

Distributed Generation Connection Guide: An Introduction

Who is this Guide for?

This Guide is intended to help you, as a developer or the prospective owner of Distributed Generation, to connect your generating unit to one of the UK's electricity distribution networks. It may also be useful for installers or manufacturers of distributed generation equipment.

The types of generation that most frequently connect to the distribution networks include:

- renewable energy projects;
- waste to energy projects; and
- on-site generation and Combined Heat and Power (CHP) projects.

What is the aim of the Guide?

The main aim of the Guide is to provide a 'route map' of the processes for getting a generation project connected to the distribution network. The Guide provides an overview of the connection process, as well as more details on the application stage.

The connection process involves discussions and agreements between you and your Distribution Network Operator (DNO). This process is more likely to be successful if you and the DNO can communicate effectively and understand each other's concerns. So, in addition to its main aim of providing a 'route map' of the connection process, the Guide has a number of other aims:

- to provide background information about the UK power sector and the role Distributed Generation has to play;
- to describe the main factors affecting connection costs and ongoing charges;
- to highlight your options relating to your connection works, identify different contracts relating to your connection and discuss some day-to-day operational issues; and

- to describe two key financial incentives for Distributed Generation: Feed-in Tariffs (FITs) and **Contracts for Difference (CFD)**.

What is not covered in the Guide?

In addition to arranging a connection to the network, you will also have other issues to address in order to get your project up and running. These include:

- Designing, installing and operating the generation installation
- Buying and selling electricity (beyond FITs and **CFDs**)
- Planning the project
- Financing the project
- Resolving local planning issues

These issues are outside the scope of this Guide, but you will need to about these in parallel with the connection process.

Note that this document covers the process for connecting generation to the distribution networks in Great Britain. Northern Ireland has different connection arrangements, for example different versions of Engineering Recommendations G83 and G59 are in use. For more information, refer to the Northern Ireland Electricity website: www.nie.co.uk

Distributed Generation Connection Guide: An Introduction

The format of the Guide

This Guide has been written and formatted with you, the reader, in mind. In particular we think this Guide will be useful for customers with generation, installers and developers. We have tried to make this Guide as clear and easy to read as we can, bearing in mind that some of the issues discussed are technical and complex. In particular:

- Terms which may be unfamiliar are defined or explained in boxes around the main text.
- Key points and summaries are highlighted.
- Text is **emboldened** for emphasis.
- Where necessary the Guide distinguishes between the arrangements that apply in Scotland and those which apply in England and Wales. This is indicated with a Scottish flag.
- At the end of most chapters there is a pointer on where to find more information.

Though this Guide is intended for the general public and should not require the reader to be technical or familiar with the energy industry, please be aware that the topics covered here are technical and complex. It is therefore necessary to refer to such concepts as voltage and power. Where possible, terms that may be unfamiliar have been explained.

Governance of the Guide

This Guide is a Distribution Code Review Panel (DCRP) document. The DCRP will update the Guide using similar processes it has for updating other distribution related documents.

There are many areas of regulation and legislation relating to Distributed Generation which are evolving and a number of issues are under consultation. The Guide has tried to capture the most up to date position at the time of writing. However, for the most up to date information you should refer to key documents and organisation websites. Please see the reference section for more information.

Governance of related Codes and documents

Many of the codes and other documents described in this guide are subject to open governance whereby any interested and materially affected party can propose a change to the document. This includes the Connection and Use of System charging arrangements (for both distribution and transmission) and the Distribution and Grid Codes. For matters not under open governance there are also groups with Distributed Generation community and DNO representation where issues can be raised and discussed which may lead to changes being proposed.

The overarching group to discuss commercial and procedural issues associated with connection is the [ENA DNO - DG Steering Group](#). Any issues you have **for the Group** should be raised through trade associations who are **represented**. **Please note that practices between DNOs may be different; for example where the connection requirements are location specific or the connection risks and the network characteristics are different.**

Distributed Generation Connection Guide: Is this the right Guide for my project?

The process of connecting Distributed Generation to the electricity distribution network varies depending on the size of the generation to be connected, and the specific technology to be used. In general, the larger the generation capacity, the more complex the process.

There are two main Engineering Recommendations that cover the connection of Distributed Generation to the electrical distribution network: EREC G83 (for smaller generation capacities and specific generation technologies) and EREC G59 (for all other projects). These are described further in the information boxes below.

Four Guides have been developed:

- EREC G83 compliant units in a single premises;
- EREC G83 compliant units in multiple premises within a close geographic region;
- A simplified guide for EREC G59 compliant equipment with a capacity of 50kW or less, and which has been type tested; and

- A full guide for all EREC G59 installations.

A “summary” version of each Guide, containing the minimum, essential information from each chapter, is also available—refer to the ENA website.

The table on the next page includes a quick check for finding the right Guide for you. Read the information boxes for further explanations of terms that may be unfamiliar to you.

Where you are installing multiple generating units, the application process (i.e. EREC G83 or G59) is based on the installed capacity of the power station as a whole, how many premises equipment will be installed on, and whether each unit is type tested.

If you are adding new generating units to an existing power station, then the total power station capacity should be used to determine the connection process of the new connection application, but only the new additional equipment needs to be type tested in line with the latest EREC documents.

Engineering Recommendation G83

EREC G83 is called “Recommendations for the Connection of Type Tested Small-scale Embedded Generators (Up to 16 A per Phase) in Parallel with Low-Voltage Distribution Systems.” It sets out the requirements you must meet before your generating unit can be connected to the network. The capacity threshold refers to the **aggregate generating capacity installed in a single premises**.

The document is aimed at the manufacturers and installers of your generating unit. [EREC G83 is available on the Energy Network Association’s website](#) for a fee of £90.00, but all of the Appendices with forms required for applications are available free of charge.

Engineering Recommendation G59

EREC G59 is called “Recommendations for the Connection of Generating Plant to the Distribution Systems of Licensed Distribution Network Operators.” The purpose of the document is to provide guidance to you and to DNOs on all aspects of the connection process. [EREC G59 is available on the Energy Network Association’s website](#) for a fee of £125.00, but some Appendices are available free of charge.

Distributed Generation Connection Guide: Is this the right Guide for my project?

Guide	Criteria	
A guide for connecting Distributed Generation that falls under EREC G83 in a single premises	Installation of one or more Distributed Generation units at a single premises.	Distributed Generation is compliant with EREC G83 if: <ul style="list-style-type: none">• It meets the size definition of SSEG;• It is installed in accordance with EREC G83. Your installer should be familiar with these requirements; and• It has been tested and approved according to the relevant Type Testing Annex in EREC G83.
A guide for connecting Distributed Generation that falls under EREC G83 in multiple premises	Installation of Distributed Generating units at more than one premises within a close geographic region.	
A simplified guide for connecting Distributed Generation that falls under EREC G59 with a capacity of less than 50kW three-phase or 17kW single-phase	<p>This Guide is written for installations where:</p> <ul style="list-style-type: none">• the equipment is covered under G59;• the generating capacity of the generating units is 50kW or less three phase, or 17kW or less single phase;• the equipment to be installed is EREC G59 or G83 ‘Type Tested’ <p>In addition, this Guide is aimed at generation projects where the connection requires only a minimum amount of network extension and makes use of the Feed-in Tariff (FITs) scheme (rather than Contracts for Difference or CFDs). For information on network extension and CFDs, refer to the full G59 Guide (below).</p>	
A full guide for connecting Distributed Generation that falls under EREC G59	This guide covers all projects that are covered by EREC G59. If a Distributed Generation project does not meet all of the criteria under EREC G83 then it is covered by EREC G59.	

Small-Scale Embedded Generation (SSEG)

SSEG is defined in EREC G83 as "A Generating Unit together with any associated interface equipment, if required (e.g. Inverter(s)) that can be used independently, rated up to and including 16A per phase, single or multi-phase 230/400V AC and designed to operate in parallel with a public low voltage Distribution System". This corresponds to **3.68 kW on a single-phase supply and 11.04 kW on a three-phase supply**, and refers to the **aggregate generating capacity installed in a single premises**.

The requirements have been relaxed for small scale generation using Stirling engines. This is detailed in Guidance Note 3 in the Distribution Code, and valid until 31 December 2016. For more information see the latest version of the Distribution Code: www.dcode.org.uk

Distributed Generation Connection Guide: Is this the right Guide for my project?

Close Geographic Region

Typically, a Close Geographic Region is one which is fed by the same part of the distribution network, from a single feeder or distribution transformer. Your DNO will be able to advise you as to whether your installation sites are within a close geographic region. A general rule of thumb is that if your installations are within 500 meters of each other, or if the post codes are the same at least up until the last two letters, then they are likely to be within a close geographic region.

Type tested equipment

A type tested Small-Scale Embedded Generating unit is defined in EREC G83 as one that “has been tested by the Manufacturer, component manufacturer or supplier, or a third party, to ensure that the design meets the requirements of this Engineering Recommendation”. Type testing applies to the generating equipment or inverter which is connected directly to the electricity network. Using type tested equipment simplifies the connection and commissioning process.

The Engineering Recommendation annexes contain methodologies for testing equipment against a set of test conditions to demonstrate compliance with EREC G83. The manufacturer produces a Type Test Certificate to demonstrate compliance. The following generation types fall under EREC G83, as they have a type testing appendix:

- Domestic Combined Heat and Power (CHP)
- Photovoltaic (PV)
- Fuel Cells
- Hydro
- Wind
- Energy Storage Device

In the event that a new type testing annex is required, manufacturers and developers can ask the GB Distribution Code Review Panel (DCRP) to formally initiate it.

The Energy Networks Association (ENA) hosts an online Type Test Verification Report Register. This contains certificate and test documentation for generation products and enables product identification and information sharing. **The product manufacturer is responsible for uploading and maintaining data and documentation relating to their products.** You can access the register at: www.ena-eng.org/ProductTypeTestRegister/

Inverters

An inverter is an electrical device that converts Direct Current (DC) to Alternating Current (AC). This is required when you want to connect a generating unit with a DC output (e.g. a Photovoltaic array) to the distribution network, which operates at AC.

The term Micro Inverter is used to describe small scale inverters which are connected to (multiple) small generating units, such as individual PV panels. This is often done so that if one panel is impaired for any reason, then the output of the others is not affected. As with any installation with more than one generating unit, the application process is dictated by the aggregate capacity of the power station as a whole and not the individual units.

Changes to Regulations

Requirements for Generators

The European Third Energy Package was adopted in July 2009, and has been law since March 2011. The Third Energy Package refers to a suite of legislation for both Electricity and Gas. It has three key outputs:

1. Enhancing sustainability and helping the European Union meet its decarbonisation obligations;
2. Ensuring security of supply in light of a changing generation mix; and
3. Creating a single European Market for Electricity.

The Third Energy Package requires the development of European Network Codes. The Network Codes cover three areas: grid connection codes; market codes and system operation codes. One of the Codes is called Requirements for Generators (RfG). This sets out requirements which new generators will need to meet. **Generators connecting to the distribution network after 17 May 2019 will have to be compliant with the RfG.**

There is a joint Distribution Code Review Panel (DCRP) and Grid Code Review Panel (GCRP) workgroup (called GC0048), which is charged with implementing the Requirements for Generators in GB. This includes setting parameters that the RfG leaves to national interpretation. The workgroup will propose the necessary changes to the Grid Code, Distribution Code and supporting Engineering Recommendations.

GC0048 has broken the RfG implementation challenge into six main areas:

1. Structure and Banding
2. Compliance
3. General
4. Fault Ride Through
5. Voltage and Reactive Power
6. Frequency

In each case, there are implications from these areas for both the Grid and Distribution Codes, and Engineering Recommendations. Specific implications will be consulted upon as independent issues, or as part of consultation on revised legal text.

All papers and relevant documents from the meetings can be found at the following link:

www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-code/Modifications/GC0048/

The latest publically available copy of RfG, which **became a binding EU regulation in May 2016**, is available at:

www.entsoe.eu/major-projects/network-code-development/requirements-for-generators

The workgroup has started drafting new documents, to capture the new Requirements for Generators. These are anticipated to be introduced in **2017 and will be combined with the existing GB requirements not covered by the European code.** This will result in the replacement of EREC G83 and EREC G59 documents. **These documents will be applicable to generators connecting after May 2019.**

Generators connected before May 2019 will continue to comply with EREC G83 and G59.

Manufacturers should incorporate the new requirements into their generation equipment. The GB type testing requirements will reflect these changes, where applicable.

EU Winter package

The GB DNOs are currently considering the implications of the EU winter package which was published in November 2016. This has a range of aims, including some associated with energy efficiency and the connection of renewable generation. The EU winter package can be found in the link below:

<https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition>

A: A Guide to the UK Power Sector

In this section:

- An overview of the commercial structure of the power sector
- An introduction to the UK power sector and how it is changing
- A discussion about the various types of organisations that you may come across while developing your Distributed Generation project
- A discussion on Network Innovation projects
- Guidance on where to find more information

Tip: Read the information boxes for definitions or explanations of terms that may be new or unfamiliar.

Introduction

Understanding a little about the UK power sector may be useful when discussing your Distributed Generation project. This section aims to give some background explanation about the UK power sector and how it is changing to meet the challenges of protecting the environment and changing Government policy.

There are many organisations involved in the UK power sector, which are introduced in this section.

Apart from the physical structure of the power sector, there is also a commercial structure, which is discussed in this section.

The Commercial Structure of the Power Sector

The commercial structure of the electricity industry in Great Britain provides a competitive market in electricity retailing. This enables customers to contract with any one of a number of competing electricity suppliers. The sale of energy is also a competitive market. Note, your Feed-In Tariff level is an indication of the minimum you can expect to be paid for the electricity you generate.

Generators sell the electricity that they generate in the wholesale market or directly to suppliers. Suppliers sell the electricity they purchase to customers. The majority of trading occurs in advance of the time of use.

The wholesale market is governed by British Electricity Trading Transmission Arrangements (BETTA), which was introduced in 2005.

If you install Distributed Generation you can use the electricity you produce on site to reduce the amount of electricity that you need to buy thus lowering your electricity bills.

You can also sell electricity to customers, suppliers or, depending on the size of the generation, on the wholesale market. You can read more about power trade options in Section F. Selling Electricity.

The Physical Infrastructure of the Power Sector

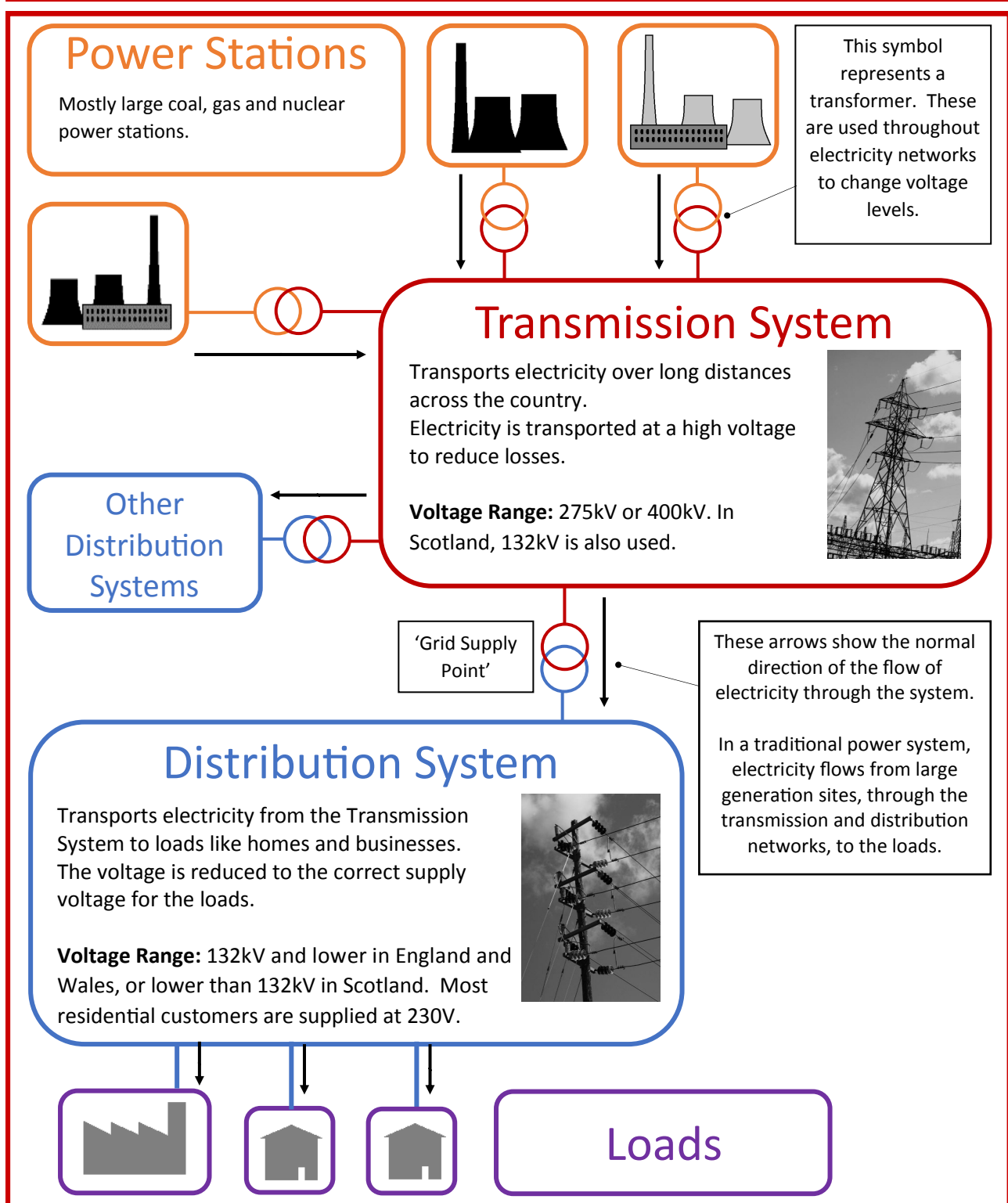
Traditional electricity system

The diagram below illustrates the infrastructure of the traditional power sector.

Large power stations feed into the transmission system, and the electricity is then transported to the distribution system.

The distribution system carries the electricity to loads, such as homes and businesses.

The transmission and distribution systems are also called transmission and distribution networks. Both terms are used in this Guide.



The Physical Infrastructure of the Power Sector

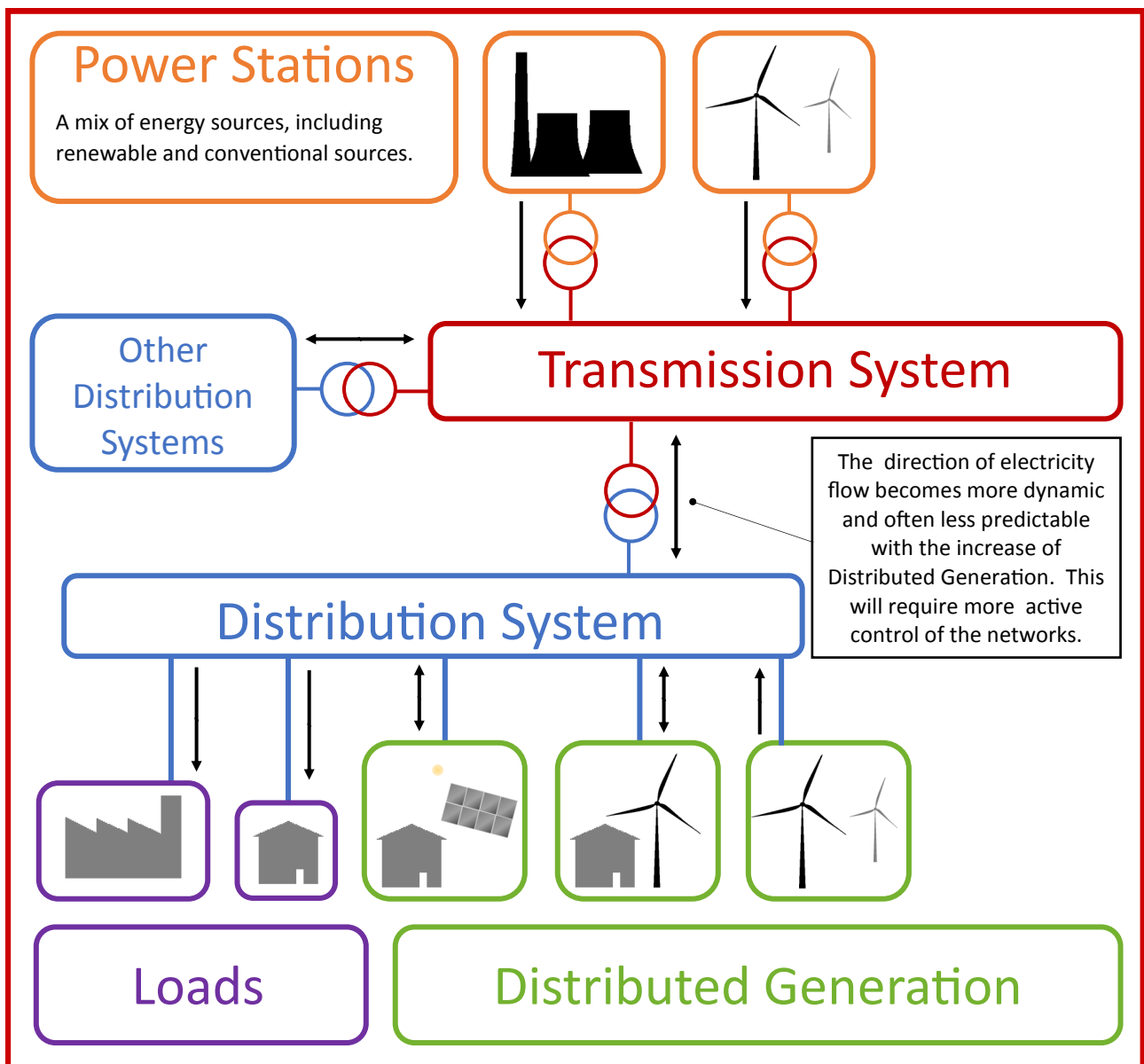
Changing electricity system

In addition to the large power stations connected to the transmission system, an increasing number of small power stations are being developed, often connected to distribution networks. Generation connected to the distribution network is called Distributed Generation. The diagram below illustrates this changing electricity system.

