

SSEN Distribution Response to RIIO ED2 - Draft Determination

Overview Document, 12. Access and Forward-looking Charges Significant Code Review

Question ID	Q11.
Question	Do you agree with our proposal to not introduce a specific uncertainty mechanism to manage the impact of the Access SCR (and address it through the LRE mechanisms instead)? Please explain why.
Associated Evidence	
Title	Link to Evidence
Annex 11 Load UM Annex	n/a
Annex 6 Procedural Issues	n/a
Response	
<p>We agree with this proposal. We believe that uncertain Access-related costs are best funded through the LRE UM, as Access will likely result in additional network reinforcement which is what the LRE mechanisms are being designed to fund. An additional, dedicated Access SCR UM would cause confusion over allocation of reinforcement works where there is a connections driver which may or may not have been Access triggered. It would also require duplication of effort in the administration of such a mechanism.</p> <p>As there is now greater certainty around the scope and impact of Access SCR, it is also appropriate that additional costs are added to the baseline through the Access resubmission process. We are responding to Ofgem’s additional request for information relating to the impact of Access SCR on our baseline. We note that there have been a number of delays on Ofgem’s behalf associated with the provision of a template and guidance. Therefore, further engagement is required to ensure a proper, reasonable, and consistent approach has been taken across DNOs (see Annex 6).</p> <p>There are aspects of Access impacts that do not fit into the network reinforcement cost category. The ongoing work between the DNOs and Ofgem to quantify the different potential impacts of Access SCR, and allocate them to the LRE UMs, or to additional baseline funding, is the right way to address these, as the most transparent, simple, and robust approach. This must include consideration of the additional closely associated indirect costs required to enable Access SCR (further details on our response to this can be found in Annex 11 and CORE-Q4).</p>	