

SPEN Queue Management Policy

Introduction

SP Energy Networks (SPEN) (encompassing the SP Transmission, SP Distribution and SP Manweb network licensees) has been working on proposals to develop a Queue Management (QM) Policy that better facilitates network access and timely connections.

We have consulted widely on our proposals, hosting a series of stakeholder events and, in addition, focused roundtable workshops with Scottish Renewables and its members. These sessions helped shape our QM policy, ensuring your views/concerns were taken into account.

Background

A vital part of our business is providing customers with new or upgraded connections. The large volume of applications received for the connection of generation developments has led to the formation of contracted queues, delays in connection dates, higher connection costs and an increasing impact on the transmission system. This situation is exacerbated by the principle of reserving capacity on a first come first served basis rather than taking into account the ability of projects to progress.

Governing Principles

The following principles are the cornerstone of our QM Policy:

1. Initial queue position is determined by the date of offer acceptance.
2. The maintenance of queue position is dependent on contract milestones being met.
3. Opportunities for queue advancement should only be given to those projects able to provide unconditional instruction to commence works.
4. SPEN will seek to recover capacity where it is not being fully utilised.
5. SPEN will terminate contracts where defined criteria not met.

Our Consultation

In February 2016 we consulted on 4 broad options:

Option 1 (existing)	Option 2	Option 3	Option 4
Terminate & reapply	Go to Back of Queue	Permanent reassignment of queue position (based on consent)	Temporary reassignment of queue position
Loss of Queue Position	Queue Position moved to 'back of queue'	Queue position permanently reassigned (dependent upon capacity released) behind any party(ies) advanced	As Option 3 but position reassigned on temporary basis. Advanced projects given limited/defined guaranteed minimum network access period
No valid agreement	Agreement amended but remains valid	Agreement amended but remains valid	Agreement amended but remains valid

Respondents gave unanimous support for our proposal to introduce a clearly defined QM Policy.

What you told us:

- Our rules needed to be fair, transparent and consistently applied.
- Further work was required to define what a stalled project was.
- Our policy needed to complement the ENA work on progression milestones.
- Contract termination should occur where avenues for progressing a development have been exhausted or where there is evidence that a project is not actively being progressed.
- You preferred Option 3 (above) – the permanent reallocation of capacity.
- Mixed views on who should bear the cost of reinforcement where projects are reassigned to new queue positions.

Defining “Stalled”

We worked closely with Scottish Renewables and its members to develop guidelines to determine:

- When to terminate projects
- When to be flexible
- When to treat projects as stalled

Our guidelines are based on the principles developed by the ENA in its Consultation on Progression Milestones:

ENA Milestone	Detail	Evidence
Milestone 1	Initiated Planning Permission	Submission of planning application / commissioning of EIA
Milestone 2	Secured Planning Permission	Permission Granted / Appeal lodged / Judicial Review launched
Milestone 3	Land Rights	Proof provided to demonstrate that land right obtained
Milestone 4	TSO Interface	Progression of appropriate TSO process, Statement of Works, BEGA, BELLA, etc.
Milestone 5	Progress Adoption Agreement	Design submission / adoption agreement being progressed.
Milestone 6	Commence Works	Agreed construction plan being followed
Milestone 7	Construction of Generating Activity	Completion of generation facility

Our Defined Criteria:

When to Terminate:

Early milestones (1, 3, 4 and 5) not achieved in agreed timescales.

When to be flexible (Queue position retained):

Milestone 2 not achieved. Project in appeal
 Milestone 2 achieved but subject to conditions to be resolved
 Milestones 1 to 6 achieved but completion of customer works delayed (for reasons outwith customer’s control)
 Milestones 1 to 5 achieved but commencement of customer’s works delayed (for reasons outwith customer’s control)

Where SPEN agrees flexibility, revised dates will be agreed. Subsequent failure to achieve these may result in loss of queue position.

When to Treat as Stalled (Loss of queue position):

Milestones 1 to 5 achieved but commencement of SPEN works delayed (at request of customer)
 Milestones 1 to 5 achieved but commencement of customer’s works delayed (at request of customer)
 Milestones 1 to 6 achieved but completion of customer’s works (milestone 7) delayed beyond an agreed time period (for reasons within customer’s control)
 Milestones 1 to 7 achieved but completion of DNO works delayed beyond an agreed time period (at customer’s request)

Treatment of Reinforcement Costs

Project	Initial Queue Position	Project	Revised Queue Position
A	1 Stalled	B	1 Consented
B	2 Consented	A	2 Stalled

Subject to reinforcement

We asked you to consider, where relevant to do so, whether the costs and liabilities associated with reinforcement works should transfer with the change in queue positions (diagram above).

Options considered:

1. Costs/liabilities transfer to stalled party
2. No change in costs/liabilities
3. Grace period given to stalled party

What you told us:

In all events the strongest support was received for Option 3 (immediately above) which included the adoption of a grace period. Concerns were expressed however as to how such a grace period would be applied.

Having taken on board the feedback received we concluded our policy as follows:

Treatment of Reinforcement Costs

- Stalled projects will be given 6 months (from date of notification) within which they must provide SPEN with an unconditional instruction to progress the connection works.

Where this is not given:

- Where the stalled project fails to provide instruction to SPEN (within the required timescale) it will be given a revised queue position and delayed connection date which will be subject to the completion of reinforcement works (where relevant).
- The advanced project will be given a revised earlier connection date, where relevant, without the requirement for reinforcement or reduced reinforcement. Note: this opportunity will only be given where unconditional instruction to commence works is given.
- The cost/liability of relevant reinforcement costs will be transferred to the stalled project.

Next Steps

SPEN will conduct a comprehensive review of all contracted queues during Q1 2017. Immediately following this, QM principles will be rolled out across each of our District areas with progression milestones implemented for all new/revised offers. We will continue our engagement with NGET to ensure this policy is adopted across the transmission/distribution boundary as soon as possible. We will work with our legal team to consider options for the publication of contracted queues.