Distributed Generation can result in electricity flows in both directions; from the distribution network to customers, and from customers with Distributed Generation back into the distribution network. The system is no longer a “waterfall” system, with electricity flowing from the large power stations in one direction towards customers. Instead, electricity flows are more unpredictable.

Distributed Generation (DG or ‘Embedded Generation’)

A generation project is classed as Distributed Generation if it operates while electrically connected to the distribution network. Energy generated from Distributed Generation may be used onsite, or some or all of it may be exported to the distribution network.



Key Organisations

The transmission and distribution systems are owned and operated by regulated monopoly businesses. Transmission and distribution businesses recover the costs of operating and maintaining their systems by levying Use of System charges on electricity traded using their network.

Distribution Network Operator (DNO)

A DNO owns, operates and maintains public electricity distribution networks in one or more regions in the UK. They must hold a Distribution Network Operator Licence. Under the terms of their licence, each DNO is allowed to distribute electricity both inside and outside its legacy geographic area.

There are six DNOs in Great Britain. The regions where they operate are shown on the map below.

To facilitate competition in supply, each DNO is required to allow any licensed supplier to use its distribution network to transfer

electricity from the transmission system (and from Distributed Generation) to customers. DNOs charge suppliers for using the distribution system.

DNOs can form part of a group that undertakes other areas of business as well, e.g. electricity supply. However, these businesses have to be kept separate, and you, as a developer, will have to interface with the network operator business.

Independent Distribution Network Operators (IDNOs)

An IDNO designs, builds, owns and operates a distribution network, which is an extension of an existing DNO network. They typically build network for new developments such as business parks and residential areas. IDNOs differ from DNOs in that:

- they do not have service areas (they are not tied to a geographical location);
- they are regulated like DNOs, though have fewer licence conditions to meet.

Electricity Distribution



Map of DNO regions in the UK:

For DNO website details, please see the [membership area](#) of the ENA website.

Key Organisations

If you are connecting your Distributed Generation to an IDNO's network, the process is almost identical to that if you are connecting to a DNO. There are a few exceptions to this, which are discussed in Section C of this Guide.

Transmission Owner (TO)

A TO owns and maintains the high voltage transmission system, known as the National Electricity Transmission System, referred to in

this Guide as the transmission system. Transmission Owners are responsible for making sure that transmission services are available to the System Operator (see explanation later in this section). The Transmission Owners are as follows:

- **National Grid Electricity Transmission (NGET)** in England and Wales
- **Scottish Power (SP Transmission Ltd)** in southern Scotland

To identify your DNO or IDNO:

If you already have a meter at your site, find the first two digits of your **MPAN** (Meter Point Administration Number), which is shown on your electricity bill, and may be shown on your meter. This corresponds to your DNO or IDNO, see table below.

Example MPAN, with first two digits indicated

S	00	111	222
	13	1234 5678	345

If you do not have a meter at your site, you can contact the DNO whose geographic area you believe you are in and they will be able to confirm. See the map on the previous page.

First 2 MPAN digits	Service Area	Distribution Business
10	Eastern England	UK Power Networks— Eastern England
11	East Midlands	Western Power Distribution (WPD) – East Midlands
12	London	UK Power Networks (UKPN) – London Power Networks (LPN)
13	Cheshire, Merseyside and North Wales	SP Energy Networks – Cheshire, Merseyside and North Wales
14	West Midlands	Western Power Distribution (WPD) –West Midlands
15	North Eastern England	Northern Powergrid (NPG)
16	North Western England	Electricity North West (ENW)
17	Northern Scotland	SSE Power Distribution – Scottish Hydro Electric Power Distribution
18	Southern Scotland	SP Energy Networks
19	South Eastern England	UK Power Networks (UKPN) – South Eastern Power Networks (SPN)
20	Southern England	SSE Power Distribution – Southern Electric Power Distribution
21	Southern Wales	Western Power Distribution (WPD) – South Wales
22	South Western England	Western Power Distribution (WPD) – South West
23	Yorkshire	Northern Powergrid (NPG)
24	No area—IDNO	GTC (Independent Power Networks)
25	No area—IDNO	ESP Electricity
26	No area—IDNO	Energetics (Energetics Electricity Ltd)
27	No area—IDNO	GTC (The Electricity Network Company)
28	No area—IDNO	UK Power Distribution Ltd
29	No area—IDNO	Harlaxton Energy Networks Ltd
30	No area—IDNO	Peel Electricity Network Ltd
31	No area—IDNO	Utility Assets Ltd

Key Organisations

- **Scottish and Southern Energy (SSE)** in northern Scotland (Scottish Hydro Electric Transmission Ltd, or SHETL) NGET is also the System Operator for the whole of Great Britain.

Private Networks

Private networks are similar to IDNO networks in that they are extensions of the DNO network which are not owned by the DNO itself. The owners of Private networks are distinct from an IDNO because they do not need to be licenced and are unregulated.

For example, private networks can be owned by hospitals, airports, industrial sites, etc. This Guide is not intended to address connections to private networks. If you are connected to a private network, you should discuss your plans with the network owner as soon as possible.

Suppliers

Supply is the retail of electricity. Suppliers buy electricity in bulk from generators, and then sell to consumers. They are responsible for providing bills and customer services, and arranging metering and meter reading. Electricity supply is a competitive market so you can choose and change your electricity supplier.

Aggregators

Aggregators specialise in co-ordinating demand and generation (including storage) to provide demand response and other market services. The network operators buy demand response and other grid balancing services from aggregators.

Energy Service Company (ESCO)

A Government paper defines ESCOs as “a company that provides a customer with energy solutions” rather than simply being an electricity or gas supplier. ESCOs can enter into long-term contracts to provide information, installation, finance, operation and maintenance.

There are various models the ESCO can take. ESCOs can work on a performance contract, where they guarantee energy savings and make charges based on the extent to which these savings are achieved. This model is typically used by commercial and industrial customers.

ESCOs can also work for communities, servicing a group of customers in the same local area. ESCOs may develop into a household model, to provide energy efficiency savings and small scale generation for home owners, rather than just supplying electricity.

Generators

Generators own, operate and maintain power stations which generate electricity from various energy sources, e.g. coal, gas, hydro and nuclear. Newer generation technologies include wind, solar, tidal and wave. See the end of this section for links to more information on generating technologies.

System Operator (SO)

Electricity cannot be stored at a large scale and so demand has to be balanced with generation on a second by second basis by the System Operator. The SO makes requests of generators to increase or decrease output from their units, or may ask some large customers to control their demand. National Grid Electricity Transmission (NGET) is the System Operator in Great Britain. In January 2017 Ofgem and the Department for Business, Energy and Industrial Strategy (BEIS) announced a consultation on greater separation between the System Operator role performed by National Grid and the rest of the National Grid group.

Balancing Settlement Code company

Elxon is the company that manages the balancing and settlement of electricity trading. They do this by identifying where generators have not generated the amount of

Key Organisations

electricity they are contracted to produce, and suppliers' customers have not consumed the amount of electricity that was expected. Out of balance parties are charged based on the additional cost to balance supply and demand (often by buying or selling electricity at short notice).

The Balancing and Settlement Code (BSC) governs the operation of this balancing mechanism.

Regulator

The Office of Gas and Electricity Markets (Ofgem) is responsible for:

- regulating prices and performance in the monopoly elements of the electricity supply industry;
- resolving disputes between different parties when necessary; and

- granting licences for the following activities in the power sector:
 - Generation
 - Transmission (and interconnection, a transmission link with another country)
 - Distribution
 - Supply

Generation licence requirements for Distributed Generation are discussed in Section D. The Connection Application: Generation Licensing.

Network Innovation and Industry Developments

Innovation Funding

New challenges and applications in energy networks have motivated many projects that aim to **develop innovative tools and products to improve** the way networks operate **and customers are connected**.

Ofgem has a number of mechanisms that the DNOs and other organisations can use to fund electricity network innovation. **The two main mechanisms for network companies are** called the Network Innovation Allowance (NIA) and Network Innovation Competition (NIC), **which** apply to both electricity and gas distribution and transmission.

- NIA is an allowance each network company receives to fund smaller scale innovation projects which have the potential to deliver benefits to network customers.

- NIC is an annual competition, where network companies compete for funding for development and demonstration of network innovations such as new technologies or novel operating and commercial arrangements.

Learning from these projects is shared amongst all DNOs and TOs for the benefit of the power sector as a whole. Incorporation of the learning into business as usual practices **is** laid out in the business plans of the individual network companies.

For more information, and details about individual projects, refer to the Smarter Networks Portal, hosted by the Energy Networks Association:

<http://www.smarternetworks.org/>

Network Innovation and Industry Development

Ofgem review of innovation funding

At the time of writing Ofgem is conducting a review of the NIA and NIC, informed by an independent review of previous innovation funding schemes. Ofgem believes there are opportunities to improve value for money from the funds and is proposing a number of changes, including reducing the level of NIC funding available each year, and increasing the involvement of third parties. Further information on Ofgem's review is available on their [website](#). Ofgem expects to publish their final decision from the review in Spring 2017.

Transmission and Distribution Interfaces

There has been a significant increase in the amount of connected Distributed Generation in the last few years. This has meant that the DNOs, TOs and the SO have to change the way they work together, to maintain an economic and secure network. In order to address these challenges, the [Transmission Distribution Interface \(TDI\) Steering Group](#) has been established by ENA and its members. Network companies recognise the need for distribution and transmission companies to work together more closely in order to consider how they can tackle the whole system impact of Distributed Generation and other technologies such as storage.

New technologies

Active Network Management (ANM) schemes, which have been trialled in innovation projects, are now being included as part of Business As Usual Connection Offers. ANM uses control systems to manage Distributed Generation in constrained areas. Note that ANM connections may only be available in selected parts of the network.

Export limiting devices are also coming into use. These devices allow a limit to be set above which the generation will not export. This may allow generation to have a constrained connection, to reduce the need for reinforcement. If you want to explore the use of these devices, seek guidance from your DNO. ENA has published [Engineering Recommendation \(EREC\) G100](#), which provides technical guidance on the connection of Customer Export Limiting Schemes that operate in parallel with the distribution systems of licensed DNOs. This is available on:

<http://www.energynetworks.org/electricity/engineering/distributed-generation/engineering-recommendation-g100.html>

Energy storage is becoming increasingly prevalent in distribution networks. For more information on network connected storage (e.g. batteries), refer to Chapter C: Getting Connected—Energy Storage.

Where to Find More Information

There are some very good guides to the UK power sector available in the public domain. In particular, if you want to read more on this subject, you may wish to read the following:

- [A Guide: Sale of Power Opportunities for Distributed Generators](#); DTI (Department for Trade and Industry);
- Guidance Note – The Electricity Trading Arrangements: A beginner’s guide; Elexon www.elexon.co.uk/knowledgebase/about-the-bsc/

A good source of information on the organisations we have introduced are their own websites:

- Energy Networks Association —the industry body for UK energy transmission and distribution licence holders and operators: www.energynetworks.org
- A list of IDNOs can be found on the Ofgem website: www.ofgem.gov.uk/Networks/ElecDist/Policy/IDNOs/Pages/IDNOs.aspx
- Ofgem—The Regulator: www.ofgem.gov.uk
- National Grid Electricity Transmission (NGET)—The Great Britain System Operator and Transmission Owner in England and Wales: www.nationalgrid.com/uk/Electricity/
- Elexon—The Balancing and Settlement Code Company: www.elexon.co.uk

For more information on ESCOs, the following document is a useful reference:

- Making ESCOs Work: Guidance and Advice on Setting Up and Delivering an ESCO; London Energy Partnership, which is on the London Energy Partnership website: www.lep.org.uk

The following website gives more information on generation technologies:

- Energy Saving Trust: www.energysavingtrust.org.uk/Generate-your-own-energy

The GB Distribution Code, Annex 1 and Appendix 2 documents and the associated Guide can be found in the link below:

- DCode: <http://www.dcode.org.uk/the-gb-distribution-code/>

The GB Grid Code and the associated Guide can be found in the link below:

- GCode: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-Code/>

Information about licence exceptions and private networks can be found:

- UK legislation: <http://www.legislation.gov.uk/ukxi/2001/3270/contents/made>

B: The Role of Distributed Generation

In this section:

- An introduction to the role of Distributed Generation
- A discussion on the drivers for Distributed Generation
- Some of the benefits and impacts of Distributed Generation
- References to some documents where you can find out more on these issues

Introduction

As explained in Section A of this Guide, the electricity industry is undergoing changes with increasing amounts of Distributed Generation being connected to the system. There are a number of drivers behind this:

- Environmental issues;
- New Government Policy;
- Security of supply; and

- Technological innovation.

In this section, these drivers are discussed in more detail. We will also introduce some of the benefits and challenges of Distributed Generation.

We refer to some useful documents and reports for further reading on this topic.

What is Driving Distributed Generation?

Environmental concerns

Globally there has been increasing concern over greenhouse gas emissions and the impact that they may be having on the environment.

Most of the electricity in the UK is generated by power stations fuelled by fossil fuels, for example coal, gas and oil. The burning of these fuels make a significant contribution to emissions.

There is therefore a drive to change the mix of generation technologies we have, to include more low-carbon options.

Technological innovation

Technology is developing all the time, and due to drivers such as environmental concerns and government policy, there are more generating technologies available now than there were when the national grid was being developed. For example, wind, wave, solar and biomass generation.

Although the connection and integration of these newer generating technologies may pose challenges, innovative technical solutions are being sought to overcome these challenges. These are discussed on page 13.

Government policy

The Department for Business, Energy and Industrial Strategy (BEIS), formally known as the Department of Energy and Climate Change (DECC), oversees energy policy and climate change mitigation policy. The UK energy supply is one of BEIS's key policy areas. BEIS is developing policy to ensure that in the UK energy supplies are secure, low carbon, and fuelled from a diverse mix of energy supplies. However, BEIS also has to ensure that energy prices are maintained at affordable levels. Relevant pieces of legislation include:

- Climate Change Act 2008
- Energy Act 2008

What is Driving Distributed Generation?

- **Energy Bill**

The Climate Change Act sets out legally binding targets for emissions reductions. As such, policy has been developed, which introduces initiatives such as:

- Climate Change Agreement (Climate Change Levy)
- Zero Carbon Homes

As well as legislation from the UK Government, the EU also introduces relevant legislation and initiatives, such as the EU Emissions Trading System and the European Third Package, which is driving a set of new European Network Codes.

Security of Supply

The UK increasingly relies on importing fuel, in the form of gas, coal and oil. This introduces a great deal of uncertainty as the cost and reliability of supply is outside of UK control. It is therefore an advantage to have a diverse mix of energy sources, which would make the UK less vulnerable to a restriction in fuel availability or rise in price.

It is also known that fossil fuels will eventually run out as they are being used much faster than they are being created. As they become more scarce, the prices will rise as the markets become more competitive. Therefore to ensure the security of the energy supply into the future, alternative sources are being encouraged.

Benefits of Distributed Generation

There are a number of benefits that increased Distributed Generation has for the UK and its electricity system. These include:

- **Increased energy mix** —Distributed Generation is often a renewable source of energy, such as solar, wind or biomass, or uses the energy in a more efficient way as with Combined Heat and Power (CHP) projects. Therefore increased Distributed Generation results in a lower carbon mix of energy sources in the electricity system.
- If Distributed Generation is connected close to the point of use, there is a **reduced need for the distribution and transmission infrastructure**. In some cases, this can delay the need for reinforcement, although the TO and the DNO also need to ensure that the network provides adequate security of supply for its users.
- Where there is a balance between Distributed Generation and local demand the **transmission and**

distribution losses are reduced, when compared with the alternative of the centralised power stations and bulk transmission of electricity.

- The introduction of local generation in businesses and communities can lead to **greater awareness of energy issues**.

There are a variety of commercial benefits to having Distributed Generation, which include:

- **Self Consumption**, where you use the electricity that you generate to avoid importing from the grid, therefore lowering your electricity bills.
- **Selling electricity** that you generate, including gaining Feed In Tariff (FIT) payments and **Contracts for Difference (CFD)**. This is discussed further in Section F: Selling Electricity.
- Climate Change **Levy Exemption Certificates (LECs)** are issued to generators of renewable energy and good quality Combined Heat and Power (CHP). These can be sold to the supplier

Benefits of Distributed Generation

along with the energy generated.

Companies can use LECs to avoid paying the Climate Change Levy tax.

- **Embedded benefits** of the generating unit being connected to the distribution rather than the transmission network, e.g. charge avoidance of Transmission Network Use of System charges and Balancing Services Use of System charges.
- Generators whose equipment has a capacity greater than 3 MW (and/or the ability to deliver in excess of +/- 15 MVar of reactive power) can enter into agreements with NGET to provide **Ancillary Services**, for which they will be paid.
- Generation that is not receiving low carbon support (e.g. Feed-in Tariffs, Renewables Obligation) and does not

have a long-term contract to provide Short Term Operating Reserves (STOR) to National Grid Electricity Transmission could be eligible to enter the **Capacity Market**, and receive payments for delivering energy at times of system stress.

- **EU Emissions Trading System (ETS)** - applies to approximately 10,000 energy intensive users in the UK such as metal industry, paper factories and refineries. These large energy users have been allocated green-house gas allowances for their operations. At the end of each year, they must ensure they have enough allowances to cover their emissions: they can buy additional allowances or sell any surplus allowances generated from reducing their emissions.

Impacts of Distributed Generation

As well as introducing benefits, the increased penetration of Distributed Generation in UK distribution networks also poses challenges. These will depend on a variety of factors, such as the generation technology, the voltage level the Distributed Generation is connected to, the size of the generating unit(s), the level of export to the distribution system, and on the type of network (e.g. urban or rural).

Some examples of the challenges posed to distribution networks by Distributed Generation include:

- Distributed Generation changes the current flows and shape of the load cycle where they are connected. This could cause:
 - **Thermal ratings to be exceeded.**
 - **System voltage to rise** beyond the acceptable limits.
 - **Reverse power flows**, i.e. power flows in the opposite direction to

which the system has been designed.

- Distributed Generation can contribute to **fault level**, which can raise the fault level above the rating of network equipment.
- There are a number of **power quality** limits that can be affected by Distributed Generation, including:
 - **Contributions to harmonics**, particularly if a significant number inverter controllers are present.
 - **Voltage unbalance** which affects power quality, if there are lots of single-phase generating units
 - **Voltage fluctuation or flicker**, if the output of the Distributed Generation changes rapidly.

Note: The technical terms used above are defined in the glossary.

Where to Find More Information

The benefits and challenges of Distributed Generation are complex, and the industry's understanding of them is evolving as experience increases. For more information on some issues surrounding increasing levels of Distributed Generation in the UK, the following documents are useful:

- [Review of Distributed Generation](#); Department for Trade and Industry, Ofgem; May 2007
- [Future Network Architectures](#); Department for Business, Enterprise and Regulatory Reform; 2007
- [Solutions for the Connection and Operation of Distributed Generation](#); Distributed Generation Co-ordinating Group Technical Steering Committee report; DTI and Renewable Energy Programme; July 2003

The following documents are useful if you want more information on Government policy:

- [The UK Low Carbon Transition Plan—National strategy for climate and energy](#); Government; 2009
- [The UK Renewable Energy Strategy](#); Government; 2009

For the most up to date information on relevant Government policy, refer to the BEIS website: <https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy>

For more information on commercial benefits available to Distributed Generation the following report, although out of date, gives a good overview:

- [The Tradable Value of Distributed Generation](#); Department for Trade and Industry; 2005

For more information on Embedded Benefits, the following document is useful:

- [Embedded Generation and Embedded Benefits](#); Elexon; November 2013

C: An Overview of Getting Connected

In this section:

- Recent developments in the provision of information and customer service standards
- The main tasks in the process of getting connected
- What needs to happen after equipment has been commissioned
- Additional tasks if the generating capacity is large
- A discussion on connecting to an IDNO network
- Guidance on where to find more information

Tip: Read the information boxes for definitions or explanations of terms that may be new or unfamiliar.

Introduction

The tasks that you have to undertake to get connected vary with the size of the generating capacity. In general, the bigger the generator, the more complex the connection requirements.

This section of the Guide focuses on the information exchanges that take place between you, as the developer, and the DNO. It also presents the key actions that you have to complete to connect generating equipment. These tasks are based on the requirements set out in Engineering Recommendation (EREC) G59, which is described on page 3.

The key stages of the connection process are illustrated in the flow chart on page 22. They are discussed in more detail in this section.

The Distribution Code defines three categories of generator size; Small, Medium and Large (as shown in a table on page 32). It should be recognised that to connect large generating

equipment to the distribution network involves more complexities than with smaller units. This is due to the increased likelihood that the generator will impact on the distribution and transmission systems, and involvement with the electricity market. This section explains these complexities in more detail.

This Guide describes the process under G59. It is planned to replace G59 during the implementation of the European Third Energy Package. There is more information about this on page 6.

Note that this document covers the process for connecting generation to the distribution networks in Great Britain. Northern Ireland has different connection arrangements, for example different versions of Engineering Recommendations G83 and G59 are in use. For more information, refer to the Northern Ireland Electricity website: www.nie.co.uk

Ofgem's Review of the Electricity Connections Market: Ofgem has been conducting a review into the market for new connections to the distribution network, and how effective competition is. They have made proposals for improvements, including a Competition in Connections Code of Practice for DNOs — now available on the ENA and DNO's websites. See Ofgem's website for more information.

Customer Service and Provision of Information

There are a number of drivers for DNOs to provide a good level of service to customers.

