only be delivered contestably where there is agreement between parties sharing the assets to appoint a Lead Developer to contest the shared Contestable Works.
- ▶ Lead Developer is:
 - ▶ The Single Point of Contact for the delivery of shared Contestable Works.
 - ▶ Responsible for all shared Contestable Works and bears any risk.
- ▶ Unique connection assets:
 - ▶ Lead Developer can contest its own unique connections.
 - ▶ The other parties' unique connections can either be contested by the individual applicants or, following agreement between the party and the Lead Developer, by the Lead Developer.

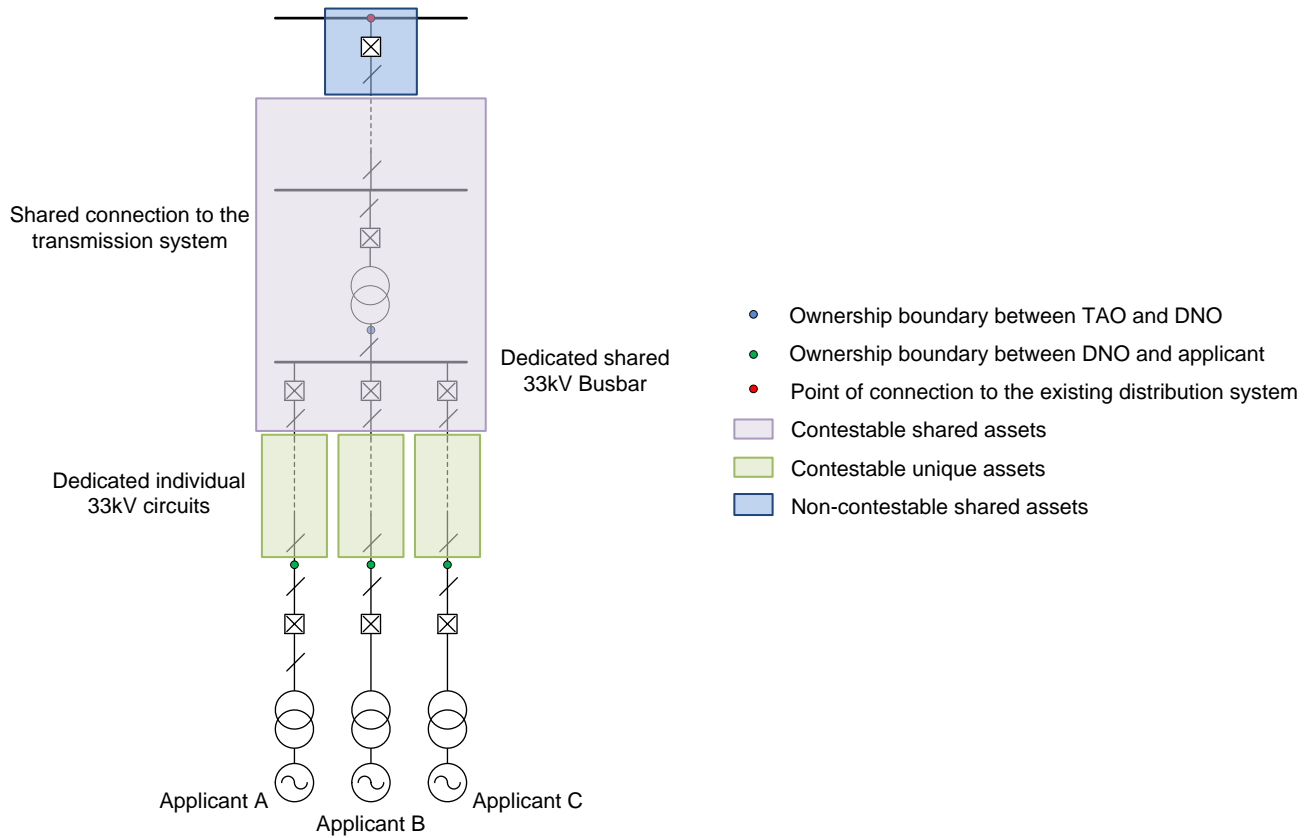
Shared connections (2)



Clusters (1)

- ▶ **Cluster infrastructure**
 - ▶ Transmission and distribution assets that are shared by all parties connecting to the cluster i.e. the cluster transmission infrastructure from the point of connection to the Transmission System to the 33kV switchboard in the cluster substation.
- ▶ The TSO will inform the DNO of the connection works required for the cluster infrastructure.
- ▶ The DNO offers to individual parties will contain this information.
- ▶ Following acceptance of offers the parties decide whether or not to contest :
 - ▶ Shared cluster infrastructure (joint decision)
 - ▶ Unique connections

Clusters (2)



Clusters (3)

- ▶ Cluster infrastructure consists of pre-construction works and construction works.
- ▶ Cluster Pre-construction works
 - ▶ Route and site selection, land acquisition, planning permission, wayleaves and consents, normally the responsibility of the TSO.
 - ▶ Non-contestable – sole responsibility of the TSO in all cases.
 - ▶ NI customer base contributions are permitted.
- ▶ Cluster Construction works
 - ▶ Detailed design, procurement and build, normally the responsibility of the TAO.
 - ▶ Contestable.
 - ▶ If contested NI customer base contributions are not permitted.
 - ▶ If not contested NI customer base contributions are permitted.

Clusters (4)

- ▶ **Contesting cluster infrastructure (construction only):**
 - ▶ Lead Developer concept applies.
 - ▶ Based on the premise that all parties sharing the cluster infrastructure are contracted applicants (have an accepted offer).
 - ▶ NI customer base contributions are not permitted.
- ▶ **Not contesting cluster infrastructure:**
 - ▶ TAO will deliver the construction works.
 - ▶ NI customer base contributions are permitted.
- ▶ **Contesting unique connection:**
 - ▶ Party themselves can deliver or the Lead Developer.
- ▶ **Not Contesting unique connection:**
 - ▶ DNO will deliver.

Governance / Disputes

- ▶ Guidelines document is not a contractual document – it is essentially a user's guide.
 - ▶ Licensees do not consider it appropriate to develop governance arrangements for this document.
 - ▶ It provides information on contestability arrangements defined in other documents such as connection offer letters, adoption agreements and charging statements.
- ▶ Disputes
 - ▶ Licensees acknowledge that disputes may arise with regard to contestability but there are existing legislative and regulatory processes for the resolution of disputes with regard to the terms of a connection offer and that these existing processes should be adequate for dealing with disputes about the terms of a contestable connection offer.

Next Steps

- ▶ Licensees aiming to complete the document and have it available for publishing and consultation by the end of September
- ▶ Expected four week consultation period
- ▶ Consultation report and recommendations around mid to end November?