

# Aligning the connections and capacity processes...

## Recap of where we are



# Introduction

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- We are committed to delivering new connections and capacity in order to meet our customers' needs
- Our business plan for the RIIO-T1 period includes forecast levels of investment, driven by anticipated signals from new and existing customers
- To achieve the above we need to address the following:
  - You have told us that the separate connections and capacity processes are complicated and should be aligned and that the capacity process should be considered in this context
    - Need to also consider differences between existing and new connections
  - The extended timescales being driven by the Planning Act (2008) requirements must be addressed, where investment is required to deliver the capacity

## Background

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- Customer NTS connections is one of the measurable outputs under RII0
- We have spoken about connections and capacity processes through our Talking Networks' events – which discussed what you want us to deliver during the next price control period
  - Some stakeholders requested that the connections and capacity processes be aligned; bundled; better co-ordinated.
  - We raised the issue of needing to account for the timescales associated with The Planning Act (5-8 years for delivering of infrastructure) within the process
- Stakeholders requested that this be taken forward as an industry, under existing governance but priority should be first given to modification 373


## UNC modification 0373

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- 373 provides clarity of the deliverables and timescales associated with the provision of a connection offer
  - Incorporates a new application/offer framework within the UNC
- It does not provide a guarantee that capacity will be available at any given point and time on the system
- Some stakeholders have approached us as they want to build on 373 to align / bundle the connections and capacity processes further

# The Planning Act

- Applies to England for gas transporter pipelines (spirit to be applied everywhere)
- Application to the Infrastructure Planning Committee
- Significant Pre-Application work required
- Undertake and demonstrate sufficient consultation (statutory bodies and public/grantors) for a physical option before making application
- Will include gas pipelines that meet relevant criteria



Planning Act 2008

CHAPTER 29

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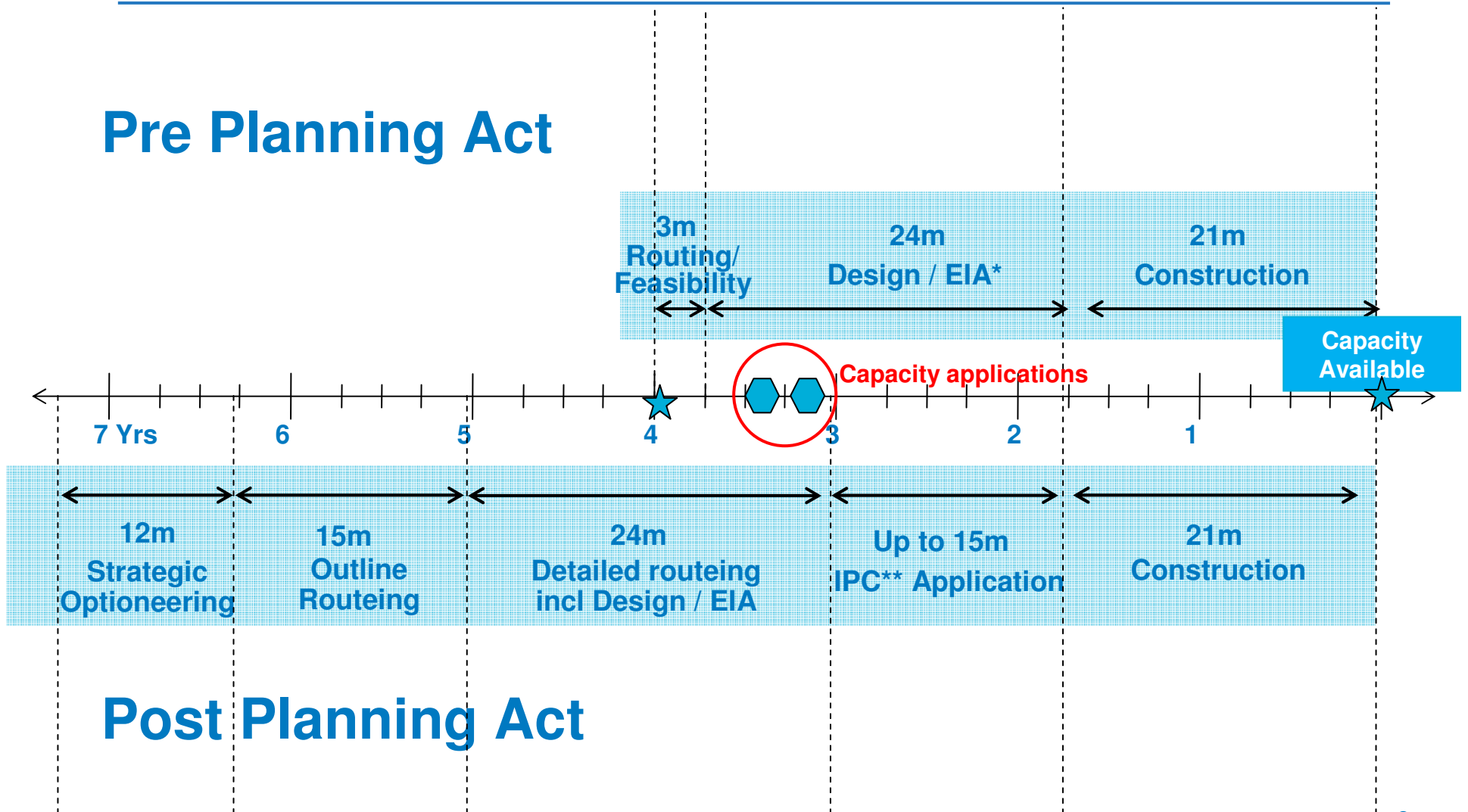
PART 3  
NATIONALLY SIGNIFICANT INFRASTRUCTURE PROJECTS

General

14 Nationally significant infrastructure projects: general

# Generic Planning Act Timescales

## Pre Planning Act



\*EIA: Environmental Impact Assessment

\*\*IPC: Infrastructure Planning Committee

## What we proposed

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- In our Talking Networks workshops we proposed...
- In the short term, concentrate on modification 373
- Then work as an industry to create a process that
  - More closely aligns the connections and capacity processes
  - Addresses the timescale challenges introduced by The Planning Act (2008)
- In the meantime, we would continue to work up various options within the 'rules, tools and assets' categories

## Stakeholder feedback

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- Stakeholders agreed that modification 373 should be the priority and then consider the capacity processes further
  - The workgroup development work on this is now complete
- Stakeholders agreed with our views on the length of timelines associated with Planning Act (2008) activities



# Developments since November

- Since the Talking Networks workshop in November we have been working on some possible options

Status Quo	Manage planning act risk under the current arrangements
Connect and manage	Contractual solutions, potential new products, increased constraint management funding
Anticipatory Investment	Zonal reinforcement based upon commercial intelligence rather than customer signal
Extended lead times	[72] months obligated lead times
Contractual alignment of timescales	Earlier user commitment outside of capacity auction / application process

- There are pros and cons associated with each
- They require further development to fully understand the impacts of each option on us, and stakeholders

## Current position

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- At the transmission workgroup meeting in January we agreed to present the options we have been developing and show preferences
- We'd like to use this session to gain agreement to the revenue driver approach we are considering for our March business plan submission