Price Control Proposals (RIIO-ED1)

Ofgem administers a price control regime which allows DNOs to earn a fair rate of return while limiting costs passed on to customers. The current price control period is called RIIO-ED1, which runs until 2023. The RIIO-ED1 proposals include a number of mechanisms to incentivise DNOs to provide a good service to Distributed Generation customers, including:

- A new Time to Connect Incentive for minor connections customers (less than 70kW and connected at LV);
- An Incentive on Connections Engagement (ICE) - to encourage DNOs to engage with and respond to the needs of major connections customers (which includes generation customers), and includes a requirement on DNOs to set out plans on what improvements they plan to make in the next regulatory year, consisting of;
 - Part 1: Plans for improvements for the forthcoming year; and
 - Part 2: Reviews the progress in the previous year.

ICE workplans can be found on individual DNO websites

- The Broad Measure of Customer Satisfaction (BMCS) surveys.

As part of the Incentive on Connections Engagement (ICE), DNOs publish annual [ICE plans for stakeholder engagement](#).

Guaranteed Standards of Performance

The guaranteed standards of Performance are set out in Standard Licence Condition 15A. They include, for example, maximum timescales in which DNOs must provide you with a quotation (Connection Offer). Ofgem has guidance documents about these Standards on their website:

www.ofgem.gov.uk/licences-codes-and-standards/standards/quality-service-guaranteed-standards

~~Ofgem~~ DG Forum

The DG Forums, **hosted by the ENA on behalf of DNOs**, are annual ~~regional~~ events that are used to explore issues and concerns around Distributed Generation connections, including barriers to Distributed Generation and process issues. They are open to anyone, and are attended by DNOs and developers. **Details can be found on the ENA Events website:** <http://www.energynetworks.org/events/>

Improvements made to DNO Services

In recent years, there have been a number of improvements to DNO services as a response to these drivers and feedback, including:

- Increased internal resources;
- Improved provision of information, including more detailed breakdown of costs, web portals, decision support tools/application hotline, and capacity “heat maps”, indicating areas that can more readily facilitate connections;
- Holding stakeholder and customer events; and
- Exploring the possibility for discussions prior to formal application (“connection optioneering”). This process is being carried out in different ways by different DNOs. Refer to your DNO for more information.

DNOs have promised to bring about continued improvements, including:

- Shortening connection timescales;
- Enhancing the publicly available network capacity information, e.g. contracted capacity reports;
- Publishing case studies; and
- Enhancing the connection application and the wayleaves/consents processes.

DNOs publish Distributed Generation 'Work Plans' that outline progress against improvement initiatives. Check your DNO's Distributed Generation web pages.

Connection Process Overview

PROJECT PLANNING PHASE

You formulate your plans for the generation project, consulting published information to identify opportunities for connecting to the network.



INFORMATION PHASE

You and the DNO exchange information about the generation project and the network and discuss the issues and costs involved.



DESIGN PHASE

You submit a formal connection application. The DNO prepares the connection design and issues a Connection Offer which includes detailed connection designs and costings.



CONSTRUCTION PHASE

You enter into a contract with the DNO. Either the DNO, an Independent Connections Provider (ICP) or a combination of the two construct the connection infrastructure.



TESTING & COMMISSIONING PHASE

You and the DNO complete the necessary agreements. You test and commission the generating equipment—the DNO may wish to witness this. The DNO energises the connection.



ONGOING RESPONSIBILITIES

You keep the generation unit(s) in working order, perform regular tests and maintain a relationship with the DNO.

OTHER TASKS

There are other tasks that you will need to think about in parallel with the connection process, which include:

- Planning and financing the project;
- Designing, installing and operating the generation installation;
- Buying and selling electricity (beyond FITs and CFDs);
- Resolving local planning issues.

These issues are outside the scope of this Guide.

Your installer should be able to assist with much of this.

Getting Connected — Project Planning Phase

The key tasks in the project planning phase are to:

- **Identify your DNO (or IDNO)**
- **Look at publicly available information**
- **Make early contact with your DNO**
- Decide whether to ask for **feasibility studies**

Identify your DNO (refer to page 11)

Look at publicly available information

There are publicly available documents about the distribution and transmission networks which will enable you to assess the potential to connect generation in the geographical area you're interested in. These include:

- The DNO's Long Term Development Statement (LTDS, see information box below).
- [National Grid Electricity Transmission's Electricity Ten Year Statement](#).

Both are available free of charge on the relevant organisation's website.

The Distribution Code sets out technical requirements for connecting to the DNO's network—it may be useful to consult it at this early stage. For more on the Distribution Code, see the information box on page 33. All DNOs provide additional information to support generation developers, such as capacity heat maps, on their websites. These can be an important source of information.

Alternative Connections

Each DNO's current approach to offering alternative connection offers, such as Active Network Management, may be found on its website, noted in any connection offer or determined by discussion with the DNO.

Make contact with the DNO

Extra information can be obtained by making early contact with the DNO to discuss your project. This may be within dedicated generation 'surgeries' or 'drop in' sessions arranged by the DNO. Discussions might include:

- How close your proposed generation site is to the existing network;
- Whether there are any other planned Distributed Generation projects in the same area; and
- Whether there is any "spare" capacity in the network.

Feasibility studies (Optional)

At this stage, you could have feasibility studies carried out to assess possible connection layouts and indicative costs. These studies can be conducted by the DNO or an external contractor, for a fee. If you do opt for feasibility studies, they should take into account the standard of security required in the connection between your generating equipment and the DNO's network.

Note: Many DNOs will provide an initial budget estimate free of charge.

Long Term Development Statement (LTDS)

DNOs prepare a Long Term Development Statement (LTDS) every year. The information should assist anyone considering opportunities (e.g. developing Distributed Generation) and help potential users to identify constraints in the network. It covers areas such as:

- Development plans for the network
- Identifying parts of the network that are likely to reach certain limits within five years
- Any plans the DNO has to relieve these stressed areas

An introductory chapter is generally available on the DNO's website. It will allow you to understand the scope of information provided, and assess whether it will be useful to you. DNOs will give access to the full document on request. Links to the LTDSs are at the end of this section. The LTDS includes detailed information on parts of the distribution network operating at 33kV and above, with generic information being provided on the 11kV network.

Getting Connected — Information Phase

The key tasks in the information phase are to:

- **Discuss your plans** with the DNO at an early stage
- **Maintain close communication** with the DNO throughout the project
- Decide whether you will use an **Independent Connections Provider (ICP)** to do the Contestable work

Initial meeting and communication with DNO

Seek initial meetings with the DNO at an early stage in the development programme to:

- i. outline the proposed generation project to the DNO;
- ii. discuss the process that the DNO will wish to follow through the various stages of the connection development; and
- iii. ask the DNO to clarify which work will be Contestable and which will be Non-contestable (see information box below).

You may wish to ask the DNO to prepare an indicative connection design and a budget estimate (after the DNO has undertaken any necessary studies), noting that some DNOs might charge for these.

It is important to maintain close communications with the DNO. This will make sure that the connection design

develops in a way that fully reflects the operating characteristics of the equipment.

Decide who will construct the connection

A key decision you have to take is whether to

- appoint an Independent Connections Provider (ICP) to do the Contestable work and the DNO to do the Non-contestable work (often called a SCL15 application, see information box on page 26); or
- appoint the DNO to carry out all of the work required to provide the connection. (often referred to as a Section 16 application, see information box on page 26).

This will affect the way the connection process proceeds, which is outlined in the next section Getting Connected—Design Phase.

Using an ICP to install the contestable work allows the work to be competitively bid for, meaning that it could bring some cost advantages. At the same time, using an ICP results in an additional relationship between the DNO and ICP which will need to be managed. If you are considering contracting an ICP to undertake the Contestable work, you may wish to invite quotations from a number of ICPs, as well as the DNO for comparison.

Contestable and non-contestable work

There are certain tasks that DNOs do themselves, so that they can maintain co-ordination and control of their networks. These tasks are called Non-contestable work, as they are not open to competition. Conversely, when work is open to competition it is called Contestable work. Contestable work can be conducted by Independent Connections Providers (ICPs). Often, tasks that involve reinforcing existing equipment are non-contestable. Tasks which include the installation of new infrastructure or extensions to the network tend to be contestable.

For more on this, see the Section G. Technical and Commercial Interfaces: Competition in Connections.

Getting Connected — Design Phase

The key tasks in the design phase are to:

- **Submit a formal connection application** to the DNO with supporting technical information
- **Receive, review, discuss and agree on the Connection Offer** from the DNO
- Enter into a **formal agreement** with the DNO and/or the ICP, as required

The choice of who will be providing the contestable work for your connection (DNO or ICP) will affect the process you will follow. This is explained in this section and illustrated in the flow diagram on page 27.

Submit a formal Connection Application

The Connection Application Form includes the technical details of the equipment that the DNO needs to design the connection.

You should do your best to provide as much of this information as possible, to ensure your quote is as accurate as it can be. If you have difficulty filling out this form, you can discuss this with your DNO or engage an adviser such as an engineering consultant to assist you.

A common application form is used by all DNOs and the DNO will tell you what supporting information they need. An online application process may be available on your DNO's website.

There is a simplified form included in Appendix 13.5 of EREC G59 for developers of smaller Distributed Generation (50kW or less three phase, or 17kW or less single phase) which is type tested under EREC G59 or G83.

The process of submitting a connection application is covered in Section D. The Connection Application. If the DNO is doing all the work (Contestable as well as Non-contestable), then the connection application will be submitted by you (or your developer /

installer).

If you contract an ICP they will generally liaise with the DNO and arrange for the DNO to provide them with a quote for the Non-contestable work. This will enable the ICP to provide you with the total cost for the Contestable and Non-contestable work.

Even if you contract an ICP, you will generally need to have a relationship with the DNO as well, and some formal agreements may still be held directly between you and the DNO.

The Connection Offer

You, or an ICP acting on your behalf, will receive a connection offer from the DNO. This contains the technical and commercial terms under which the DNO is prepared to carry out the Non-contestable work and, if applicable, the Contestable work.

The DNO must provide the Connection Offer within certain timescales. These timescales are given in the information boxes for SLC15 (when the DNO is providing only Non-contestable work) and Section 16 (when the DNO is providing both Contestable and Non-contestable work) applications.

The Connection Offer must be reviewed carefully—you may wish to hire an independent consultant to help you. DNOs will be willing to discuss and agree the details of the offer before you reach a formal agreement.

If you are unhappy with the connection offer, DNOs have a complaints process on their websites. In the event that you are still unable to reach an agreement with the DNO, the matter can be referred to the Energy Ombudsman, and ultimately to Ofgem. See page 32 for a note on dealing with disputes.

When considering the design options, there

Getting Connected — Design Phase

may be options that trade off the need for reinforcement (and hence reduce the capital costs) against increased operational restrictions. This is discussed more in Section G. Technical and Commercial Interfaces: Operational Issues.

Connection Offers are time limited. Your DNO will inform you how long the offer is valid for. If a Connection Offer has expired, there is no guarantee that the same offer will be made again, particularly if your development is in an area where there are many Distributed Generation projects.

Once accepted, Connection Offers may be withdrawn if the DNO feels that your plant is not progressing at a reasonable rate. This is to prevent spare capacity being 'reserved' for projects that in practice are not actually being

built. **A best practice guide to progression milestones was published in November 2016 which your DNO may use to track the progress of your project. You may be asked to provide regular updates about the progress of your project. This will enable the DNOs to proactively manage the queue on behalf of generation customers.**

There is more information about this in section D: Connection Application: Connection Application Process.

Formal Agreement

Once you have accepted the Connection Offer, you have entered into a formal agreement with the DNO.

The connection process that you will typically follow is illustrated in the diagram on the next

Standard Licence Condition 15 (SLC15)

In order to maintain their licence to own, operate and maintain a distribution network, DNOs are required to comply with a set of licence conditions, called Standard Licence Conditions (SLC). SLC15 is called "Standards for the provision of Non-Contestable Connection Services". It applies when you are requesting only Non-contestable services from the DNO. SLC15 sets standards in terms of timescales for the DNO to perform certain tasks such as provide quotes, respond to design submissions and complete final works.

Under SLC15, the timescales for the DNO to provide a quotation for work are:

- 30 working days for Low Voltage (LV) generation connections;
- 50 working days for High Voltage (HV) generation connections; and
- 3 months for Extra High Voltage (EHV) generation connections.

For definitions of LV, HV and EHV please see Section E. Costs and Charges: Ongoing Charges.

Section 16 of the Electricity Act

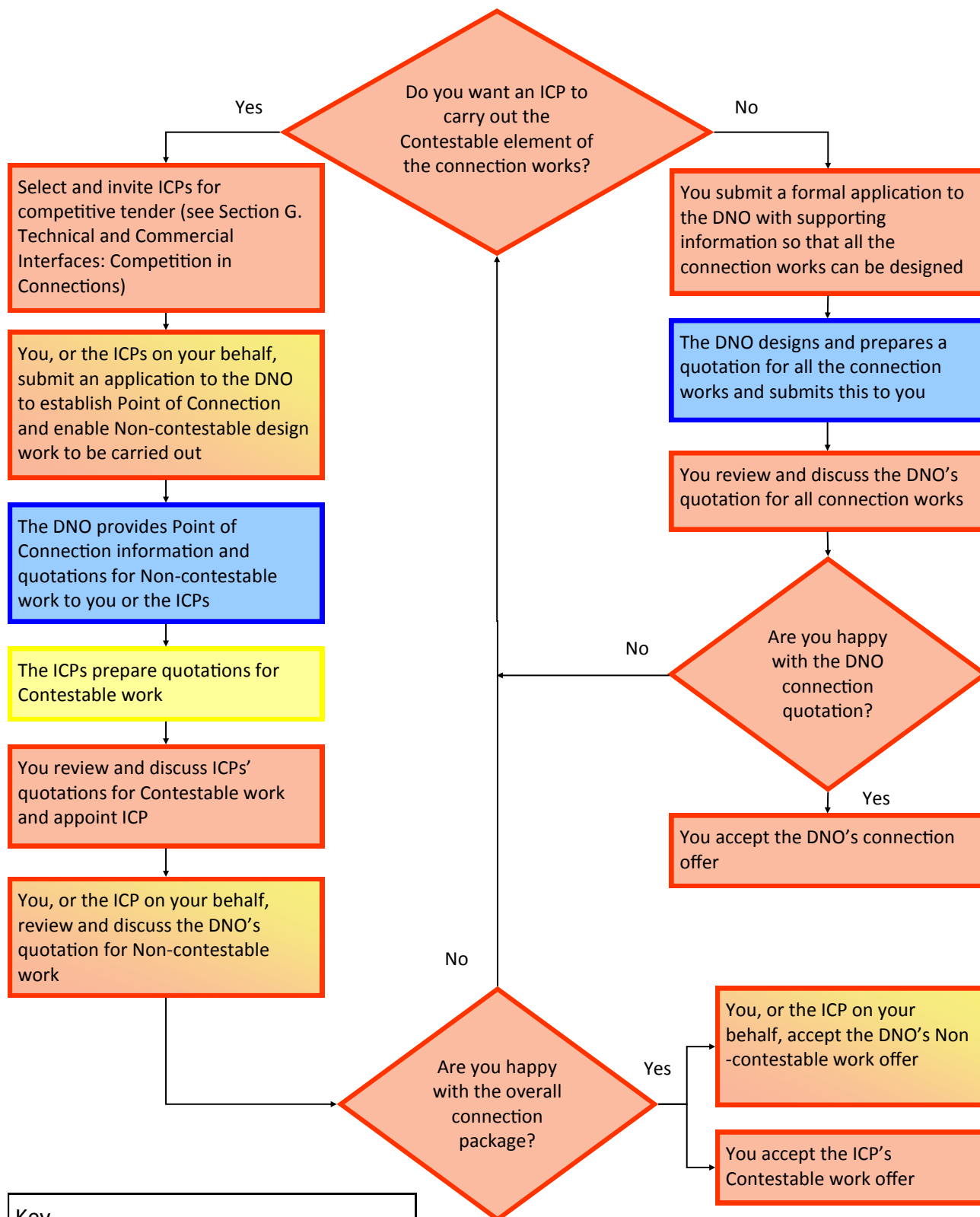
The Electricity Act (1989) is one of the primary pieces of legislation governing the power sector in the UK. Section 16 of the Act is called "Duty to supply on request" and sets out the DNO's obligation to provide connections for electricity supply. This is the legislation that governs applications for generation connections where the DNO is requested to undertake both the Contestable and the Non-contestable work.

The timescales for the DNO to provide a quotation for both Contestable and Non-Contestable work are:

- 45 working days for LV generation connections; and
- 65 working days for HV and EHV generation connections.

For definitions of LV, HV and EHV please see Section E. Costs and Charges: Ongoing Charges.

Getting Connected — Design Phase



Key

Action taken or question answered by:

- You
- The DNO
- An ICP

Getting Connected — Construction Phase

The key tasks in the construction phase are to:

- **Enter into agreements** with the DNO before the equipment starts operating
- **Communicate with the DNO** about reinforcements they may be making to the distribution network
- **Focus on other activities**

Enter into agreements with the DNO

You need to enter into a number of agreements with the DNO before your generating unit(s) can start operating, such as:

- **A Connection Agreement**
- **An Adoption Agreement** (only if you are using an ICP for your project)
- An agreement covering the **arrangements for operating the interface** between the distribution network and your generating equipment. This may be contained in a Schedule to the Connection Agreement, or in a separate agreement such as a **Site Responsibility Schedule** or **Joint Operational Agreement**

Some of these agreements will be in place before construction begins.

Communicate with the DNO

Clear communication lines should be established between you, the DNO and the ICP (where applicable). This is in order to manage the interface between their work, make sure that you both agree on a coordinated programme for completion of the work, and make sure that the work meets the required standards.

Focus on other activities

During this phase you need to focus on a number of other tasks. These tasks include the following:

- Complete the construction of the generating unit(s), which should meet [IET Wiring Regulations](#) — make sure you are using an approved contractor.
- Make appropriate provisions for wayleaves in any lease option required—see Section D: The Connection Application.
- Appoint a Meter Operator—more on this in the Section E: Costs and Charges.
- Finalise negotiations with a Supplier who will purchase your energy.

Connection Agreements

The Connection Agreement covers the conditions under which your generating equipment is allowed to be physically connected to the DNO network and remain connected and energised while the network is operating normally. For example, they set out technical and safety requirements. These agreements are likely to be standard documents with project-specific annexes. They will probably be prepared by the DNO for you to discuss, agree and sign.

Adoption Agreements

If an Independent Connections Provider (ICP) has constructed some of the connection infrastructure, an Adoption Agreement is required to define the terms under which the DNO will take these connection assets into their control and ownership. This is normally sent out with the formal Connection Offer in the design phase. The Adoption Agreement is held between the DNO and either you or your ICP, depending on your circumstances and the DNO's processes.

Getting Connected — Testing and Commissioning

In summary, the key tasks in the testing and commissioning phase are to:

- If the DNO wishes to witness commissioning, **Provide the DNO with detailed information** about the test scope at least 15 working days before the proposed commissioning date
- Make sure you have **careful liaison with the DNO** leading up to and during commissioning
- **Submit Registered Data** to the DNO
- Put **commercial arrangements** in place and **keep the Supplier informed** on the commissioning progress
- **Send a completed commissioning form** to the DNO

For generating units covered by EREC G59, it is your obligation to undertake full commissioning tests, which the DNO may choose to witness. This is because certain protection device settings need to be set on site.

Provide the DNO with detailed information

According to EREC G59 you need to provide the DNO with detailed information about testing and commissioning **at least 15 working days** before the proposed commissioning date. This will give the DNO time to make decisions about witnessing commissioning and inspecting the installation. Commissioning test requirements are discussed in EREC G59, section 12.3 (for all units) and 12.4 (for non type-tested units).

Careful liaison with the DNO

Careful liaison with the DNO will be required during the process of commissioning the connection. This will relate to the programme for commissioning the rest of the generating equipment. In particular the DNO will want assurance on the state of readiness of your unit(s) on your side of the connection. You may have auxiliary equipment that is fed

through the connection. If this is the case, you will require the connection to be ready before the generating unit is ready to be operated. This will require close coordination with the DNO.

Submit Registered Data to the DNO

After you have signed the Connection Agreement you need to submit the final, confirmed parameters of the generation equipment to the DNO. This is called “Registered Data” in the Distribution Code, which is the document that sets out this requirement. Note that if this data is different to the data that was used to design the connection, the DNO will want to review the connection design, as this may impact on the design on your connection.

Put commercial arrangements in place

If you have made arrangements with a supplier to buy electricity that you export, it is your responsibility to keep them informed of the proposed commissioning programme. In particular they should know the date you expect imports and exports across the connection to start. The supplier can advise you on making contact with the relevant electricity market authorities (e.g. Elexon). Apart from Renewables Obligation Certificates and Feed-in Tariffs, trading electricity is beyond the scope of this Guide. However, we have referenced some useful documents on this topic at the end of this section.

Commercial arrangements need to be in place for the purchasing and sale of energy during the commissioning process. These arrangements include making sure the correct metering is installed and working before you start importing and exporting energy.

Submit commissioning form

Send a completed commissioning form to the DNO **within 30 days** of completing the commission tests.

Getting Connected — Energy Storage


Storage devices for electrical energy are becoming more prevalent, and can be used as part of Distributed Generation schemes to allow generated electricity to be stored within the premises rather than exported to the distribution network. DNOs treat storage as generation, and need to be aware of storage because of the potential impact on their networks. Therefore storage needs to meet the relevant connection requirements (EREC G83 or G59). If you are planning to connect storage at 11kV or above you need to provide additional information to your DNO. The further information request (see example and information below) is available on the [ENA website](http://ena.org.uk).

If you are planning to use storage in conjunction with PV to offset consumption in your home, the total connected generation is likely to be above 16A / phase and G59 should apply. However by Autumn 2017 the ENA

expects to have implemented a fast track application process, for domestic scale storage. This will take the form of an online tool and is expected to reduce the connection time from 45 days to 10 days or less. If the storage is intended to be operated in island mode (during a power outage) the fast track process is not applicable and G59 applies.

