

Significant Code Review

Q&A



This is the Q&A document from SSEN's Access Significant Code Review (SCR) webinar hosted on 13th June 2022.

Have Transmission costs not been changed in terms of charges to customers?

The outcome of the Access SCR is not looking to change Transmission arrangements, the focus is very much on Distribution arrangements.

How will reinforcements triggered by the import side of a Battery Energy Storage System (BESS) scheme be treated – similar to generation?

From a charging perspective, storage is being treated the same as non-final demand (i.e. generation) and will be assessed on that basis. The DCUSA working groups are looking in detail as to how this should be applied to a battery when it is part of a mixed site. We will know more on this towards the end of 2022.

Will the DCUSA working groups be considering a materiality threshold for the amount/type of consumption required for a generation connection to be a final demand site?

This is an active area of work within the DCUSA working groups. Ofgem's direction is to use the definitions as they were set out for the targeted charging review.

How much discretion does the DNO have in setting the explicit end date? Could it be many years in the future, in which case it is not helpful?

There is no discretion, it is set out in the Connections Charging Methodology, in particular how we identify the minimum works that are required in order to connect.

What guarantees/penalties are there regarding hitting the explicit end date – none?

The DCUSA working groups are setting out the specific calculation to establish an exceeded curtailment price. The methodology will be designed to make excess curtailment not an attractive option for DNOs and would cost markedly more than flexibility service payments or the cost of reinforcement.

How will SSEN prepare for a potential increase in applications once these new changes have been implemented?

We are currently assessing resource impact. The hardest part to anticipate is any change (up or down) in the rates of applications as a result of Access SCR.

Will one house fed from a hydro generator be classed as a final demand site and therefore not pay reinforcement for the generator connection?

The Ofgem change classifies a connection based on the site. The DCUSA working group are looking at scenarios that ask, "When is this demand", "when is this generation". We will know more on this towards the end of 2022.

If a 33kV generator triggers a 132kV reinforcement, and then subsequently a new 132kV applicant benefits, will the 132kV customer be charged a contribution?

These are the kind of scenarios we are working through with BEIS and they plan to publish a letter to consult on proposals and changes to legislation in July with the aim of publishing the outcome towards the end of 2022.

Sole use assets will still be charged, and second comer rules will still apply?

Yes, this is correct.

Are second comer charges ending after April 2023? What will happen to historical second comer charges after this date?

This is being considered by BEIS at this point. They plan to publish a letter to consult on proposals and changes to legislation in July with the aim of publishing the outcome towards the end of 2022.

When is the DCUSA working group expecting to publish decisions on the definitions of final and non-final demand etc?

It is likely that the consultation phase of the DCUSA working group proposals will be issued by early August 2022. There will be an opportunity to comment and challenge these definitions before submission to Ofgem.

If the changes do not make a sufficient difference to enable new generation capacity (i.e. non-final demand), can we expect a revision to treat them the same as final demand?

There is an ongoing opportunity to review these arrangements if they do not have the impact expected - any party can propose a revision through open governance.

If there is no non-firm capacity left for a connection, would a Mod App be sent as per usual to the Transmission System Operator (TSO)?

If a Mod App is required, it would be sent to the TSO as per usual.

How will curtailment limits be adjusted/impacted by the Transmission issues, i.e., Statement of Works (SOW) or Appendix G? Are you expecting to have to vary these, will they be added as additional curtailment, or will you go overly conservative? Are you planning on working more closely with the Electricity System Operator (ESO) to reduce possible negative impact conflicts?

Curtailment limits will not include Transmission outages. We will continue to work with our Transmission colleagues to reduce the impact of Transmission outages.

What impacts are SSEN expecting and preparing for due to the SCR reform?

The biggest challenge we face is not quite knowing how connections activity will be influenced by these changes. We are not sure if we will see more, less or no change. We invite customer's input on how these changes affect their plans. The sooner we know those plans, the sooner we can get our network ready.

A lot of the finer details are still being discussed, a lot of these smaller decisions will influence customer behaviour – for example, the DCUSA changes which are being developed over the next few months and will not be fully confirmed until just before RIIO-ED2 commences in April 2023.

Strategic planning – how will it work? It still seems that SSEN has a “project by project” mindset

The Access SCR is a positive step towards more strategic investment. We will continue to work towards a framework across the industry which allows DNOs to invest strategically and ensure an efficient transition to net zero.