

Competition in Connections Code of Practice Panel Meeting

19th March 2021

Minutes

Attendance:

David Overman (Chair)	DO	GTC
Brian Hoy	BH	ENWL
Simon Barons	SB	UKPN
Claire Roberts	CR	NPg
Colin Jamieson	CJ	ESP Electricity Ltd
Martyn Crocker	MC	UKPN
Graham Smith	GS	UCCG
Grant Rogers	GR	WPD
Maryline Guinard	MG	SSE
Stephen Brown	SB	ENWL
Steve McLaren	SM	SPEN
Patrick Daly	PD	PN Daly Ltd
Les Thomas	LT	Lloyds Register
Burnie Woods	BW	Lloyds Register
Beverley Hudson	BHu	SPEN
Jasper Howson	JH	The Electricity Board Ltd (ICP)
Jayson Whitaker	JW	Energy Assets Network
Victoria Low	VL	Ofgem (agenda item 3 only)
Kieran Brown	KB	Ofgem (agenda item 3 only)
John Spurgeon	JS	ENA

1. Welcome and introductions

Introductions were made to Ofgem. The Chair reminded attendees of the Competition Act requirements.

2. Review of minutes and actions

The Chair raised the action from the previous meeting to speak to the House Building Federation (HBF) regarding Ray Farrow's position. HBF confirmed they do not need an observer. The Chair will update HBF on any outcomes from the Panel.

Code of Practice website

The Chair noted some recent changes in panel members and asked that any changes be brought to the attention of ENA who will make any necessary updates to the website.

Action: Panel Members to notify ENA of any company changes to panel and deputy panel members.

3. Review of Competition in Connections

VL said as part of setting RIIO ED-2 Ofgem plan to review competition in connections and wanted to share their current thinking on their plan for this work with the panel. Ofgem want

to assess the extent to which levels of competition have changed since the DPCR5 competition test process. The review will assist Ofgem to set outputs & incentives for ED-2.

Ofgem feel regulatory arrangements recently have helped encourage and maintain an environment for effective competition. If on review, Ofgem think levels of competition have changed then they will consider appropriate action.

When Ofgem ran the competition tests in DPCR5, it did not specify or standardize information requested from the DNOs. This time, Ofgem will be looking to do this and have subsequently been working with DNOs to standardize information that might be used to review the levels of competition in the various market segments. A template has been created to collect the relevant information that DNOs will complete. The template allows the provision of relevant data and scope for DNOs to qualify data. As this is a slightly different process, Ofgem will consult on the approach in Spring this year. A policy decision will be issued late Spring/early Summer, followed by publication of a 'minded-to' position for consultation and then final decision by Autumn 2021.

Ofgem feel its ability to make decision in this area will partly depend on the quality and robustness of information received as well as early identification and resolution of any issues. VL invited the group to comment on the approach and timeline set out.

PD emphasized the need to ensure the consistency and integrity of information provided by DNOs and consult stakeholders on the information. BH provided some background, the key difference in approach, is that the previous assessment was free format, largely consisted of (i) description of the DNO's approach in support competition in connections and (ii) data provision. The subsequent implementation of the Code of Practice negates the need for (i). Assessment is therefore based on factual analysis of the outcomes on offers and work won by third parties. PD acknowledged the points and said the principle of fairness should always be the guiding factor. DO made a point that past performance is not necessarily a guide of where DNOs are now. VL said that through the consultation process, if information is contradicting working assumptions based on the current regulatory framework and reporting requirements, this would be considered including whether further investigation would be needed. The group briefly discussed the format used for Incentive on Connections Engagement returns. VL welcomed any suggestions on how feedback might be better provided in terms of structure and format.

The group discussed how Ofgem can engage with stakeholders over the course of this exercise.

LV offered to engage further once the initial consultation is issued. It was agreed that an engagement session should be set up separately (as this is not panel business).

The Chair thanked VL and KB for bringing this initiative to the group for discussion.

Action: BH [with ENA support] to set up a session with DNOs, IDNOs, ICPs, Ofgem and any other interested parties to discuss Ofgem's Spring consultation.

4. Chair tenure

The Chair was happy to continue in the role for the coming year but welcomed DNOs to consider options too.

5. AOB

Terms upon which load is accepted by ICPs and IDNOs

PD referenced a document he had previously shared [with some of the group] regarding terms upon which load is accepted by ICPs and IDNOs and whether its scope should be widened to include what are permissible restrictions to connection offers made under conditions 12 and 16 of the standard licence and discussed with house builders, with view to putting forward as an agenda item at the next panel meeting. DO asked that PD share a draft which could then be considered in the context of whether the route for raising it is through the Code of Practice or elsewhere. BH said that any problem needs to be clearly identified, which will inform the appropriate route for any consideration.

Action: PD to circulate draft document to the group.

Tier 2 Transformer requirements

PD raised the technical issue of treatment of changes to tier two transformers under the requirements of relevant regulation. DO said that this was not for the panel but would be happy to discuss with PD.

Contestable designs for ICPs

GB asked if DNOs were to provide contestable designs for ICPs on smaller sites, would this benefit competition in connections? The Chair said that this is outside the scope of the Code of Practice. The group discussed the question.

Panel Budget 021/22

JS stated that the budget for the next financial year has been agreed.

DO thanked the group for their participation and closed the meeting.

Date of next meeting 11 June 9.30am.