For larger scale storage schemes you may find the document produced by the Energy Storage Operators' Forum (ESOF): a Good Practice Guide on Electrical Energy Storage of use. This is available on:

www.eatechnology.com/news-and-resources/news/electrical-energy-storage-good-practice-guide



The Voice of the Networks

FURTHER INFORMATION REQUEST

ENQUIRY - ENERGY STORAGE SYSTEM (ESS) HV & EHV - Section A

This form should be used by all applicants considering the inclusion of storage as part of their connection application. This form should accompany your application for a connection.

ESS Installer Name	Project Name :
ENA Form Application submission date : / /	Network Operator Reference Number

Please provide an electrical configuration of the overall system including any generation and storage, showing any individual inverter or generator units (based on current model). This should be included as an attachment.

Is this request for storage only or storage combined with another technology? (delete as appropriate) Please confirm the storage technology? (e.g. Lithium Ion (LI-ION), Nickel-Cadmium (NI-CD), Sodium Sulphur (NAS) batteries, fly wheel, micro pump hydro, CAES etc) If combined with another technology please confirm the other technology/ies (e.g. Solar, Wind, Biomass, Diesel/CHP)	Storage only/combined with another technology
---	---

Nameplate power rating of storage(MW):	
Registered energy storage capacity (MWh)	

For the storage element of your installation please confirm the following:

Security of Supply required	Restate the Authorised Supply Capacity (ASC) required				
Export	Firm MW	+MVar	
	 -MVar			
	Non-firm MW	+MVar	
	 -MVar			
	Total MW	+MVar	
	 -MVar			

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Further Information Request: Section A

- Information about **Energy Storage System (ESS) installer / Operator**.
- Details about the storage type (storage only / combined with another technology), storage technology, rating of storage, storage capacity and information regarding import and export capacities.
- Details of operating modes/ commercial service as well as additional operational details.

Further Information Request: Section B

This part of the form requests more detailed information that is specific to the storage technology and equipment that you are planning to use. The information required here is quite detailed, and you may require assistance from the proposed suppliers of your storage equipment to complete it.

Getting Connected — Ongoing Responsibilities

EREC G59 sets out a number of ongoing requirements for you as a developer of Distributed Generation. These are beyond the scope of this guide, but include:

- Make a written record of any **protection settings and test results**. Send this to the DNO, and keep a copy available for any inspections.
- **Test the interface protection** and generating equipment. The frequency of these tests should be agreed in discussions with the DNO.
- Keep the generation unit **maintained** by someone who is competent to do so.

- Inform the DNO if there are **changes to the installation** that affect the generating characteristics.
- You also need to comply with **Health and Safety requirements**.
- When you are decommissioning your generating unit(s), you need to send the DNO certain information. This is detailed in EREC G59 Appendix 13.4.

Appendix 13.9 in EREC G59 is called “Main Statutory and other Obligations” and summarises the main obligations on generators.

Dealing with disputes

If you are not satisfied with a particular aspect of service during the process of connecting your generation, your first port of call should be the party with whom the issue lies, e.g. the DNO, supplier, meter operator, NGET, etc. DNOs have their complaints process set out on their website. If you cannot resolve the issue with the party directly, you can contact the Energy Ombudsman:

www.ombudsman-services.org/energy

If you are still unable to resolve the matter, it can be referred to Ofgem, the regulator.

Supply Issues

Your DNO is obligated to maintain the power quality on their network within a set of defined limits. These include maintaining voltage at the required levels. This is so that customer equipment is not damaged. If you have a voltage complaint you should contact your DNO. Your DNO should respond to your complaint within 5 working days, or visit within 7 working days. If work is required to correct the issue, the DNO should complete this within 6 months.

Health and Safety considerations

Safety is very important in the design of generation connections. Some of the safety requirements for Distributed Generation connections are set out in EREC G59. This document references the Regulations and Acts that inform these requirements, such as the Electricity Safety, Quality and Continuity Regulations (ESQCR) 2002, and also the relevant British Standards.

You can find out more about Health and Safety aspects of Distributed Generation connections on the following websites:

- The Electrical Safety Council (ESC): www.esc.org.uk
- The Energy Networks Association—Safety, health and environment:
www.energynetworks.org/electricity/she/overview.html

Getting Connected — Medium and Large Stations

The Distribution Code defines three categories of generator capacity size; small, medium and large. The definitions of these categories are given in the table below. To connect medium or large generators the connection process is the same as the one described so far.

However, there are more complexities with power stations of this size due to involvement with the electricity market and the increased likelihood that the units will impact on the distribution and transmission systems. This means you are likely to be involved with a number of other processes, which include:

- **Generation licence** (all generation with capacity over 100MW. Generation between 50 and 100MW may be exempt): For more information on Generation Licences, please see Section D: The Connection Application.
- **Balancing and Settlement Code (BSC) participation:** If you have a generation licence you are required to become a party to the BSC. Otherwise, whether you participate in the BSC depends on how you want to trade electricity. You need to consider this carefully.
- **Connection and Use of System Code (CUSC):** If you have a generation licence you will need to become a party to the CUSC. Non-licensed generators can choose to sign the CUSC to benefit

from certain trading arrangements. You can see which sections, if any, of the CUSC apply to you in Section 1 of the CUSC, "[Applicability of Sections and related Agreements Structure](#)".

- **Compliance with the Grid Code:** Medium power stations have to comply with sections of the Grid Code. The Distribution Code describes which sections apply. Large power stations are bound by all of the Grid Code.
- **Agreements with National Grid Electricity Transmission (NGET):** For large and medium generators there are various agreements you have to enter into with NGET. Developers of small generating units may choose to enter into these agreements to benefit from trading opportunities. These agreements are discussed in more detail in the Section D. The Connection Application: Generation Licensing.

For more information on all of these issues, please see Section D. The Connection Application and websites of the following organisations:

- [Elexon](#)
- [National Grid Electricity Transmission](#)

	Registered Capacity		
	Small Power Station	Medium Power Station	Large Power Station
National Grid Electricity Transmission (England and Wales)	Less than 50 MW	50 to 100 MW	100 MW and above
Scottish Power Transmission Ltd (Southern Scotland)	Less than 30 MW		30 MW and above
Scottish Hydro-Electric Transmission Ltd (Northern Scotland)	Less than 10 MW		10 MW and above



Getting Connected — IDNO's Networks

The process for connecting your Distributed Generation to an IDNO's network follows EREC G83 or G59, and is therefore similar to connecting to a DNO's network. IDNOs are licensed entities and are bound by some of the same licence conditions as DNOs, including certain performance standards such as timescales for responding to requests for quotes. The majority of what is included in this guide applies to both DNO and IDNO connections, including allowing the use of Independent Connections Providers (ICP) to construct network extension. However, there are a few key differences for a Distributed Generation connection to an IDNO network:

- **Provision of Information:** IDNOs have a reduced set of licence conditions compared with DNOs, and they are not obliged to provide the same documents for customers. IDNOs are not required to produce Long Term Development Statements nor Connection Charging methodologies and statements.
- **Interaction between the IDNO and the DNO:** When an IDNO receives an

application for connection for Distributed Generation, they need to get approval from the DNO before they can offer to connect you. If your generation equipment would cause certain network parameters to exceed defined limits, such as voltage or export to the DNO network, the IDNO and DNO will explore options for accommodating your project. This discussion will take place between the IDNO and the DNO, and will not involve you directly. However, the IDNO may then discuss different options with you for the most appropriate generation project to be connected.

- **Formal Agreements:** IDNOs will not necessarily insist on the same set of formal agreements that the DNOs will. Agreements such as the connection and adoption agreements may not be required.

To determine whether you are connected to a DNO or IDNO network, refer to the guidance on page 11.

The Distribution Code

DNOs are obliged to maintain a Distribution Code under the terms of their licence conditions. The Distribution Code contains technical considerations relating to the connection to and use of distribution systems. Key areas that are covered by the Code include, general conditions, planning and connection, operation and data registration

There are also guidance notes for information. The requirements in the Distribution Code are explained in more detail in EREC G59, and will be enacted by the Connection Agreement. For more information on the Distribution Code, refer to the Distribution Code website:

www.dcode.org.uk

The Distribution Code is under open governance so proposals to make a change to it can be initiated by interested parties. This is done through the Distribution Code Review Panel which includes representatives of various constituencies of generator. A list of current representatives can be found at www.dcode.org.uk/dcode-review-panel/.

Where to Find More Information

You are required to comply with a number of technical codes and standards within the electricity industry. You should make sure that you are familiar with the contents of the following key documents, **to the extent that they apply to your specific generating project**:

- the [Grid Code](#) of Great Britain — available free of charge on NGET’s website
- the [Distribution Code](#) of Great Britain—available free of charge on the Distribution Code website
- [Engineering Recommendation G59](#), relating to the connection of generating units to the distribution systems of licensed DNOs. It is available to buy on the ENA website
- [Engineering Recommendation G81](#) contains a number of principles related to Distributed Generation connections. It is called “Framework for design and planning, materials specification, installation and records low voltage housing development installations and associated new HV/LV distribution substations”. It can be found free of charge on the Energy Network Association’s website.
- Key appendices of G59 and G83 are available free of charge on the ENA’s Website: www.energynetworks.org/electricity/engineering/distributed-generation/distributed-generation.html

Other useful documents and links

- Independent Connections Providers (ICPs): see the [Lloyds Register](#) website information on the National Electricity Registration Scheme (NERS)
- [National Grid Electricity Transmission Ten Year Statement](#)
- [Metering Codes of Practice](#)
- Elexon publish [Simple Guides to the BSC](#) which may be of interest, and Electricity Trading Arrangements: A Beginner’s Guide for more information on trading electricity.
- The [Connection and Use of System Code \(CUSC\)](#) is available free of charge on NGET’s website
- NGET also has information on their website about [Connections and Agreements](#)
- The [Balancing and Settlement Code \(BSC\)](#) is available free of charge on Elexon’s website
- The [IET Wiring Regulations](#) (British Standard 7671) are available to buy on the IET website
- Ofgem’s information about [how to get an electricity connection](#) for a new building or site
- Long Term Development Statements (LTDS) - see table below for links:

DNO	Link to LTDS
Electricity North West	www.enwl.co.uk/about-us/long-term-development-statement
Northern Powergrid	www.northernpowergrid.com/page/long_term_development_statement_ltlds.cfm
SP Energy Networks	www.spenergynetworks.co.uk/pages/long_term_development_statement.asp
SSE	www.ssepd.co.uk/LTDSs/
UK Power Networks	www.ukpowernetworks.co.uk/wcmqs/knowledge-center/long-term-development-statement.html
Western Power Distribution	www.westernpower.co.uk/About-our-Network/Long-Term-Development.aspx

D: The Connection Application- Connection Application Process

In this section:

- Details of the key stages in the process of making a connection application and receiving a response from the DNO
- Details of the information that you will need to provide to the DNO and the studies that they will need to carry out to assess your application
- Information about what a Connection Offer typically contains

Introduction

This section of the Guide describes how to make a connection application to a DNO. It focuses on some specific actions that you will need to take as part of the overall process of “Getting Connected”, which is described in Section C of the Guide.

Details of the connection application itself are provided, with reference to the Common Application Form which has been developed

by the Energy Networks Association in conjunction with the DNOs. The timescales involved in making a connection application are described.

This section also includes details of the sort of technical studies which DNOs need to carry out, and the likely requirements they will have for data from you about the proposed generation project.

The Connection Application Timeline

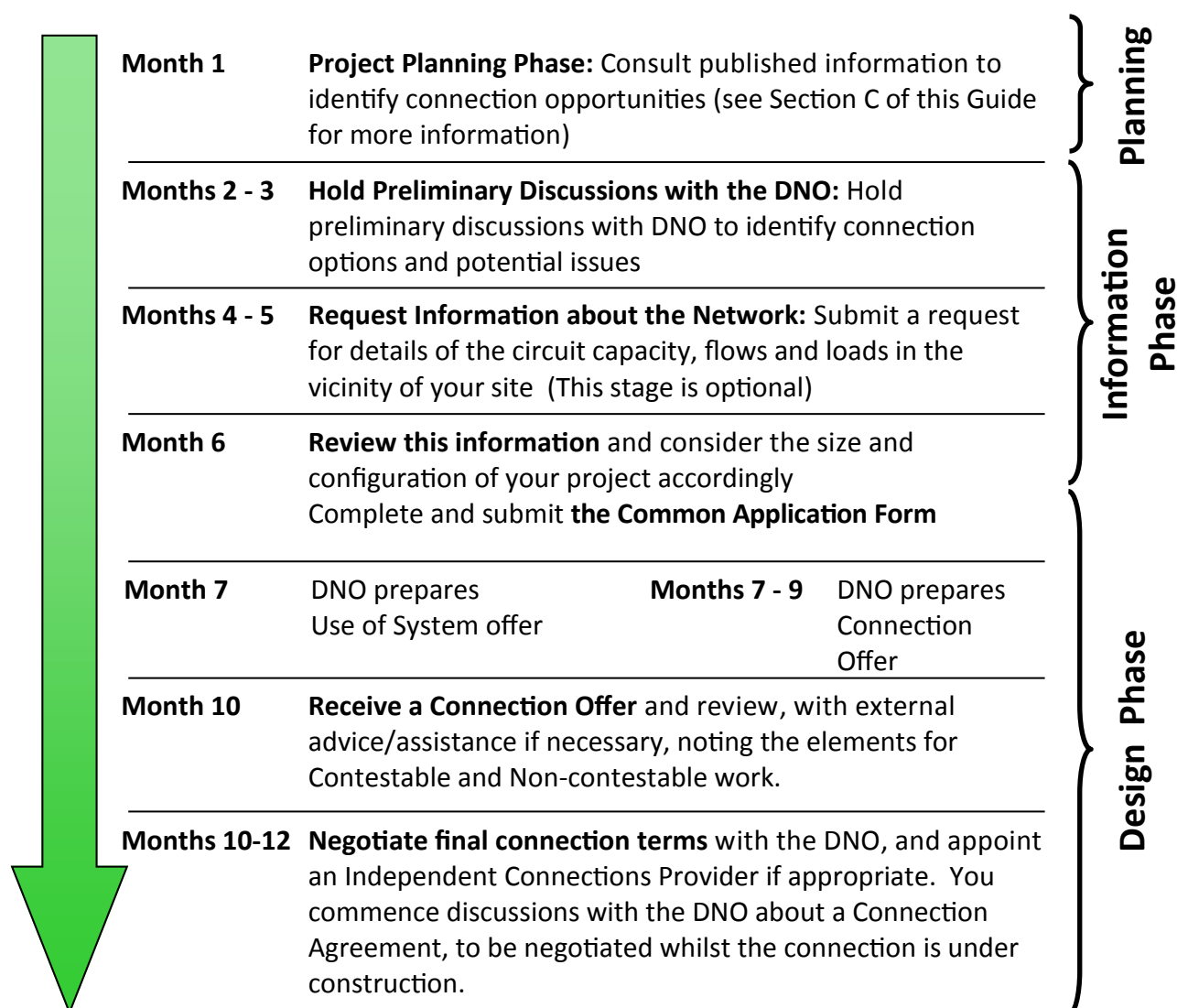
The timeline shown on the next page is an **indicative** guide as to how long it might take you to have a Connection Offer agreed with your DNO. The information box on page 26 summarises the licence obligations of the DNO to give you a Connection Offer within a particular time, *once you have provided all the necessary data supporting your application*.

The times shown in the timeline could vary depending on, for example:

- how quickly you are able to do the background work;
- how complex your connection is; and
- any technical or planning issues that the DNO identifies.

For more information about the information needed by DNOs at different stages in the connection process, see the Distribution Data Registration Code in the Distribution Code. This is available from www.dcode.org.uk

The Connection Application Timeline



Notes on the timeline:

Some of the stages shown in the timeline are optional, for example, consulting the published information and obtaining advice regarding preliminary connection designs. These activities can be useful as they provide extra information earlier in the process, and they may uncover issues earlier than they would otherwise be known, allowing them to be planned for. If you do not undertake these activities, but are happy to lodge a formal connection application after an initial discussion with your DNO, the time to complete this process will be reduced.

It is also possible to combine some of the stages of activity, so that for example you begin compiling the information to support your connection application whilst in the early stages of discussions with the DNO. This would reduce the elapsed time in the connection process from what is shown above.

If your generation project might have an impact on the transmission network, the above timescale could be significantly extended, due to the need to obtain a Statement of Works from NGET regarding any required transmission system modifications. You should discuss the likelihood of a Statement of Works being required with your DNO at an early stage.

Initial Discussions with the DNO

To make applying for a connection as straightforward as possible, you are advised to contact your DNO at an early stage in the connection process. You should explain to them in as much detail as you can the plans that you have in mind, so that they can give you an early indication of the likely technical challenges and/or significant cost items which may be required to make your connection possible. If you think you will have import requirements (most generation projects have a least a small import requirement to cater for when the generating plant is not running),

these should be discussed with the DNO as well as your export capacity requirements. It is likely that the DNO will invite you for an initial discussion, which is usually free of charge. This is the chance for both parties to share information which will be helpful in putting the connection application together. Before you have this discussion, though, it's helpful if you have done some background work to investigate the network in the area around your project, and to be able to provide technical information about your generating equipment.

Information about the Network

At an early stage in the planning of your generation project you may wish to obtain details from the DNO of the distribution network in the vicinity of your project site. General information about the long term development plans for the distribution network is available in the Long Term Development Statement which is produced by each DNO in accordance with the conditions of its Licence, and which is available from the DNO.

As part of the current Price Control process, RIIO-ED1, Ofgem include a number of mechanisms to incentivise DNOs to provide a good service to Distributed Generation customers, including provision of information.

To obtain more specific information, however, you can make a request to the DNO for an estimate of the present and future circuit capacity, forecast power flows and loadings on the relevant parts of the distribution network. You may be charged for some or all of these services.

The information that the DNO will provide should be sufficient to enable you to identify and evaluate the opportunities for connecting to and using the relevant parts of the DNO's network. It may also, if you so request,

include a commentary on the DNO's views regarding the suitability of the relevant part of the distribution network to accommodate new connections and the export of power from the proposed generating unit(s).

You may also wish to request the DNO or a third party (e.g. an engineering consultant) to carry out feasibility studies to identify budgetary connection costs for your proposed project. The reliability of these estimates will be significantly influenced by the quality of the information that you can provide at this time to enable a reasonable assessment of the likely connection configuration and capacity to be carried out. Some DNOs will charge for carrying out these budget estimate and others will not. Note that no DNO will charge for processing the full application.

Requesting information: This stage is not compulsory—you can proceed with your application form without carrying out this background work. It is up to each developer to decide whether requesting this sort of information is going to be helpful to the overall development of their connection, or whether simply to proceed with the formal application.

The Common Connection Application Form

For developers of smaller Distribution Generation (50kW or less three phase, or 17kW or less single phase), which is type tested under EREC G59 or G83, there is a simplified connection application form. This is included in Appendix 13.5 of EREC G59. For all schemes above 50kW you should use the G59 Standard Application Form (or Generator Connection Application Form). Both of these forms are available free of charge, and can be found on the [Energy Networks Association \(ENA\) website](#).

The **Standard Application Form (application form)** contains a comprehensive list of data requirements to assist the DNO with carrying out system studies. You should do your best to provide as much of this information as possible to ensure your quote is as accurate as it can be. If you have difficulty with filling out this form, you can discuss this with your DNO or an adviser such as an engineering consultant to assist you. The requirements in the application form are based on the

requirements of the Distribution Data Registration Code, which is part of the **Distribution Code**. This splits the data requirements from Distributed Generation into three categories: Standard Planning Data, Detailed Planning Data and Operational Data.

The application form is split into two parts, as explained below. Part 1 of the form asks for Standard Planning Data, and in some cases, this is sufficient for the DNO to complete the connection design and make a connection offer. However, depending on the generation capacity and the location within the network, you will need to complete Part 2 of the application form. If you do not complete this initially, the DNO may ask you to do it later.

An example of a completed application form is given on the [ENA website](#).

When completed, your application form should be sent to your DNO. Your DNO's contact details can be found on the [membership area](#) of the ENA website.

The image shows a thumbnail of the ENA Common Connection Application Form. It is divided into two main sections: Part 1a and Part 1b. Part 1a includes sections for Applicant's Details, Consultant's Details (if applicable), Power station location and operation, and Details of any existing Connection Agreements. Part 1b includes sections for Connection Point (GIS grid ref or description), Preferred connection point voltage, Single line diagram of any on-site existing or proposed electrical plant or, where available, operation diagrams, What security is required for the connection? (see Note A1), No. of generation sets in power station, Are all generation sets of same design/setting?, Will power station operate in island mode?, Will generation plant supply electricity to on-site premises?, Power station standby import requirements (see Note A2), Maximum active power import, Maximum reactive power import (lagging), Maximum reactive power export (leading), Power station top-up import requirements (see Note A3), Maximum active power import, Maximum reactive power import (lagging), Maximum reactive power export (leading), and Target date for provision of connection / commissioning of power station.

Part 1

Section 1a is for:

- information about the **Owner/Operator** of the generation unit(s) and their consultant's details if applicable;
- details about the equipment itself, including its location, basic information about export and import arrangements and more detailed information including export and import capacities

Section 1b requests some information specific to the generation sets that you are planning to use.

Part 2

This part of the form requests more detailed information that is specific to the generation technology and equipment that you are planning to use. The information required here is quite detailed, and you may require assistance from the proposed suppliers of your generation equipment to fill in all of the details.

Network Studies

Once you have filled in and submitted the Connection Application Form, the DNO will need to assess the impact of your generating unit(s) on the network. Your project may affect parts of the network that are distant (both geographically and electrically) from it, including at higher voltage levels (e.g. an 11kV connection can impact the 33kV network). It can take some time to identify the impact on the network at higher voltage levels. The DNO will carry out studies which may include:

- **load flow studies**, to work out where the power that you generate will flow on the distribution network and to check that currents and voltages will stay within equipment ratings and statutory operating limits;
- **contingency analysis**, to decide how to configure your connection so that you can continue to generate if one network component is not operating for any reason (e.g. maintenance or work on the network, or a fault on a cable circuit);
- **fault level studies**, to calculate how much current would flow out of your generating units in short circuit

conditions and to make sure that the system could safely interrupt the higher fault currents on the system once your project is operational;

- in some circumstances, **transient stability studies** may be necessary to determine whether there are going to be specific protection requirements associated with your project;
- studies of disturbances such as **harmonics** and **voltage flicker** - correcting problems such as this could involve the connection of additional equipment and possibly increase connection costs.

