

SSEN Distribution - Draft Determination EJP Response						
Name of Scheme	Netley Common 132/33kV Substation					
Primary Investment Driver	Load – Thermal					
Scheme reference	56/SEPD/LRE/NETLEY					
Reporting Table	CV1: Primary Reinforcement					
Ofgem EJP Comments	As the needs case is based on thermal loading under the CT load scenario, we consider there to be a risk that the chosen scenario may not play out as expected, potentially deferring the investment need. We therefore consider the EJP to be partially justified.					
	Final Business Plan Submission			Latest Position (July 2022)		
Need Case	Overloading of Netley Common 132/33kV transformers.			Overloading of Netley Common 132/33kV transformers.		
Demand Forecasts	See original EJP.			See summary.		
Connections	Contracted demand is included within DFES forecasts.			No new major demand connections accepted since draft submission. EUE715 50MW PV connection accepted but not reliant on reinforcement.		
Stakeholder Impact	Hampshire County Council declared a climate emergency and uptake of low carbon technologies (LCT) such as electric vehicles and heat pumps has large impact.			No additional stakeholder input since Final BP submission.		
Preferred Option	Option 4 – Flexibility Solution followed by capital investment in Option 3			Option 4 – Flexibility Solution followed by capital investment in Option 3		
Output reference/type	132kV Transformer (GM) 132kV CB (Gas Insulated Busbars)(ID) (GM) 33kV CB (Air Insulated Busbars) (OD) (GM)			132kV Transformer (GM) 132kV CB (Gas Insulated Busbars)(ID) (GM) 33kV CB (Air Insulated Busbars) (OD) (GM)		
Cost	£2.842m			£2.842m		
Delivery year	2025/26			2025/26 (Possible move to 2024/25)		
Outputs included in RII0 ED1 Business Plan	No			No		
Spend apportionment £m	ED1	ED2	ED3+	ED1	ED2	ED3+
	0	£2.84m	0	0	£2.84m	0
Deliverability & Risk	Design for this scheme is being refined in ED1 with construction delivery due to start in first year of ED2 with completion in second year of ED2.					
Summary	<p>Ofgem has assessed the scheme to be ‘partially justified’ due to the risk associated with demand outturn.</p> <p>The need is for reinforcement of Netley Common 132/33kV substation based on current monitored forecast demand exceeding first circuit outage limit for winter period from 2024/25 which is ahead of predicted Distribution Future Energy Scenarios (DFES). This project is aligned with our accelerating progress towards net zero priority, as Hampshire County Council has declared a climate emergency and uptake of low carbon technologies (LCT) such as electric vehicles and heat pumps has a large impact.</p> <p>This project has now been triggered during ED1, due to load growth materialising earlier than at the time the EJP was written. Detailed design for reinforcement is nearing</p>					

completion and construction to start in first year of ED2 to meet forecast demand for the area.

If this project is delayed we will incur abortive costs and will not meet our P2/7 security of supply obligations and development of the network to deliver uptake of low carbon technologies for the area.

The current monitored demand on the substation indicates the first circuit outage limit (108MVA) is exceeded from 2024/25. This will further increase with the additional impact of any DFES growth realised to meet low carbon uptake for the area.

	Netley Common 2021/22			FCO limit 108 MVA							
	Average Cold Spell (ACS) (MVA)										
Forecasting	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Diverse	102.7	103.1	107.2	110.2	113.3	113.3	113.3	113.3	113.3	113.3	113.3
Aggregate	104.9	105.4	109.6	112.6	115.7	115.7	115.7	115.7	115.7	115.7	115.7

Demand in the area is on track to exceed that of the forecast demand in the original EJP for this investment. We do not seek additional funding to secure more flexibility at this stage, however if demand continues to grow quicker than DFES forecasts, SSEN may need to deploy flexibility earlier than anticipated and reinforce in 2024/25 to avoid potential overload.

We request that Ofgem re-considers its assessment of this scheme with a view to supporting its full justification for inclusion in our ED2 Business Plan due to evidence of demand development in the area.

Relevant
Attachments