

Customers switch on to a new kind of contract

As part of a drive to look at innovative ways to prepare for the low carbon future, Electricity North West is conducting a trial to test its customers' willingness to be flexible with their demand for electricity. The company has now launched its commercial templates for the project and is ready to talk business.

electricity
north west

Bringing energy to your door

C₂C

Electricity North West, the company who operates the electricity network in the North West of England, is conducting a trial known as Capacity to Customers (C₂C). The project is part of Ofgem's Low Carbon Networks Fund and aims to use new technology and innovative commercial contracts to increase the amount of energy that can be transmitted through the region's existing electricity network.

The project takes advantage of the latent capacity in the high voltage (HV) network which is currently reserved for emergency use in the event of a fault. Typically the majority of customers are affected by a fault once every three years.

360 HV circuits have been selected for the trial serving 12% of Electricity North West's customer base to ensure that the trial is statistically significant and representative of the whole of the UK's HV network. New and existing business customers served by the selected trial circuits can benefit from reduced costs by avoiding large scale network reinforcement or by receiving incentive payments to delay their energy restoration for an agreed period of time following a fault. This form of managed contract is known as a 'post fault managed connection agreement'.

Widespread roll-out of C₂C contracts could reduce the amount of new infrastructure that would normally be needed to meet the growing demand for electricity. The findings of the trial will apply to other electricity Distribution Network Operators (DNOs). So if successful C₂C will form the blue-print for the UK's future electricity network.

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Commercial templates

Commercial templates for post fault managed connection agreements to new and existing customers are now available. The contracts are based on a variation to the National Terms of Connection (NTC) to make the templates as simple as possible. Two contracts explain the parameters of the Managed Connection Agreement in simple terms, with any variations being referenced to the NTC. These have also been designed to be fully transferable to other UK electricity DNOs and are summarised as follows:

New customers

A new customer will be presented with a standard connection design and quotation (with applicable reinforcement charges) along with a C₂C design and quotation. The C₂C commercial arrangement is based on a reduced connection charge as the new managed arrangements would mitigate the need for network reinforcement. This is in exchange for allowing Electricity North West to manage the timing of the re-energisation of the customer's system after a fault. A delay of up to eight hours will be agreed.

The contract is designed to be permanent but if the customer wishes to terminate the contract, the original reinforcement charges (in real terms) will apply. If Electricity North West terminates the contract, then it will fund the reinforcement charges.

Existing customers

This commercial arrangement is based on a monthly payment made to a customer in exchange for managing the timing of the re-energisation of the customer's supply after a

fault. This will allow Electricity North West to maintain the security of the electricity network. A delay of up to eight hours will be agreed. For existing customers, the following criteria are to be agreed:

- Load capacity - the customer may agree 'protected circuits' (circuits on their system which are not part of the trial)
- Delayed restoration of up to eight hours
- Protected days - particular calendar days or periods when the delayed restoration will not be applied
- Maximum number of times a customer's supply can be interrupted within a defined period.

The payment offered to customers will vary subject to agreement on these options. The contract duration is for the trial period of 1 April 2013 to 30 September 2014 and will automatically terminate at the end of this period unless mutually agreed with both parties.

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As equipment may be fitted on a customer's electrical system as part of the contract, the installation and commissioning agreement has also been updated and is available for reference.

To find out more and to see all commercial templates and associated documents visit: www.enwl.co.uk/c2c/keydocs

For more information on National Terms of Connection (NTC) visit www.connectionterms.co.uk

To find out more about Ofgem's low carbon network fund visit: www.ofgem.gov.uk