The number and complexity of studies that have to be undertaken will vary depending on a number of factors. These include the type and size of your generating units, the complexity and use of the network around your site, and the level of security you want for your connection. An indication of the charges for these studies can often be found in DNO documentation, such as the Long Term Development Statement, or the Statement of Charging Methodology.

How quickly must the DNO give me a Connection Offer?

The Standard Conditions of the Electricity Distribution Licence require DNOs to offer terms for connection and use of system “as soon as is reasonably practicable” after receiving a request. If you have only asked for Use of System, the DNO must provide an offer within 28 days. If you have requested both Connection and Use of System, the DNO must give you an offer within three months. These times only apply once the DNO has all the information from you that it can reasonably ask for.

Estimated data: If actual data is not available at the time of completing an application form, you may provide a reasonable estimate of the actual data. You should indicate if data is estimated. Where estimated data is submitted to the DNO, and the final data is significantly different from the estimated data, this may affect the validity of the Connection Offer. It is therefore important that the information you provide is as complete and accurate as possible, and that you inform your DNO of any changes to the data as soon as you can.

The Connection Offer

The Connection Offer that you will receive from your DNO should contain a number of key pieces of information. These include:

- details of the equipment and works needed to connect your generating units to the distribution network;
- information about any works needed to extend or reinforce the DNO's network, and potentially the transmission system, as a result of connecting your generating units to the system;
- information about the metering which the DNO may want to install at your site to measure energy exports for operational purposes;
- any special metering, communications or data processing equipment that may be needed at your site to ensure that you and the DNO can comply with any

requirements under the Balancing and Settlement Code (which you'll need to comply with if you have a Generation Licence. See Section D. The Connection Application: Generation Licensing for more information).

The Offer will contain the technical and commercial terms which will apply for the DNO to construct the connection and provide Use of System services to the developer. The Offer will differentiate between Contestable work and Non-contestable work, if you requested this information.

The Offer will also contain details of the costs which will apply if the DNO undertakes the Non-contestable and Contestable work. Further information about the way these costs are worked out is given in Section E. Costs and Charges.

Wayleaves for New Connections

Obtaining Wayleaves, or the right of way for new lines and cables to connect your generating equipment to the distribution network, can be time consuming. Wayleaves are generally obtained by the DNO, although they could in some situations be obtained by an ICP.

To understand the wayleave requirements for your connection you should:

- discuss at an early stage with your DNO whether there is a possibility that obtaining the necessary wayleaves could prove contentious
- consider asking the DNO to investigate this in any feasibility studies you may ask them to undertake
- ask the DNO to indicate in the Connection Offer whether your connection costs or timing could be

affected by wayleaving and/or planning consent issues, and to itemise the costs included in the quotation for these components

- ask the DNO to consider alternative routes for cables and/or overhead lines, if this could result in simpler planning and wayleaving processes, and to indicate the different connection costs and timescales that may result – for example, cabling along a public highway, whilst being potentially more expensive than an overhead line, may have fewer wayleaving complications than the overhead line option. Similarly, if the DNO can avoid routes with complex rail or motorway crossings then obtaining wayleaves and developing the connection may be easier and less costly

Connection Conditions

The DNO may include certain conditions or restrictions in order for the connection to be put in place. Your Connection Offer will include details of these, and if you need to know more information then you can discuss this with your DNO. You will have to agree to these conditions in order to accept the Connection Offer.

Flexible Connection Offers

The DNO will decide if a connection is viable by considering the worst case scenario for the network. If the connection of your generation would cause equipment ratings or statutory limits to be exceeded, then the DNO would not allow the connection without addressing the issues identified. The DNO may decide that the best thing to do is to reinforce the existing network so that it can cope with new power flows. However, this could be prohibitively expensive for your project.

In these cases, or where the customer has requested, the DNO may offer a connection with certain restrictions, such as setting a maximum level for export, or restricting generation export under certain network conditions. This could involve entering into a specific commercial arrangement.

Even with a standard Connection Agreement, in rare operational scenarios it may be necessary for the DNO to curtail the operation of a generator in order to, for example, maintain safety or power quality.

If NGET is involved in your project (e.g. if your DNO has requested a Statement of Works for any transmission system works required), then they can impose conditions on your connection. Your DNO must ensure that NGET conditions are met before they allow connection.

Reactive Power Import / Export

The apparent power at any point on the network is the product of the voltage and current at that point. The apparent power is made up of two components, the real power and the reactive power. It is likely that real power is the electrical power you are more familiar with. It is measured in Watts (W), and is the useful power that we import into our houses to run our electrical goods. However, there also needs to be a balance of reactive power on the network. It is the DNO's responsibility ensure that the distribution network can cater for both real and reactive power.

Your generating unit will be capable of controlling the amount of reactive power that it absorbs or produces, and it is possible that the DNO may request that you operate in a certain way. It may be possible to mitigate negative effects that your generator might have on the network (e.g. rise in system voltage) by controlling the amount of reactive power you produce or absorb. This may allow you to connect a higher capacity generator. You can discuss this option with your DNO.

Interactive Connection Applications

Sometimes the DNO may be considering your Connection Application alongside others which would have an impact on the same part of the distribution network. It may be the case where it is not possible to connect all of these projects, due to network constraints such as capacity. In this case all the relevant applications are referred to as "interactive", and are treated according to a common set of

principles which have been adopted by all the DNOs. These principles normally apply to generator applications above 1 MVA capacity connected at 11 kV and above. DNOs will, though, apply the same principles in other cases as required.

Connection Applications are defined as "interactive" if offers are made which:

Interactive Connection Applications

- make use of the same part of the current or planned future network; or
- have an operational effect on that network; and
- would affect the terms under which connection can be offered to one of the other parties.

The DNO will tell you in writing if your connection application is interactive, or becomes interactive, with one or more others.

Affected parties will receive a 'Notice of Interactivity', which includes:

- a notice that your Connection Offers/ POC Offers are interactive;
- your respective position in the Interactive Queue, determined by the date on which your Connection Application was received (assuming that the application form was complete with

the information required by the DNO).

An Interactive Connection Offer is conditional on those higher up the Interactive queue not being accepted;

- the process for accepting Interactive Connection Offers; and
- the dates of the 'Moratorium Period' (usually 10 working days) after which the you can accept the Interactive Connection Offer.

When the DNO receives an Interactive Connection Offer acceptance, they notify all other affected parties that their Connection Offers are withdrawn. You will then have the option to re-apply, or choose to have your original application to be re-considered. In this case the DNO will issue a new Connection Offer. Offers are still considered in the original order within the Interactive Queue.

Accepting a Connection Offer

You will have a defined period specified in your Connection Offer within which to accept the offer. This will typically be in the range 30-90 days, but is likely to be nearer 30 days if your Connection Application was defined as "interactive". Acceptance periods can vary across DNOs.

If yours was the first of a number of "interactive" applications, you will have priority over subsequent applicants who may receive offers during this time, and this will be explained in your Connection Offer. If you were a later applicant, your offer will indicate that for some of the validity period of the

offer it is dependent on the decision of the prior applicant(s) on whether to proceed with their connection(s). Connection Offers will also specify the date on which they become unconditional (because the previous Connection Offer(s) have lapsed).

Connection Offers may also be withdrawn if the DNO feels that your scheme is not progressing at a reasonable rate. This may be measured by progress against milestones set out in your Connection Offer. This is to prevent spare capacity being 'reserved' for projects that in practice are not actually being built.

For more information about Connection Offers and Interactive Applications

All DNOs publish documents called their "Statement of Methodology and Basis of Charges for Connection" (which you may sometimes hear referred to as their "Licence Condition 4 Statement" from the early DNO licence conditions). This sets out in detail:

- the way that each DNO handles Connection Applications; and
- the arrangements DNOs make for dealing with Interactive Applications.

These documents are available from each of the DNOs' websites.

D: The Connection Application- Generation Licensing

In this section:

- An introduction to generation licensing
- A guide to licence requirements for generators
- Information about how to apply for a licence
- A guide to the interactions you may need to have with NGET
- Contact details if you need more information

Tip: Read the information boxes for definitions or explanations of terms that may be new or unfamiliar.

Introduction

Depending on the size of your generating project, you may need to apply for a Generation Licence. This section of the Guide explains how to determine whether your generating project requires a licence, and the process for obtaining a licence if you need one.

There are a number of issues regarding generation licensing which affect the relationships that you will have with other electricity sector organisations. In particular, if your generating unit(s) exports more than 100 MW, and therefore automatically requires

a licence, you will need to talk with Elexon and NGET about the implications of trading electricity in accordance with the Balancing and Settlement Code. This section of the Guide explains more about the relationship between developers of Distributed Generation and NGET and highlights the different agreements that you could be required to enter into at the transmission level.

Full details are provided about the sources of further information that you will need to help you with the licence application process.

Who Requires a Generation Licence?

Currently all generation with an export capacity of greater than 100 MW requires a Generation Licence. Generation between 50 MW and 100 MW capacity may be given an exemption from the requirement to hold a licence, subject to applying to the Secretary of State for Energy and Climate Change for an exemption, and being granted one. You will

not require a Generation Licence if your power station:

- does not export more than 10 MW;
- does not export more than 50 MW, provided your units have a combined declared net capacity of less than 100 MW (in simple terms declared net

Who Requires a Generation Licence?

capacity is the maximum output of the generating units less the capacity consumed by the site, unless your energy source is either wind, solar, wave or tidal—**see the information box below for further details**); and

- was connected to the network before 30th September 2000, and does not export more than 100 MW, or has never been subject to central despatch.

You can check the details of whether your Generating project is exempt from the need for a Generation Licence and find a full definition of declared net capacity by looking at the UK government document [Statutory Instrument 2001 No. 3270, The Electricity \(Class Exemptions from the Requirement for a Licence\) Order 2001](#).

Requirements of a Generation Licence

The conditions which are included in a Generation Licence include a number of requirements affecting the interaction of your generating equipment with the transmission and distribution systems. So, for example, if you have a Generation Licence you will have to:

- comply with the sections of the Grid Code that apply to you;
- comply with the Distribution Code;
- comply with the Balancing and Settlement Code (BSC) and become a party to the Balancing and Settlement Code Framework Agreement;
- offer terms for providing Ancillary Services to the System Operator, if asked to do so;
- provide information to Ofgem as required;
- avoid discriminating between potential buyers of the electricity you generate; and
- advise the System Operator about the planned availability of your generating units in accordance with the requirements of the Grid Code.

Applying for a Generation Licence

To apply for a Generation Licence, you should look up the UK government document, [Statutory Instrument 2008 No. 2376, The Electricity \(Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences\) Regulations 2008](#).

This contains detailed information about how to make the application, including information about the costs of a Generation Licence. Your application should be sent to Ofgem and needs to include the following key items of

information:

- the name, address and full contact details of the company making the application;
- the date from which the licence is required;
- company registration details, including names of directors.

Applying for a Generation Licence

This information should be provided in a form similar to that shown in the Statutory Instrument. In its current form the Generation Licence application doesn't require you to provide specific information about the generating equipment itself. These details will be needed, however, at the point when you apply to become a party to the Balancing and Settlement Code (BSC).

To summarise, it's important early on in the connection application process to work out whether you will need a Generation Licence or not. This depends on the **size** of, and level of export from, your generating units. The licence application process is clearly defined in the legislative documents referenced at the end of this section. If you need help filling in the application, you should consult a legal or technical adviser who is familiar with generation project development.

National Grid Electricity Transmission Interfaces

If your Distributed Generation project involves developing a large power station, you will need to enter into an agreement with NGET, the System Operator of the GB transmission system. This is because large power stations are likely to have an impact on the system at higher voltage levels than the distribution network. Power exports from large distributed generators could affect flows on the transmission system; in addition, large Distributed Generation can contribute to the balancing of the system as a whole. Because of this, if you're developing a large power station, you'll need to enter into a range of contracts with NGET and other parties.

The difference between the licence exemption limits described earlier and the technical definitions of large power stations gives rise to two different agreements which could apply to developers of Distributed Generation. These are:

- the **Bilateral Embedded Generation Agreement (BEGA)** - an agreement between developers of power stations with a capacity of greater than 100MW and NGET. Generators are required under the terms of the BEGA to comply

with the Connection and Use of System Code (CUSC), the Grid Code and the Balancing & Settlement Code. The BEGA gives the generator the right to export onto the GB transmission system and to operate in the energy balancing market. Developers of small and medium power stations have the option to enter into a BEGA if they wish to take part in the wholesale electricity market;

- the **Bilateral Embedded Licence Exemptable Large Power Station Agreement (BELLA)** applies to large power stations which are exempt from having a generation licence. This agreement is only available to large power stations in Scotland, which could be below the 100 MW threshold at which holding a Generation Licence is mandatory. The BELLA Agreement sets out the provisions for generators to comply with the CUSC and Grid Code. They can not operate in the electricity balancing market, however, and are not therefore required to comply with the Balancing and Settlement Code (BSC).



National Grid Electricity Transmission Interfaces

Medium power stations that are exempt from holding a Generation Licence are sometimes known as 'Licence Exemptable Embedded Medium Power Stations' (LEEMPS). Although they do not have explicit access to the transmission system, the DNO may need to agree an updated Bilateral Connection Agreement with National Grid which may impose conditions related to the generation. The DNO is likely to pass on any such obligations to the generator via the Connection Agreement.

If you have a BEGA with NGET, you are considered to be a user of the transmission system and are therefore liable to pay Transmission Network Use of System Charges.

If you do not have a BEGA you are not considered to be a user of the transmission system and you are not liable to pay Transmission Network Use of System Charges.

However, you are not entitled to "use" the transmission system. In some circumstances this could limit the operation of a Distributed Generator not holding a BEGA.

You do not need to enter into an agreement with NGET if:

- you are developing a power station that has a capacity less than that of a large power station (see below, and note the variation for England & Wales and Scotland); and
- you do not require access to the transmission system.



However, certain elements of the Grid Code will still apply. The sections that apply are set out in the Distribution Code. The Guide to the Distribution Code contains figures that illustrate the Grid Code and Distribution Code boundaries.

In summary, the interface that you will have with NGET depends on where your generating project is located, its size and level of export. If you are developing a large power station, even if it is connected to the distribution network, you are considered to be a user of the transmission system and will need to discuss which agreements you will require and possible network charges with NGET. You may also be subject to charges for reinforcement work required on the transmission system to accommodate your project, depending on the outcome of studies undertaken by NGET.

Definition of a Large Power Stations

The definition of a large generator varies between England & Wales and Scotland, due to the different transmission voltage levels and system characteristics in these regions. The Grid Code defines large power stations as having a registered capacity as follows:

- 100 MW or above in the National Grid Electricity Transmission system
- 30 MW or above in the Scottish Power Transmission system
- 10 MW or above in the Scottish Hydroelectric Transmission system

More information about NGET Transmission Charges

Full details of NGET's Transmission Network Use of System Charges are available from:

www.nationalgrid.com/uk/Electricity/Charges/chargingstatementsapproval



Statement of Works Process

If you are developing a small or medium generating station without an agreement with NGET (such as a BEGA or BELLA), then the DNO may submit a request to NGET for a Statement of Works. They will do this if they believe that your generation equipment may have an impact on the transmission network. If you are developing a large generating station, then you will have discussions directly with NGET which will cover these issues.

The Statement of Works process allows NGET as the System Operator, and the relevant Transmission Owner, to determine if any work is required on the transmission system to allow your connection to go ahead. NGET will inform your DNO of the resulting decision, and give any details they need. **Your Connection Offer may include details of Transmission System Works if any are required along with securities and liabilities for transmission works. You may also be required to comply with technical conditions relating to the transmission system, either as specified in the Grid Code, or site specific .**

NGET gives more information about Statements of Works on their website. They also give an indicative generation capacity at

which a Statement of Works is likely to be needed. This can be found in the 'Small Embedded Generation' section of this web page [here](#).

DNOs and NGET are currently looking to improve the Statement of Works process and are operating trials in a number of areas. If you want to know if your application may be covered by any of these trials, please contact your DNO.

In some cases, even much smaller generation can trigger this process. This may be because the transmission network may already be close to its statutory limits or to the ratings of the network equipment, and the addition of any generation, even if it is small, may be enough to exceed these limits.

The Statement of Works process can lead to significant additional costs if work is required, and may impose timescale constraints on your project, which need to be carefully considered. In some cases the Statement of Works process can take more than 3 years.

There is more information on the Statement of Works process in Section E: Costs and Charges: Connection Costs.

Where to Find More Information

The following UK Statutory Instruments are relevant:

- For full details on Generation Licence exemptions: [Statutory Instrument 2001 No. 3270, The Electricity \(Class Exemptions from the Requirement for a Licence\) Order 2001](#).
- To apply for a Generation Licence, you should look up the UK government document: [Statutory Instrument 2008 No. 2376, The Electricity \(Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences\) Regulations 2008](#)

We have referred to the following Codes in this section:

- The [Grid Code](#) and [Connection and Use of System Code \(CUSC\)](#) are available on NGET's website
- The [Distribution Code](#) is available on the Distribution Code website
- The [Balancing and Settlement Code \(BSC\)](#) is available on Elexon's website

NGET publishes information for new embedded (distributed) generation connections at: www2.nationalgrid.com/uk/services/electricity-connections/new-connection/

E: Cost and Charges- Connection Costs

In this section:

- An introduction to connection costs
- The basis of DNO connection charges for infrastructure
- Other elements of connection charges and where to find indicative costs and examples
- National Grid Electricity Transmission (NGET) connection charges and Statement of Works

Tip: Read the information boxes for definitions or explanations of terms that may be new or unfamiliar.

Introduction

There are two categories of charges made by the DNO:

- **Connection charge:** this is a one-off charge made by the DNO, which primarily covers the cost of work and equipment associated with connecting your generating project to the distribution network. This includes a portion of reinforcement costs.
- **Use of System charges:** these are ongoing charges, which primarily cover operation and maintenance costs and include an element to cover the costs of ongoing network development including general reinforcement.

This section focuses on connection costs. Information on Use of System and other charges can be found in the Section E. Costs and Charges: Ongoing Costs.

DNOs are obliged to publish documents describing the basis of their connection charges and their charging methodology. They also present the different elements of

connection charges, and indicative costs for works and equipment of significant cost. This will help you to understand the charges they quote you.

This information is contained in the DNOs Statement of Methodology and Charges for Connection to the electricity distribution system. All DNOs' statements follow the same format, and are available on their websites.

This document contains:

- The DNO's connection charging methodology (i.e. how they calculate their charges);
- The DNO's connection charging statement (i.e. what the charges are);
- An indication of the costs of providing a connection quotation / estimate; and
- Other relevant information for connecting customers.

The basis and elements of connection charges, as well as indicative costs and examples are discussed in this section.

Connection Charges—Infrastructure

The connection provides an electrical path between your generation installation and the DNO's network. Any work required to establish this connection will result in some initial costs, which will be charged to you upfront as part of the connection charge.

The work required to provide this path can be broken down into two categories:

1. **New infrastructure** (or extension) must be installed to provide an extension of the existing network. This is from the point of connection on the existing network up to the new point of supply.
2. Some **reinforcement** of the existing network infrastructure may be required to accommodate your planned generation capacity.

These are illustrated in the figure below and the point of connection is defined in the Glossary.

Reinforcement work is usually required to increase the electrical capacity of those parts of the network which form part of the electrical path from the generating equipment to the network. However, some

reinforcement work does not fit this description, for example:

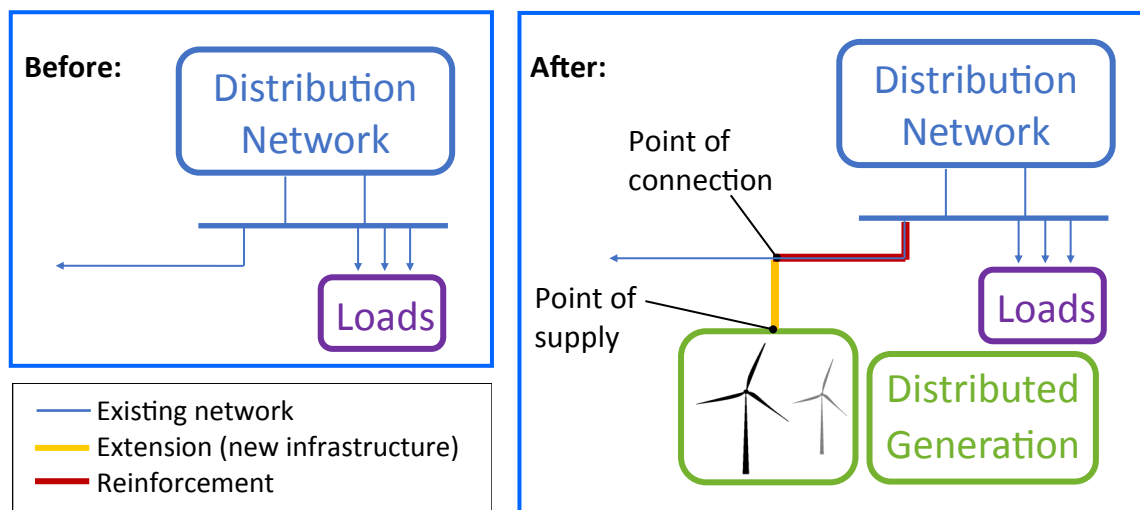
- It may be necessary to install switchgear at a substation some distance from your project site. This could be due to the increase in fault level caused by the connection of your generator, or to create a new protection zone.
- Equipment such as reactors or static VAR compensators may be needed for times when the voltage may rise, e.g. when your generating equipment is exporting at times of light demand.

The asset costs that are included in the connection charge include:

- Any extension to the network
- A **portion** of reinforcement costs

DNOs are obliged to publish a document describing the basis of their connection charges and their charging methodology. You can refer to this document to see what portion of reinforcement costs you will be charged for. These are available on DNO websites.

Extension and reinforcement



Connection Charges—Other Elements

Elements of charges

As well as charges for the connection infrastructure, there are other elements that are covered in the connection charge. These can include some of the following:

- System / feasibility / fault level studies
- Where work has been undertaken by an ICP: Design approval, Inspection and monitoring of work, Witnessing tests
- Determining or providing information on point of connection
- Additional meetings with the DNO or site visits
- Administration, Provision of Wayleaves, NGET fees e.g. application for Statement of Works
- Substation locks and notices

Note that not all DNOs apply charges for all of these items, and that not all of these items will be relevant for your project.

Indicative costs and examples

Equipment costs and charges for services vary

across DNOs; it may be misleading to give you indicative costs in this Guide. If you want to get an idea for indicative costs, the best place to look is the DNO's **Statement of methodology and charges for connection**.

You can find this on the DNO's website. Aside from giving indicative costs for connection charges, these documents typically contain other useful information, including:

- guidance on the connection process; and
- the breakdown of Contestable and Non-contestable work.

The Statement of methodology and charges for connection document also gives examples of various connections and their associated cost breakdown. It is updated annually.

The connection charging methodology is governed by the Distribution Connection and Use of System Agreement (DCUSA) and is subject to open governance, so any party materially affected by it can propose a change

Assessment and Design fees:

At the time of writing, DNOs cannot charge upfront for the development of their formal connection offer under Section 16 of the Electricity Act. However they may make up-front charges for budget estimates, feasibility studies and other enquiries. BEIS are working with Ofgem to create a framework that would allow DNOs to charge up-front fees in the case of formal quotations, however the timeframe for this is still unclear.

Fault Level

Fault level is a measure of the current which would occur in the event of a solid 3-phase short circuit at a certain point on an electricity network. Fault level is normally expressed in thousands of Amps (kA) or the equivalent apparent power (MVA). It is normally given as a range of values, as it can change over time. This can be due to changes in the network configuration to allow routine maintenance or isolate faults. The rating of existing circuit breakers and circuits place an upper limit on the range of fault levels that can be permitted in a particular part of the network.

Your generating equipment can contribute to fault current, so it increases the fault level on the network. If connecting your generating equipment increases the fault level above the capability of the DNO equipment, you may have to contribute to reinforcements.

Connection Charges—Other Elements

to it. The process for doing this is laid out within the DCUSA itself. See the DCUSA website for more information:

www.dcusa.co.uk

The Connection Charging Methodologies Forum exists to enable parties to discuss ideas for improving the methodology possibly prior to submitting a formal change proposal.

Estimating costs and getting a quotation

To obtain a more accurate picture of the connection costs for your project, you can:

- Ask the DNO for a budget estimate
- Obtain an estimate of connection costs from a specialist engineering consultant

You should exercise care in interpreting budget estimates:

- Normally they only cover the cost of the infrastructure on the DNO's side of the point of supply. There can be significant

costs associated with the infrastructure on your side of the point of supply.

- DNOs use reasonable endeavours to identify remote reinforcement costs associated with the proposed connection at this stage. However, it is possible that not all of the reinforcement costs will be included at this time.

For more on budget estimates, see the information box below.

You should consider the costs on both sides of the point of supply when evaluating your connection options. For example, the DNO might indicate that the connection costs would be lower if they were to provide a supply at 33 kV instead of 11 kV. But this option might require you to install and operate a 33 kV/11 kV transformer, in which case you would have to weigh the cost of the transformer against the lower DNO costs.

What is a budget estimate?

You may read about **budget or indicative estimates** and **formal quotations**. The differences between these two terms are summarised in the following table.

Budget or Indicative estimate	Formal quotation
Requested in the early stage of a project, and generally only for larger capital projects	Requested when electrical requirements have been finalised
The DNO doesn't require much information from you	The DNO requires a lot of information from you
Based on a desktop study—the DNO is unlikely to carry out detailed designs or studies	Based on detailed design work, and may require other input such as site surveys
To give an indication of costs, and is therefore subject to change	Provides formal contract offer
Not open for acceptance	Open to acceptance, subject to conditions
DNO may charge	DNO will not charge

The Distributed Generation performance standard, introduced by the Distributed Generation standards directive, defines time periods within which DNOs should respond to a request for a budget estimate. This applies to Section 16 Applications (i.e. if you are applying to the DNO to undertake both the Contestable and Non-contestable elements of the connection work). The timescales for the DNO to provide a budget estimate are:

- 10 working days for connections of less than 1 MVA; and
- 20 working days for connections of 1 MVA or more.

Timelines for formal quotations are given in the information boxes on page 26.

Connection Charges—Other Elements

Payment of connection charges

Connection charges are paid either:

- in full at the time that the connection offer is accepted; or
- in staged or phased payments, as per a payment schedule.

Staged payments are typically used for generation projects which are greater than a certain size, e.g. in project value or duration.

The staged payments cover committed expenditure by the DNO.

If your connection does not proceed, it is possible that some of the connection charge will be refundable (if you have paid upfront and in full), depending on whether the DNO has performed the work. You should inform your DNO as soon as possible if you decide not to go ahead with your project.

Transmission Connection Charges

In some cases, Distributed Generation may have an effect on the transmission network. NGET may need to carry out studies to assess whether the impact of your project on the transmission network is significant. This is more likely if the project is larger, as explained below:

- **A small power station:** If the DNO “reasonably believes” the installation may have a significant impact on the transmission system, they may submit a request to NGET for a Statement of Works. Due to increasing levels of Distributed Generation, an increasing number of small power station projects are considered to have an impact on the transmission system and need to follow the Statement of Works process.
- **A medium power station exempt from holding a generation licence:** If there is to be no direct agreement with NGET, then the DNO will request NGET for a Statement of Works (see Section D. The

Connection Application: Generation Licensing for more on bilateral agreements).

- **A large power station, or medium power station with a generation licence:** You will need to enter into various agreements with NGET. You will need to notify NGET of your project and have discussions with them. This will include the need for studies and the possibility of reinforcement charges.

Statement of Works

The Statement of Works process indicates what, if any, work needs to be carried out on the transmission system as a result of initial assessments by NGET.

If a Statement of Works is requested by the DNO, NGET will undertake initial studies to assess the impact of your generation on the transmission system. If your project does not have a significant impact, the process is

Financial liabilities associated with Transmission Works

The DNO may be required to secure financial sums payable to NGET for transmission works that would not be required if your generation project does not proceed (“final sums liabilities”). The DNO would pass these liabilities on to you as the project developer. Under NGET’s new scheme for connecting generation, the Connect and Manage scheme, the way in which these liabilities are shared between network users changes slightly. You should discuss this issue with your DNO.

Transmission Connection Charges

complete. You will be required to pay the application fee for the request for Statement of Works. This fee depends on your geographical location, and can be found in [NGET's Statement of Use of System Charges](#).

If your project does have a significant impact, NGET may need to:

- Conduct works on the transmission system or on a grid supply point; and
- Set specific requirements at your connection site.

The Statement of Works process indicates whether there is a need to carry out additional reinforcement works on the transmission network as a result of the new Distributed Generation project. As a result of the Statement of Works, NGET may impose conditions on the DNO regarding the Distributed Generation connection. These conditions are captured in the Connection

Agreement between you and the DNO, and any bilateral agreement you may have with NGET.

Throughout this process, you will not have any direct contact with National Grid, and this process will be handled by your DNO. Timescales for this process are prescribed in the CUSC. These need careful consideration as they may impose timescale constraints on your project. You need to time the application to meet your project timelines. For more information, please refer to the [NGET website](#) and [Section 6.5 of the CUSC](#).

NGET gives more information about the Statement of Works process in the 'Small Embedded Generation' section of this web page:

www2.nationalgrid.com/UK/Services/Electricity-connections/New-connection/

Where to Find More Information

You can find out more information about your DNO's connection charges from their websites:

DNO	Link to Connection Charge Documents
Electricity North West	www.enwl.co.uk/our-services/use-of-system-charges/charging-methodology
Northern Powergrid	Yorkshire: www.northernpowergrid.com/asset/0/document/1553.pdf Northeast: www.northernpowergrid.com/asset/0/document/1554.pdf
SP Energy Networks	www.spenergynetworks.co.uk/pages/regulation_guidance_leaflets.asp www.spenergynetworks.co.uk/userfiles/file/SPEN_connection_methodology.pdf
SSE	www.ssepd.co.uk/Connections/UsefulDocuments/ www.ssepd.co.uk/Library/ChargingStatements/
UK Power Networks	http://www.ukpowernetworks.co.uk/internet/en/about-us/duos/
Western Power Distribution	www.westernpower.co.uk/Connections/Useful-Information/Connections-Charging-Statements.aspx

E: Cost and Charges- Ongoing Charges

In this section:

- An introduction to ongoing charges
- Generation Distribution Use of System charges—how they vary and what they cover
- Metering charges and the parties involved
- Top-up and stand-by charges
- Charges for using the National Grid Electricity Transmission (NGET) transmission system

Tip: Read the information boxes for definitions or explanations of terms that may be new or unfamiliar.

Introduction

There are two categories of charges made by the DNO:

- **Connection charge:** this is a one-off charge made by the DNO, which primarily covers the costs of work and equipment associated with connecting your generating project to the distribution network. This includes a portion of reinforcement costs.
- **Use of System charges:** these are ongoing charges, which primarily cover operation and maintenance costs and include an element to cover the costs of ongoing network development including general reinforcement.

This section discusses Use of System charges, as well as other ongoing charges that may apply to you. Ongoing charges are associated with some of the running costs of your generating equipment.

Depending on the nature of your project these can include:

- Generation Distribution Use of System (UoS) charges
- Metering charges
- Top-up and standby charges
- Charges for the use of the NGET transmission system

We will discuss these charges in more detail.

Use of System charges are levied by the DNO to the supplier, so as a generator you will not be charged these directly. However, this section is included for your information, as Use of System charges may appear as an item on your bill.

Generation Distribution Use of System Charges

Use of System (UoS) charges are ongoing charges, which primarily cover operation and maintenance costs and include an element to cover the costs of ongoing network development including general reinforcement.

All generators with equipment connected at LV and HV are subject to UoS charges under the Common Distribution Charging Methodology (CDCM). Generators with equipment connected at EHV are subject to UoS charges under the EHV Distribution Charging Methodology (EDCM).

These charges can be negative for generation (i.e. credits). Please see the table below for definitions of the terms LV, HV and EHV.

There are special arrangements in place for Generators whose equipment was connected at EHV before April 2005. Refer to Ofgem decision documents about exemptions for pre-2005 generators for more information.

DNOs are obliged to publish documents about their UoS charges. These cover their UoS charging methodology and a statement of what the charges are for both generation and demand customers. You can find these on DNOs' websites.

You can find out more about the CDCM and the EDCM from DNOs' websites, [Charging Arrangements](#) section on Ofgem website, and [Charging Methodology](#) section on the Energy Networks Association website.

The EDCM and CDCM charging methodology are governed by the DCUSA and are subject to open governance. The same governance and change processes as described in the Section Connection Charges—Other Elements apply (page 51).

Metering Requirements, Parties and Charges

Metering requirements

You may require separate meters for measuring your import and export. There are two categories of meter:

- Half Hourly (HH)
- Non-Half Hourly (NHH)

They are described in the information box on the next page. The type of meter will affect:

- the meter charges you pay; and
- what category of UoS charges apply.

Section L of the Balancing and Settlement Code (BSC) dictates the type of meter you will require. If you are classed as a 'Small Scale Third Party Generating Plant' (currently defined as less than 30kW capacity), you can choose to have a NHH meter. Otherwise, you have to have a HH meter, if metering export.

Definitions of LV, HV and EHV

Term	Voltage level
LV (Low Voltage)	In general: less than 1 kV . In practise, this means 400/230 V
HV (High Voltage)	In general: 1 kV—22 kV. In practice, this means 6.6, 11 or 20 kV.
EHV (Extra High Voltage)	In general this covers connection to the distribution network at or above 22 kV. In practice this means 33 or 66 kV, (or 132 kV in England and Wales only). Some DNOs may define this slightly differently. See the definition of EHV for your local DNO.

Metering Requirements, Parties and Charges

HH meters can provide metering data for each half hour period, and so can be useful for understanding your electricity import or export at different times of the day. However, they have significant costs associated with them.

Parties involved

NHH meters are the responsibility of the supplier. They will appoint the following Supplier Agents:

- Meter Operator: installs and maintains the meter
- Data Collector: retrieves the data recorded by the meter and calculates your actual or estimated volume of energy consumption
- Data Aggregator: sums up volumes of energy consumed for each supplier and sends the information to a central system for balancing and settlement

If you use HH metering, it is your responsibility to appoint a Meter Operator. You will have to enter into a Meter Operator contract with a meter supplier. The contracts normally last for five years, and the Meter Operator will:

- Install and maintain your meter; and

- Collect data from your meter via a communications link such as a telephone line

The provision of meters is open to competition. Details of Meter Operators and their contact details can be found on the Association of Meter Operators website: www.meteroperators.org.uk

There are Codes of Practice which detail technical requirements for Metering Systems. These can be found on [Elexon's website](#).

Charges

The cost of Meter Operator agreements and the costs associated with the communication to collect data from your meter can be in the order of several hundred pounds a year. You should consider obtaining quotations from a number of Meter Operators.

Note: in practice suppliers may pay the owner of some smaller Distributed Generation projects a fixed amount (e.g. £/year) instead of installing meters and making payments based on units exported. This is something you can discuss with your supplier.

Half Hourly (HH) meters and Non-Half Hourly (NHH) meters

Meters record the flow of electricity. There are two main categories of meters; Half Hourly (HH) and Non-Half Hourly (NHH). HH meters are for larger customers; if your generation peak power is greater than 30 kW you have to use a HH meter.

NHH meters record total energy passing through the meter, but do not record the times the energy is transferred. Typically the recorded data would be collected a few times a year, e.g. every quarter. In contrast, HH meters measure and record energy passing through the meter for each half hour period. The data they record is typically collected remotely every day, for example by a telephone line.

Data from meters is used to determine charges and rewards. For example, to calculate:

- Imbalance charges for balancing and settlement
- Distribution or Transmission UoS charges
- Renewables Obligations Certificate rewards

Top-up and Standby charges

You may require top-up and standby electricity supplies to supplement the output from your generating units:

- **Top-up supplies** cover any routine shortfall between the output of your generating units and the demand on your site, and are generally used frequently (electricity supply on a regular basis).
- **Standby supplies** cover your demand in exceptional circumstances, such as

generation outages (electricity supply on an intermittent basis). Even if you have no on-site demand or customers, standby supplies are usually required to cover the load associated with auxiliary equipment during start-up.

Top-up and standby supplies can be purchased from any electricity supplier, other Distributed Generation, or directly through market mechanisms such as the UK Power Exchange or the Balancing Mechanism.

Charges applied by NGET

Transmission Network Use of System charges

Similar to the UoS charges applied by DNOs to generators or demand customers who use their distribution system, NGET makes Transmission Network Use of System (TNUoS) charges. NGET publishes a Statement of the Use of System Charging Methodology on their website. According to this statement, you will be eligible for TNUoS charges if you are required to hold a generation license and you have a Bilateral Embedded Generator Agreement (BEGA). Please see Section D. The Connection Application: Generation Licensing for more information on agreements with NGET.

The TNUoS charges vary by geographic region. To see what the charges are in your area, refer to the Statement of Use of System Charges on the NGET website. Note that charges can be positive and negative, and that small generators connected at 132 kV in Scotland are eligible for a reduction in TNUoS charges.



Balancing Services Use of System charges

NGET is also allowed to make charges for balancing service activities; for the role they play in operating the transmission system and balancing the system in real-time. These charges are called Balancing Services Use of System (BSUoS) charges.

The Use of System Charging Methodology states that all CUSC parties are liable for BSUoS charges. Please refer to this document for more information.

F: Selling Electricity- Feed-in Tariffs (FITs)

In this section:

- An introduction to the Feed-in Tariff Incentive
- Eligibility and Accreditation
- Guidance on where to find more information

Tip: Read the information boxes for definitions or explanations of terms that may be new or unfamiliar.

Introduction

Feed-in Tariffs (FITs) are a financial incentive to support distributed and small-scale renewable energy generation, up to 5 MW.

FITs are available for the following generation technologies:

- Anaerobic digestion
- Hydro
- Solar PV
- Wind

A number of domestic Combined Heat and Power (CHP) units are also supported through FITs under a Micro CHP pilot scheme. The Micro CHP pilot will support up to 30,000 installations with an electrical capacity no greater than 2 kW.

This section will detail the structure of the tariffs and will explain how to get accredited with FITs.

Tariff Structure

There are three sources of financial benefit from a Generation project receiving FITs:

- **Generation tariff (FITs):** A fixed price for each unit of electricity generated.
- **Export tariff:** A guaranteed price for each unit of electricity exported to the grid.
- **Import reduction:** reducing your import from the grid by using your own electricity.

Tariffs are adjusted annually for inflation.

The generation tariffs are published by Ofgem, and you can access them on their webpage:

www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/tariff-tables

The tariff level that your generator will receive will be the most recent tariff level on the eligibility date of the installation. You will continue to receive this same tariff throughout the eligible lifetime of the project, which for most technologies is 20 years.

Tariff Structure

FITs for PV generation

The FITs for PV are structured in a slightly different way. They have an accelerated digression mechanism—PV generation tariffs will change every 3 months, subject to the rate of deployment.

The installations are also subject to the following criteria:

- Energy efficiency requirements—the building to which the solar PV is attached should achieve an Energy Performance Certificate (EPC) rating of level D or above for installations up to and including 250 kW; and
- Multi-installation tariffs—applies to any solar PV installation where the recipient of the FIT already receives FIT payments from 25 or more other PV installations.

The impact of these criteria on the tariff level received is summarised in Ofgem's tariff tables. Refer to the BEIS or Ofgem websites for the most up to date information.

Export Tariff

The export tariff is a guaranteed price for the export of your generated electricity, and is the

same for all installations which are eligible for FITs. At the time of writing, the export tariff is set at ~~4.85~~4.91p/kWh, but this is subject to regular reviews. Refer to the BEIS or Ofgem websites for the most up to date information.

Metering Requirements

You will need to measure three electrical flows to get the most out of the FIT scheme; import (this is your usual electricity meter), generation and export. For your generation financial stream, each of your generating units must be measured separately.

For your export payments, you may choose to measure your export to the grid via a meter (often called an export meter). However, the Government is allowing an interim measure of estimating export, subject to conditions. For example, the Energy Savings Trust website states that domestic FIT installations are likely to have an estimated export level of 50% of electricity generated.

Your electricity supplier is a good first port of call to discuss metering arrangements.

FIT Example

The **example** tariff levels are:

Import tariff: 10p/kWh,

Generation tariff: ~~21.65~~8.26p/kWh

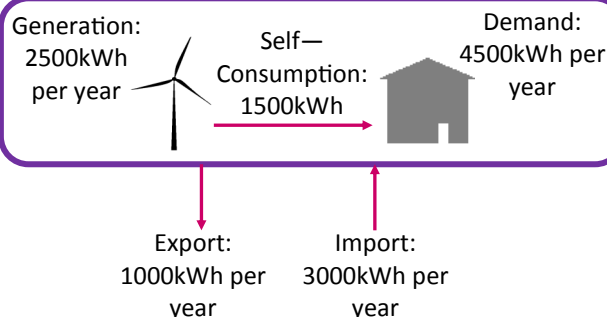
Before Installation



Import: 4500kWh per year

Cost of Import per year:
4500kWh x 10p/kWh = **£450**

After Installation of Distributed Generation



Income per year:
Generation: 2500kWh x ~~21.65~~8.26p/kWh = **£206.50**
Export: 1000kWh x ~~4.85~~4.91p/kWh = **£49.10**

Cost of Import per year:
3000kWh x 10p/kWh = £300
This is a **saving of £150** due to avoided import.

Total net benefit: £.589.75–255.60 + £150 = **£405.60 per year**

Eligibility and Accreditation

Renewable Energy generators under 5 MW are eligible for Feed-in Tariffs. Renewable Energy generators supplying off-grid or private networks are also covered by the FITs scheme. They receive generation tariffs and the benefit of avoiding the costs of generating electricity by other means e.g. Diesel.

Accreditation steps:

There are two routes to accreditation. For generation that is wind, solar PV, or Micro CHP the accreditation process is as follows (“MCS-FIT”):

1. Install your generating unit—**you must use a Microgeneration Certification Scheme (MCS) installer** (see below);
2. Your installer will register you on a central accreditation system;
3. You will receive a certificate confirming you are eligible for FITs;
4. Register for a FIT with your supplier, and provide them with your FIT compliance certificate so that they can verify your eligibility;
5. Indicate to your supplier if you are opting for the guaranteed export tariff or if you prefer to sell your electricity using a Power Purchase Agreement (a legal contract between you and your electricity supplier);
6. Your supplier will then be responsible

for the level of payment you will receive for the electricity generated and exported, for which you may be required to provide meter readings.

See Ofgem’s website on MCS-FIT accreditation:

www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/applying-feed-tariff/mcs-fit

For anaerobic digestion and hydro generators, the following “ROO-FIT” process applies (see information box on next page):

1. Install your generating unit;
2. Apply for accreditation through Ofgem’s Renewable and CHP register (see Section F. Selling Electricity—Renewables Obligation Certificates—Accreditation);
3. Successful applicants will be awarded an accreditation number;
4. Register for a FIT with your supplier, and provide them with your accreditation number so that they can verify your eligibility.

Steps 5 and 6 are as above.

While Ofgem is responsible for establishing and maintaining the central FITs register, suppliers manage the registration process—they will be your point of contact.

Microgeneration Certification Scheme (MCS)

The MCS is currently the only formalised industry standard in the UK based on European and international standards for microgeneration projects. MCS is a **BS EN ISO/IEC 17065:2012** Certification scheme covering Renewable Energy products (wind and PV up to 50 kW (electrical), solar thermal, biomass and heat pumps up to 45 kW (thermal), Micro CHP and hydropower) and Renewable Energy installation companies.

MCS checks for the products’ performance and quality and for the installation methods and quality. MCS will increase your confidence in the Renewable Energy technology you are buying and in the company installing it. The MCS is linked with FITs accreditation for Renewable Energy generation < 50 kW electrical capacity.

For more information please refer to the MCS website: www.microgenerationcertification.org

Deployment Caps

Deployment caps were introduced to the FIT scheme in February 2016. A deployment cap is defined as a limit on the capacity that can receive a particular FIT tariff, in a particular tariff period. All applications submitted on or after 15 January 2016, and all applications for preliminary accreditation submitted on or after 8 February 2016, are subject to deployment caps.

Once a deployment cap has been reached, no further installations are eligible to receive the tariff rate applicable for that band, in that tariff period. All the remaining tariff periods will depress by a further 10% (in addition to the default depression). Ofgem will publish a report once the deployment cap has been reached. Indicative queues for each ROO-FIT and Standalone deployment cap can be found on the [Ofgem website](#).

The deployment caps queue is based on the date and time you submit your FIT application to Ofgem. A place in the queue does not guarantee eligibility for a particular tariff or eligibility for support under FITs, as it will depend on the volume of applications ahead of you.

Two examples are given below:

1. A tariff period opens on 1 April 2016 at 00:00:00 and closes on 30 June 2016 at 23:59:59. A standalone PV installation submits an application to Ofgem on 1 June 2016 at 12:20:35. The deployment cap for this technology and tariff band has not been reached and there is sufficient capacity available to accommodate this installation. The tariff rate for this installation is the tariff rate that applies to the tariff period that the application was submitted in.
2. A tariff period opens on 1 April 2016 at 00:00:00 and closes on 30 June 2016 at 23:59:59. A standalone PV installation applies and exceeds the relevant cap for that tariff period on 1 June 2016 at 12:20:35. The tariff rate for that tariff period is applicable to installations with an application date and time from 1 April 2016 at 00:00:00 to 1 June 2016 at 12:20:34. Applications received on or after 1 June at 12:20:35 are queued for entry into the next available tariff period. The tariff rate applicable for applications submitted after the cap is exceeded will be the tariff rate associated with the next tariff period, with capacity available to accommodate the capacity of the installation. The next tariff period opens on 1 July 2016 at 00:00:00 and there is sufficient capacity to accommodate the capacity of the installation. The installation receives the tariff rate available in that tariff period.

Eligibility and Accreditation

ROO-FIT accreditation arrangements:

Anaerobic Digestion and hydro installations of any size are accredited by the Renewables Obligation (RO) Order Feed-in Tariff (“ROO-FIT”) process, rather than the MCS accreditation process (“MCS-FIT”). Wind and solar installations greater than 50 kW are also accredited in this way. The ROO-FIT accreditation process is run by Ofgem (rather than the generation installer / supplier), via Ofgem’s Renewable and CHP register. There is more information about it on Ofgem’s website:

www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/applying-feed-tariff/roo-fit

Preliminary accreditation has been introduced for installations registering under the ROO-FIT process. This allows the tariff level to be fixed for a period of time, from the time of your preliminary accreditation application. For more information on the ROO-FIT process, refer to the Ofgem website (link above).

Micro CHP Pilot: The Micro CHP pilot will support up to 30,000 installations with a review to start when the 12,000th installation has occurred. To qualify the CHP unit must have an electrical capacity no greater than 2 kW.

Community Energy Schemes: The Feed-in Tariffs (Amendment) Order 2015 has introduced an exemption to the definition of the term “site” in the FIT legislation, which is effective from April 2015. The amendment allows two projects to share one grid connection and receive separate tariffs based on their individual generating capacity, provided that at least one project is owned by a community organisation. Both parties sharing the grid connection will be required to seek support under the FITs scheme. In order to enable Ofgem to treat the individually owned sections as separate eligible installations each will be required to register as separate FIT generators and to meter their generation separately.

Where to Find More Information

For more guidance and the most up-to-date information on Feed-in Tariffs, please see the following organisations’ websites:

- Energy Saving Trust — Initial port of call for information
www.energysavingtrust.org.uk/Generate-your-own-energy/Financial-incentives/Feed-In-Tariffs-scheme-FITs
- Carbon Trust — Initial port of call for information for businesses:
www.carbontrust.com
- Department for Business, Energy and Industrial Strategy (BEIS) — Policy setting
<https://www.gov.uk/feed-in-tariffs>
- Ofgem—FIT administrator
www.ofgem.gov.uk/Sustainability/Environment/fits/Pages/fits.aspx

Note that your electricity supplier is your point of contact for the FIT scheme.

F: Selling Electricity- Contracts For Difference

In this section:

- An introduction to renewable electricity incentives
- Contracts for Difference
- The Renewables Obligation closure
- Guidance on where to find more information

Tip: Read the information boxes for definitions or explanations of terms that may be new or unfamiliar.

Introduction

This section of the Guide focuses on Feed in Tariffs with Contracts For Difference (CFD). This is the main financial incentive mechanism for larger schemes of low carbon generation. It has recently replaced the Renewables Obligation (RO), which closed to new applications in March 2017. The RO closure does not affect generation that was already accredited before the relevant closure date.

This section introduces the CFD mechanism, and explains how you, as a generator, can benefit. Key elements of the CFD scheme are introduced. The application process for a CFD is much more complex than for the FIT scheme. You are referred to relevant websites and documents for more information.

There are various other power trading options for Distributed Generation, including:

- Selling your electricity on the wholesale market or to an electricity supplier
- Levy Exemption Certificates (LECs)
- Embedded benefits
- Ancillary services
- EU Emissions Trading System (ETS)

These have been discussed briefly in Section B. The Role of Distributed Generation: Benefits of Distributed Generation, which also points to further reading on these topics. Beyond that, they are outside of the scope of this Guide.

Contracts for Difference (CFD)

Introduction

A Contract for Difference is a bilateral contract between a generator and the Low Carbon Contracts Company (LCCC, the CFD counterparty), which is government owned. A generator with a CFD is paid the difference between the “strike price” and the “reference price”. The strike price is an agreed price for electricity reflecting the cost of investing in low carbon generation. The reference price is a measure of the GB market price for electricity.

CFDs require generators to sell electricity into the market as usual. But to reduce their exposure to market prices, the CFD provides a variable “top up” payment. When the strike price is higher than the reference (market) price, the generator receives a payment. At times when the market price exceeds the strike price, the generator is required to pay back the difference, thus protecting consumers from over-payment.

Parties involved

A number of parties are involved in the CFD mechanism. They include, with examples of their roles:

- Government: writes the policy, specifies the eligibility criteria and sets the budgets and rounds.
- Low Carbon Contracts Company (LCCC): signs the CFD and forecasts CFD payments.
- National Grid (Electricity Market Reform (EMR) Delivery Body): runs the system for users to register, submit and manage applications; assesses the eligibility of applicants; and runs the CFD allocation process.
- EMR Settlement Ltd (Settlement Services Provider): collects metering data, calculates payments and manages the

settlement of payments between generators and suppliers.

- Ofgem: regulates National Grid as the EMR Delivery Body and determines disputes.

Eligibility

There are a number of eligibility criteria for the CFD, including:

- Meet qualification requirements, e.g. evidence of planning permission, counter signed connection offers, generation type;
- Not considered an excluded applicant. e.g. in receipt of another subsidy; and
- Provision of other information / data, e.g. incorporation information (details of different parties involved).

CFD Allocation

CFDs are awarded in rounds. During a round, if the specified budget for CFDs is not exceeded, all qualifying applicants will be awarded CFDs. If the budget is exceeded, the Delivery Body will run an auction to allocate CFDs.

Round 1 has already taken place, and CFDs have been allocated. There were 27 successful applicants, with project installed capacities ranging from 6 to 714 MW, and strike prices ranging from £50 to £119.89 (in 2012 prices).

Round 2 is due to take place in -April 2017.

A [Contracts for Difference Interactive Guidance document](#) is available. This provides details on the CFD process. Also see BEIS and the [EMR Delivery Body](#) websites for the latest information.

Renewables Obligation

The Renewables Obligation (RO) closed to all new generating capacity on 31 March 2017. This was previously the main incentive mechanism for larger renewable generation. The closure does not affect capacity accredited before the relevant closure date, which will continue to receive full 20 year support until the end of the scheme in 2037.

There are a number of grace periods, which allow generators to gain accreditation under the RO in certain circumstances after 31 March 2017. The availability of grace periods differs across England and Wales, Scotland and Northern Ireland .



The grace periods are available on Ofgem's website:

<https://www.ofgem.gov.uk/publications-and-updates/renewables-obligation-solar-pv-and-wind-grace-periods-summary>

Operators that are successful in their grace period application will have the opportunity to apply for accreditation under the RO after the 31 March 2017.

For more information on the closure of the RO, refer to [Ofgem's website](#).

Where to Find More Information

For Contracts for Difference (CFD) refer to the BEIS website:

<https://www.gov.uk/government/collections/electricity-market-reform-contracts-for-difference>

National Grid as the Delivery Body for CFDs has a website:

<https://www.emrdeliverybody.com/cfd/home.aspx>

The Ofgem website has details on the Renewables Obligation closure:

<https://www.ofgem.gov.uk/environmental-programmes/ro/about-ro/ro-closure>

G: Technical and Commercial Interfaces- Competition in Connections

In this section:

- An introduction to competition in connections
- Contestable and Non-contestable work
- The National Electricity Registration Scheme (NERS)

Introduction

In getting a connection, you have two options:

1. **DNO Connection:** the DNO undertakes all the work necessary to provide the connection. Sometimes called a “statutory” or Section 16 connection.
2. **ICP Connection:** an Independent Connections Provider (ICP) provides the ‘contestable work’, and the DNO completes only the ‘non-contestable’ work (see next page for more information).

DNO connections

You will be charged the cost of the connection works as discussed in Costs and Charges: Connection charges. In practice, the DNO will undertake the design of the connection infrastructure, but the installation work will often be undertaken by another organisation under contract to the DNO.

ICP connections

This option to contract with third parties to do connection work is known as “Competition in Connections”. A choice of connections providers may bring about some advantages:

- Prices are competitive
- Timescales are within your own influence

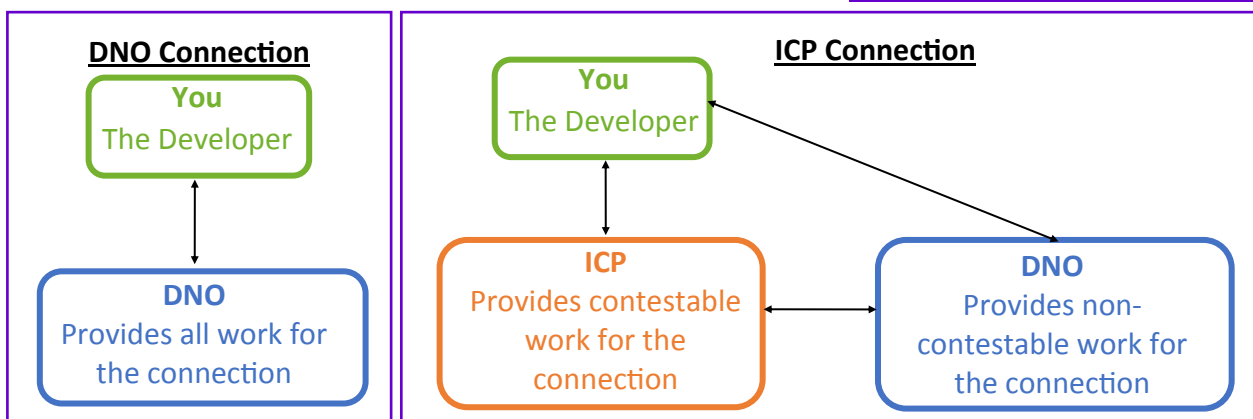
You should take note of the following in deciding to have an ICP connection:

- Connection work constructed by ICPs is subject to inspection and approval by the DNO. You will be charged for ICP design approval by the DNO.
- There is an relationship between the ICP and DNO (see the diagram below), which needs to be managed. This may take time and effort.

See page 20 for information on the Competition in Connections Code of Practice.

Contractual relationships in the connection process

↔ Contractual relationship



Contestable and Non-contestable Work

Contestable work and Non-contestable work

There are certain tasks that DNOs do themselves, so that they can maintain co-ordination and control of their network. This part of the connection work is called Non-contestable work as it is not open to competition. Conversely, the part of the work that is open to competition is referred to as Contestable work.

Each DNO provides its own definition of Contestable and Non-contestable work in their Connection Charging Methodology, available on their website. Although the definitions may vary, they are broadly similar. The table below shows which activities are

typically Non-contestable and which are Contestable. Note that activities to do with the existing network are Non-contestable.

In addition to paying the ICP for carrying out the Contestable work, you will be charged for:

- the costs incurred by the DNO in carrying out the Non-contestable work; and
- the inspection and approval by the DNO of the work carried out by the ICP.

These charges are discussed in Costs and Charges: Connection costs.

For the latest version of the Competition in Connections Code of Practice click [here](#).

	Typical Non-contestable activities	Typical Contestable activities
Activities to do with the existing network	<ul style="list-style-type: none"> • Deciding on the point of connection to the existing network • Live electrical work to connect the new extension to the existing network • Design and construction of reinforcement upstream of point of connection 	
Activities to do with new assets	<ul style="list-style-type: none"> • Obtaining any necessary consents and wayleaves involving exercising statutory powers • Design approval • Inspection, monitoring and testing of Contestable work. 	<ul style="list-style-type: none"> • Obtaining wayleaves that do not require the DNO to exercise its statutory powers • Detailed design for on-site works downstream of the point of connection to the existing network • Project managing the connection • Providing materials to DNOs' specification • Cable trenching, installing ducts and other preparation of the site • Carrying out substation building and civil work on-site • Constructing the extension • Recording of work, cable routes and equipment on site and the provision of this information to the DNO • Installing metering and making internal wiring live (this is undertaken by your supplier rather than an ICP)

National Electricity Registration Scheme

Lloyds register operates the National Electricity Registration Scheme (NERS) on behalf of DNOs. Under NERS, ICPs are assessed and accredited for various items of Contestable work. For example, they may only be accredited for work up to a certain voltage level.

DNOs stipulate that all or most items of Contestable work need to be carried out by accredited ICPs. A list of accredited ICPs can

be found on the Lloyds register website:

www.lr.org/sectors/utilities/schemes/ners.aspx

Some items of Contestable work may not have to be carried out by an accredited ICP, for example cable trenching work on site.

Consult your DNO's Connection Charging Methodology for details on which parties can undertake items of work.

Practicalities of ICP Connections

If you want to get ICP quotations for connection work, you first need to establish:

- the scope of the work that is Contestable;
- the relevant standards for the specification of work, materials and equipment; and
- details of approved contractors.

The DNO defines the scope of Contestable work, although they may be open to negotiation on some points. This is normally provided in the connection quotation, if you have requested this information at the application stage.

The DNO will have preferred design standards and preferred specifications for materials and equipment. However, you should be aware that statutory requirements based on national and international standards for connection works are set out in the Distribution Code. DNOs are entitled to seek clear confirmation and proof that these standards are met. They may charge for additional operating costs imposed by equipment that is otherwise unique on their systems.

On making a request for a connection quotation, you should indicate to your DNO if you're interested in obtaining ICP bids for Contestable work, and ask for the quotation to show charges for Contestable work and Non-contestable work separately. You could also ask the DNO for details of approved contractors and for their preferred design standards and equipment specifications.

If you decide to contract with an ICP it is your responsibility to ensure that the ICP's work is acceptable to the DNO under the terms of the Adoption Agreement (discussed in Section G. Technical and Commercial Interfaces: Contracts with the DNO). So before contracting with an ICP, you should ensure that their bid:

- covers all the necessary items of work;
- provides materials and equipment which comply with the requirements of the Adoption Agreement.

You should keep the DNO fully informed of the source and specification of equipment to be procured or installed. It may be prudent to set up a design review to enable the DNO to formally review and approve the contractor's proposed scope of supply.

G: Technical and Commercial Interfaces- Contracts and Agreements

In this section:

- An introduction to contracts required with the DNO
- Information on Connection Agreements and Adoption Agreements
- Agreements with other parties

Tip: Read the information boxes for definitions or explanations of terms that may be new or unfamiliar.

Introduction

Before you can start operating your generating units, you will need to enter into a number of agreements with the DNO, which may include:

- A **Connection Agreement**
- An **Adoption Agreement**, where you have contracted an ICP

These contractual relationships will be discussed in this section, and the terms are defined briefly in the information box on the next page.

Connection Agreements

You will be required to enter into a Connection Agreement with your DNO. The Connection Agreement covers the conditions under which your equipment is entitled to be:

- Physically connected to the DNO's network; and
- Remain connected and energised during normal operation of the network.

Examples of some of the areas covered in the Connection Agreement include:

- identifying who is responsible for equipment maintenance and recording failures;
- key technical data such as import and export capacities;

- arrangements for communication links between you and the DNO;
- Obligations on the DNO regarding the connection, and obligations on you such as paying the connection charge and complying with the Distribution Code.

The Connection Agreement is likely to take the form of a standard document with project specific annexes. A first draft will probably be prepared by the DNO for discussion, agreement and signature.

DNOs discuss the Connection Agreement in their Connection Charging Methodology, available on their website. There is also more about the Connection Agreement in EREC G59.

Adoption Agreements

If you use an ICP to construct the Contestable work for your connection, you will have to enter into an Adoption Agreement. This covers the arrangements for the DNO to take over responsibility for the infrastructure installed by the ICP. It also includes arrangements to ensure that the work meets the DNOs' requirements.

Adoption Agreements take one of several forms:

- a tripartite agreement between you, the DNO and the ICP;
- a bipartite agreement between you and the DNO;
- a bipartite agreement between the DNO and the ICP; and
- a multipartite agreement between you, the DNO, the ICP and any relevant third party land owners.

DNOs discuss the Adoption Agreement in their Connection Charging Methodology, which are available on their websites. You should consult this document to find out which form of agreement your DNO specifies.

Agreements with Other Parties

You may also need to enter into agreements with other parties including:

- Terms for 'Use of System' are either covered by
 - i. the agreement you will have with your supplier, who is a party to the DCUSA. This is the most likely option.
 - ii. entering into a 'Distribution Connection and Use of System Agreement' (DCUSA). See the DCUSA website: www.dcusa.co.uk
- Agreements with NGET, which will be either a 'Bilateral Embedded Generation Agreement' (BEGA) or a 'Bilateral Embedded Licence Exemptable Large Power Station Agreement' (BELLA) (see Section D. The Connection Application: Generation Licensing)
- An agreement for electricity supply with a supplier
- A Power Purchase Agreement or an agreement with your supplier for selling your exported electricity
- Metering Agreements (see Section E. Costs and Charges: Ongoing charges)

Agreements at a glance

Connection offer: A formal offer from the DNO containing terms, conditions and charges for the DNO to make the connection. Issued either to you or the ICP where applicable.

Connection Agreement: An agreement between you and the DNO detailing terms and conditions for connecting to and remaining connected to the DNO's network.

Adoption Agreement: An agreement which sets out the terms and conditions for the DNO to adopt assets which have been constructed by an ICP.

G: Technical and Commercial Interfaces- Operational Issues

In this section:

- An introduction to some operational issues
- Distribution Operating Code requirements
- DNO control schemes

Introduction

Once your generating units have been connected, you still have some ongoing responsibilities around running your generating equipment. For example, you may need to provide the DNO with forecasts of your generation, or exchange information with them if an unusual event occurs.

Although the focus of this Guide is on the connection process for Distributed Generation, this section will also touch on some operational issues.

There are different requirements for different

categories of Distributed Generation. These are outlined in a section of the Distribution Code, which is discussed in more detail in this section.

The day-to-day running of your generating equipment may also be impacted by control schemes which your DNO may apply. If your DNO does apply an operational control scheme this will be detailed in your Connection Agreement, so that is the first place you should look. These schemes are discussed briefly, and we will point you in the direction of sources for more information.

Distribution Operating Code

The Distribution Operation Code (DOC) is a section of the Distribution Code. The requirements of the DOC are set out on the next page, and include:

- operating procedures at the interface between the DNO and users of the distribution network; and
- requirements for certain users of the distribution network to provide data to the DNO on load forecasts and/or generation output.

The DOC covers ten different aspects of information exchange or procedures. Some will apply to all Distributed Generation, others only to generators of a certain size. For full information on the DOC, please refer to the Distribution Code, which is available free of charge on the Distribution Code website:

www.dcode.org.uk/

The areas covered are summarised in the following table, as well as who they apply to.

Distribution Operating Code

DOC Section	Applies to:	Brief Overview
DOC1	All Distributed Generation over 5MW, and over 1 MW where the DNO considers it appropriate	Demand forecasting: the generator has to provide generation output forecasts to the DNO.
DOC2	Distributed Generation with output greater than 1 MW	Operational planning: Distributed Generation has to provide their outage programme to the DNO, and the DNO provides Distributed Generation with information on possible constraints on their system.
DOC5	All Distributed Generation Medium power stations that don't have an embedded generation agreement	Testing and monitoring: the DNO may need to test the quality of supply or the active / reactive power transfer at your point of connection. If they need to do this they will advise you about it, and you will be able to witness the tests and/or know the results. Up to twice a year, National Grid Electricity Transmission (NGET) may ask the DNO to ask Distributed Generation for a statement of compliance with the relevant Grid Code conditions.
DOC6	Not applicable to Distributed Generation	Demand control
DOC7	Distributed Generation connected at HV	Operational Liaison: the DNO and generator may need to exchange operational information or information about events. In order to do this, an effective means of communication needs to be established. The DNO needs to be regularly updated with your contact information.
DOC8	All Distributed Generation (excluding offshore)	Safety co-ordination: requirements to ensure the safety of people who may be working on the boundary between the DNO and Distributed Generation.
DOC9	All Distributed Generation (excluding offshore)	Contingency planning: sets out the co-ordination that is needed between all users under abnormal conditions.
DOC10	Distributed Generation connected at HV	Operational event reporting and information supply: generators have to report significant events, and where necessary conduct joint investigations with the DNO.
DOC11	All Distributed Generation (excluding offshore)	Numbering and nomenclature of electrical apparatus at ownership boundaries: if the DNO or Distributed Generation installs or changes apparatus at an ownership boundary the owner of the apparatus must be notified about the numbering and nomenclature.
DOC12	Distributed Generation connected at HV	System tests: if anyone intends to undertake system tests which will effect other users, they need to follow this procedure.

Note: There is no DOC 3 or 4.

The Distribution Code refers to Distributed Generation as Embedded Generation

DNO Control Schemes

When distribution networks were built, they were not designed to connect lots of Distributed Generation. Instead, the power system was designed to transmit bulk power from a number of large power stations to the distribution network, and then in turn distribute power from bulk supply points to demand customers.

There has also been significant growth in electricity customers, both demand and generation. Some distribution networks in densely populated areas are reaching the limits of their thermal and fault level capacity to accommodate more generation.

So there are several reasons why reinforcements may be required to connect Distributed Generation, including:

- Increased power flows "up" the network means that parts of the network are approaching their thermal limits.
- Changing power flows "up" and "down" the network means that the equipment installed to control network voltage might not work effectively.
- The currents that would flow in the event of a fault on the network would exceed the capability of the equipment, including protection equipment.

Reinforcement has associated costs, as discussed in Section E. Costs and Charges: Connection charges and Costs and Charges: Ongoing charges.

Depending on the particular issue, a possible alternative to reinforcement could be a DNO control scheme for Distributed Generation. For example, Distributed Generation can remain connected under normal operating conditions but under certain operating conditions their output may be constrained. It should also be noted that constraining the output from the generating units can affect the economics of a project. There is more information on this in earlier sections of this Guide (Active Network Management on page 14 and Flexible Connection Options on page 41).

For more on this topic, you may wish to refer to the following reports:

- DTI (Department for Trade and Industry, now BERR) "[Solutions for the Connection and Operation of Distributed Generation](#)" by the Distributed Generation Co-ordination Group.
- Engineering Report (ERep) 124: [Guidelines For Actively Managing Power Flows Associated With The Connection Of A Single Distributed Generation Plant](#)
- Engineering Report (ERep) 126: [Guidelines for actively managing voltage levels associated with the connection of a single distributed generation plant](#)

Note: EReps 124 and 126 are available to buy on the Energy Networks Association website.

Glossary of Terms

Adoption Agreement: An agreement between a developer of Distributed Generation and a Distribution Network Operator (DNO) and / or an Independent Connections Provider (ICP) concerning the transfer into DNO ownership of infrastructure supplied and installed by an Independent Connections Provider (ICP).

Aggregators: An organisation which specialise in co-ordinating demand and generation (including storage) to provide demand response and other market services. The network operators buy demand response and other grid balancing services from aggregators.

Ancillary Services: Services such as the provision of reactive power support and black start capability by a Generator to NGET as part of an Ancillary Services Agreement with NGET.

Apparent Power: The apparent power (measured in Volt-Amps or VA) at any point on the network is the product of the voltage and current at that point. The apparent power is made up of two components, the real power and the reactive power.

Auxiliary equipment: Any apparatus not directly a part of the boiler equipment or Generating Unit, but required for the boiler equipment or Generating Unit's functional operation.

Balancing and Settlement Code (BSC): The Code which determines the rules governing the Balancing Mechanism and settlement process for electricity trading in Great Britain. A BSC Panel has been charged with overseeing the management, modification and implementation of the BSC rules, as specified in Section B of the BSC. The Balancing and Settlement Code Company (ELEXON) supports the BSC Panel.

Balancing Mechanism: The National Electricity Transmission System Operator (NETSO) has a licence obligation to manage the Transmission System and, and needs to have an arrangement in place for the scenario where more energy is generated than consumed, or vice versa. Unchecked, this would result in system frequency falling or rising to an unacceptable degree. The balancing mechanism provides a means by which NETSO can buy or sell additional energy close to real-time to maintain energy balance, and also to deal with other operational constraints of the Transmission System.

Capacity: See Registered Capacity.

Capacity Market: A market that aims to ensure security of electricity supply by providing a payment for reliable sources of capacity.

Connection Agreement: An agreement setting covering the conditions under which your generating equipment is allowed to be physically connected to the DNO network and remain connected and energised while the network is operating normally.

Contestable: That part of the connection works which is open to competition.

Contracts for Difference (CFD): A bilateral contract between a generator and the Low Carbon Contracts Company (LCCC, the CFD counterparty).


Climate Change Levy (CCL): Part of a range of taxation measures designed to help the UK meet its legally binding commitment to reduce greenhouse gas emissions. This levy / tax is chargeable on the industrial and commercial supply of taxable commodities for lighting, heating and power by consumers in the following sectors of business: industry, commerce, agriculture, public administration and other services.


Connection and Use of System Code (CUSC): Contractual framework for connection to and use of the National Electricity Transmission System.

Glossary of Terms

Declared Net Capacity (DNC): Unless the energy source for your generating unit is wind, solar, wave or tidal, then the declared net capacity is equal to the maximum power available for export on a continuous basis minus any power imported by the station from the network to run its own site. For wind, solar, wave and tidal, the declared net capacity is this value multiplied by a constant as follows: wind, 0.43; solar, 0.17; wave or tidal, 0.33.

Distribution Code: The code required to be prepared by a DNO pursuant to condition 21 (Distribution Code) of a Distribution Licence and approved by the Authority (The Gas and Electricity Markets Authority - Ofgem) as revised from time to time with the approval of, or by the direction of, the Authority.

 **Distributed Generation (DG):** A generating unit which is connected to a distribution network rather than to the transmission system. Distributed Generation is generally smaller than generating units connected to the transmission system as the maximum operating voltage of distribution networks is 132 kV in England and Wales and 33 kV in Scotland.

 **Distribution Network (System):** The distribution system is the network that comprises the equipment between the transmission system and the customer's service switch. In England and Wales the distribution systems are the lines with a voltage less than or equal to 132 kV. In Scotland the distribution network is composed of lines less than 132 kV.

Distribution Network Operator (DNO): A holder of a Distribution Licence, the DNO owns, operates and maintains a Distribution network and is responsible for confirming requirements for the connection of Distributed Generation to that network.


Embedded Generation: Another term used for Distributed Generation. See above.

Embedded Benefits: If a generating unit is considered to be 'embedded' in the distribution network, it will be viewed as reducing the demand for power from the transmission system and the resulting losses. Suppliers can see their charges for use of the distribution system reduced as a result. Generators can, in some instances, negotiate to be paid a percentage of this benefit.

Energy Service Company (ESCO): A Government paper defines ESCOs as "a company that provides a customer with energy solutions" rather than simply being an electricity or gas supplier.

EU Emissions Trading System (ETS): Formerly referred to as the EU Emissions Trading Scheme, the EU Emissions Trading System (EU ETS) is one of the key policies introduced by the European Union to help meet its greenhouse gas emissions reduction target. It is a Europe-wide cap and trade scheme that started in 2005. The EU ETS covers electricity generation and the main energy-intensive industries.

Exemption Order (Generation License): Certain generating units that are not obliged to hold a generation licence under the terms of Statutory Instrument 2001 No. 3270, The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001.

 **Extra High Voltage (EHV):** This term is not defined in the Distribution Code, which only defines High Voltage (HV) and Low Voltage (LV). In general EHV refers to a voltage above 22kV. In practice this means 33 or 66kV, or 132 kV (England and Wales only). Refer to your DNO's definition.

Extension: It is sometimes necessary to extend the DNO's distribution network in order to provide a connection for a new user (demand or generation customer).

Glossary of Terms

Fault Level: Prospective current that would flow into a short circuit at a stated point in the system.

Generation Licence: A licence granted or to be granted under section 6(1)(a) of the Act - Statutory Instrument 2008 No. 2376. This licence is obtained from Ofgem.

Generating Unit: Any apparatus which produces electricity. Is a synonym of a generation set as defined in the Distribution Code.

Generator: A person who generates electricity under licence or exemption under the Electricity Act 1989.

Grid Code: The code which the GB System Operator (NGET) is required to prepare under its Transmission Licence and have approved by the Authority (Ofgem) as from time to time revised with the approval of, or by the direction of, the Authority.

Grid Supply Point (GSP): Any point at which electricity is delivered from the National Electricity Transmission System to the DNO's Distribution system.

Harmonics: A component of a periodic wave with a frequency that is a multiple of the frequency of the original wave.

High Voltage (HV): A voltage exceeding 1000 V AC or 1500 V DC between conductors, or 600 V AC or 900 V DC between conductors and earth. In general DNOs consider that HV are voltages in the range of 1 kV to 22 kV.

Independent Connections Provider (ICP): Companies that have been thoroughly assessed and granted the necessary accreditation to provide new connections in competition with the DNOs.

Independent Distribution Network Operator (IDNO): A holder of a distribution licence, an IDNO designs, builds, owns and operates a distribution network, which is an extension to existing DNO network. They typically build network for new developments such as business parks, retail and residential areas and leisure facilities.

Interface Protection: The electrical protection required to ensure that the generation is disconnected for any event that could impair the integrity or degrade the safety of the Distribution Network.

Large Power Station: A power station which is connected to a system in:

- NGET's Transmission Area with a Registered Capacity of 100 MW or more;
- SP Transmission Limited's Transmission Area with a Registered Capacity of 30MW or more; or
- Scottish Hydro-Electric Transmission Limited's Transmission Area with a Registered Capacity of 10MW or more.

Levy Exemption Certificates (LECs): These exemptions favour energy efficient technologies or sustainable power units; good quality Combined Heat and Power (CHP) and renewable electricity could be granted, under certain conditions, Levy Exemption Certificates (LECs) for each kWh of electricity generated and the LECs could be used to obtain Climate Change Levy (CCL) Exemption, and therefore avoid paying the CCL tax applied on energy supplied to industrial and business users. Directly related to the Climate Change Levy (CCL) as some supplies are excluded or exempt from the levy while others have a reduced or half-rate.

Glossary of Terms

Low Voltage (LV): A voltage normally exceeding 50 V AC between conductors and earth or 120 V DC between conductors but not exceeding 1000 V AC or 1500 V DC between conductors or 600 V AC or 900 V DC between conductors and earth.



Medium Power Station: A power station with a registered capacity of 50 MW or more but less than 100 MW in England and Wales (by definition, there are no medium power stations in Scotland).

National Electricity Transmission System Operator (NETSO): Operates the electricity transmission system in England, Wales and Scotland (see System Operator).

National Grid Electricity Transmission (NGET): Owns the electricity transmission network in England and Wales, and operates the transmission system in England, Wales and Scotland (takes the role of the NETSO). NGET is a member of the National Grid group of companies.

Ofgem: The Office of Gas and Electricity Markets.

Point of Connection: The point at which the network Extension is to be connected to the Distribution System.

Point of Supply: The point at which the Distribution Network is to be connected into the customer site.

Protection Settings: The provisions for detecting abnormal conditions in a System and initiating fault clearance or actuating signals or indications.

Reactive Power: Reactive power (measured in Volt-Ampere reactive, or VAR) is a component of apparent power (see apparent power definition above).

Real Power: Real power (measured in Watts, or W) is a component of apparent power (see apparent power definition above). It is likely that real power is the electrical power you are more familiar with. It is the useful power that we import into our houses to run our electrical goods.

Registered Capacity: The normal full load capacity of a generation set as declared by the generator less the MW consumed when producing the same. For a customer with own generation this will relate to the level of output they expect to export to the DNO's Distribution System.

Registered Data: Data referred to in the schedules to the Distribution Data Registration Code.

Reinforcement: Reinforcement work is usually required to increase the electrical capacity of those parts of the network which are affected by the introduction of new generation or demand. Other work might include upgrading the switchgear at a substation some distance from the proposed generation project, due to the increase in fault level caused by the connection of generating equipment.

Renewable Obligation Certificates (ROCs): A green certificate issued to an accredited generator for eligible renewable energy generated within the UK and supplied to customers within the UK by a licensed electricity supplier. ROCs are issued for each MWh of eligible renewable output generated, the amount of ROCs received depend on the technology of the generating station.

Retail Price Index (RPI): General purpose measure of inflation used in the UK.

Reverse Power Flows: Power flows in the opposite direction to those associated with the consumption of electricity by users.

Site Responsibility Schedule: Also called a **Joint Operational Agreement**. A schedule defining the ownership, operation and maintenance responsibility of equipment and Apparatus at the Point of Supply of the DNO.

Glossary of Terms

Small Power Station: A power station, typically connected to a distribution system, which is connected to a system in:

- NGET's Transmission Area with a Registered Capacity of less than 50MW;
- SP Transmission Limited's Transmission Area with a Registered Capacity of less than 30MW;
- Scottish Hydro-Electric Transmission Limited's Transmission Area with a Registered Capacity of less than 10 MW.

Small Scale Embedded Generation (SSEG): A Generating Unit together with any associated interface equipment, if required (e.g. Inverter(s)) that can be used independently, rated up to and including 16A per phase, single or multi-phase 230/400V AC and designed to operate in parallel with a public low voltage Distribution System.

Supplier (Electricity Supplier): Electricity suppliers purchase electricity (on the market or in contracts) and sell electricity to customers (commercial, industrial and domestic).

Transmission Network (System): A system of electricity lines and equipment owned by the holder of a Transmission Licence and operated by the GB SO, which interconnects Power Stations and substations. In England and Wales the transmission system is the equipment principally rated above 132 kV while in Scotland they are those principally at or above 132 kV.

System Operator (SO): The operator of the transmission networks, the System Operator balances supply with demand on a minute by minute basis.

System Voltage: The voltage at which an electrical network is operated.

Thermal Rating: The current-carrying capacity of a cable, an overhead line or any other item of electrical infrastructure, which is determined by the heating effect arising from electrical losses.

Type Tested Equipment: Equipment that has been tested in accordance to ensure that it meets the requirements of EREC G83 or G59. Using type tested equipment simplifies the connection and commissioning process.

UK Power Exchange: Market and clearing services for the UK Wholesale Power Market are provided by NASDAQ OMX Commodities (NOMXC) and Nord Pool Spot AS (NPS), which operates under the name N2EX. N2, the UK market offering, will initially be a marketplace for Physical UK Power contracts and launch a platform for financial futures contracts further into 2009: a physical market and a futures market. From the outset N2 will operate as a physical power exchange providing platforms for the trading of UK Power contracts. This can be divided into three product areas: the Spot Market, the Prompt Market and the Day Ahead Auction Market (DAM).

Use of System (UoS): The use of a transmission or distribution system by a generator, supplier, customer or an interconnected party for the purposes of transporting electricity.

Voltage Flicker: Voltage flicker is a deviation in system voltage, where power is not completely lost. Flicker may be defined as the sensation experienced by the human eye when illumination levels change as a result of the change in voltage.

Voltage Fluctuation: Fluctuations in the supply voltage that can be caused by a fluctuating load, and which in turn cause flicker.

References

Standards and other documents:

[Balancing and Settlement Code \(BSC\)](#) is available free of charge on Elexon's website

[Connection and Use of System Code \(CUSC\)](#) is available free of charge on NGET's website

[Distribution Code](#) of Great Britain—available free of charge on the Distribution Code website

[Engineering Recommendation G83](#): Recommendations for the Connection of Type Tested Small-scale Embedded Generators (Up to 16 A per Phase) in Parallel with Low-Voltage Distribution Networks—a technical document, with references to other relevant sources of detailed technical information. Some appendices are available free of charge: www.energynetworks.org/electricity/engineering/distributed-generation/distributed-generation.html

[Engineering Recommendation G59](#), relating to the connection of generating equipment to the distribution systems of licensed Distribution Network Operators—available to buy on the Energy Networks Association website.

[Engineering Recommendation G81](#) is called “Framework for design and planning, materials specification, installation and records low voltage housing development installations and associated new HV/LV distribution substations”. It can be found free of charge on the Energy Network Association's website.

[Electricity Safety, Quality and Continuity Regulations \(ESQCR\) 2002](#), Section 22: Statutory Instrument Number 2665, available free of charge.

[Grid Code](#) of Great Britain — available free of charge on NGET's website.

[IET Wiring Regulations](#) (British Standard 7671) are available to buy on the IET website.

[Metering Codes of Practice](#)

[Statutory Instrument 2001 No. 3270, The Electricity \(Class Exemptions from the Requirement for a Licence\) Order 2001](#)

[Statutory Instrument 2008 No. 2376, The Electricity \(Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences\) Regulations 2008](#)

References

Useful websites:

Association of Meter Operators	www.meteroperators.org.uk
British Hydropower Association	www.british-hydro.org
Renewable UK	http://www.renewableuk.com/
Carbon Trust	www.carbontrust.com
The Association for Decentralised Energy (combined heat and power)	www.theade.co.uk
Department for Business, Energy & Industrial Strategy	https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy
Distribution Connection and Use of System Agreement (DCUSA) website	www.dcusa.co.uk
Electricity Networks Strategy Group	https://www.gov.uk/government/groups/electricity-networks-strategy-group
Elxon	www.elxon.co.uk
Energy Networks Association	www.energynetworks.org
Energy Saving Trust	www.energysavingtrust.org.uk/Generate-your-own-energy
Energy UK	www.energy-uk.org.uk
Lloyds Register	www.lr.org/sectors/utilities/schemes/ners.aspx
Microgeneration Certification Scheme	www.microgenerationcertification.org
National Grid Electricity Transmission (NGET)	www.nationalgrid.com/uk/Electricity/
Ofgem	www.ofgem.gov.uk
Renewable Energy Association	www.r-e-a.net

References

Relevant reports and guides:

[A Guide: Sale of Power Opportunities for Distributed Generators](#); DTI (Department for Trade and Industry); Electricity Networks Strategy Group website

[Electricity Trading Arrangements: A Beginner's Guide](#); Elexon

[Future Network Architectures](#); BERR (Department for Business, Enterprise and Regulatory Reform); 2007

[Overview of Embedded Generation Benefits](#); Elexon; November 2006

[Review of Distributed Generation](#); DTI (Department for Trade and Industry) and OFGEM; May 2007

[Solutions for the Connection and Operation of Distributed Generation](#); Distributed Generation Coordinating Group Technical Steering Committee report; DTI and Renewable Energy Programme; July 2003

[The UK Low Carbon Transition Plan—National strategy for climate and energy](#); Government; 2009

[The UK Renewable Energy Strategy](#); Government; 2009

[The Tradable Value of Distributed Generation](#); DTI (Department for Trade and Industry); 2005

Revisions

Version Number	Date	Details of Changes
1	June 2010	<p>A major revision of the Technical Guide for the Connection of Generation to the Distribution Network, DTI document reference K/EL/00318/REP (URN 03/1631).</p> <p>Key changes include division of Guide into three Guides for different Distributed Generation applications (G83 Stage 1, G83 Stage 2 and G59/2); revision of the style of the Guide to “plain English”; and inclusion of chapters on the role of Distributed Generation, Technical and Commercial Interfaces and Selling Electricity (FITs and ROCs).</p>
2	October 2010	<p>Minor edits to the Guides:</p> <ul style="list-style-type: none"> • Addressing issues raised in HSE response to the consultation direction (8 July 2010); • Changes to timescales associated with a Section 16 connection applications arising from DNO advice; • Alteration to the text on Assessment and Design Fees and reference to the Statement of Methodology and Charges for Connection; and • Inclusion of a note about dealing with disputes.
3	November 2010	<p>Minor edits to the Guides to reflect the changes in ownership of networks from EDF Energy to UK Power Networks.</p>
3.1	April 2011	<p>Edits to the Guides to reflect the issuance of a Guidance Note from the Distribution Code Review Panel on:</p> <ul style="list-style-type: none"> • the application of G83/1-1 to small scale wind, and other small scale generation technologies that do not have a type testing annex in G83/1-1; and • a relaxation of G59/2 to small scale generating equipment greater than 16 Amps per phase and up to 50 kW 3-phase (17 kW single-phase) provided that certain conditions are met. <p>Edits to clarify the applicability of G83/1-1 Stage 2 to multiple generating units within different customer sites and in a close geographic region.</p>
3.2	June 2011	<p>Minor edits to the Guides to reflect the changes in ownership of networks from E.On Central Networks to Western Power Distribution. Update of Feed-in Tariff and Renewables Obligation sections to reflect recent changes, e.g. tariff increases and scheme review details.</p>

Revisions

Version Number	Date	Details of Changes
3.3	November 2011	Minor edits to the Guides to reflect rebranding of C E Electric to Northern Powergrid. At the request of Ofgem, inclusion of URL links to DNOs' Long Term Development Statements (LTDS).
3.4	January 2013	Edits to the Guides to reflect updates to G83, with the publication of Engineering Recommendation G83/2, and outcomes from the Feed-in Tariff reviews (Phase 1, Phase 2A, Phase 2B).
4.0	March 2014	Considerable revisions and updates throughout the Guides, to reflect changes in the Distributed Generation landscape since the Guides were revised in 2010, as well as feedback received from stakeholders during a workshop. Both content and structural changes have been made, including the introduction of: <ul style="list-style-type: none"> • A Guide for G59 generation less than 50kW; and • A "Summary" version of each Guide, containing the minimum, essential information from each chapter.
4.1	August 2015	Minor revisions to keep the Guides up to date. Revisions include: full review of FITs and ROCs chapter; introduction to EU Network Codes Requirements for Generators; update on innovation projects and new technologies; update on provision of information by DNOs; introduction to Contracts for Difference.
4.2	To be confirmed	Revisions to keep the Guides up to date. Revisions include: significant revisions to the ROC chapter, to change the emphasis to CFDs; a new page on FIT deployment caps; update on EU Network Codes; update on innovation projects and industry developments; a new page on Energy Storage; listing and describing new types of key players (aggregators); and reference to latest industry developments, e.g. T&D interfaces working group.