



Electricity North West

DG Mini Workshop / Webinar Session

Quote Validity Periods

Tuesday 5th December 2017

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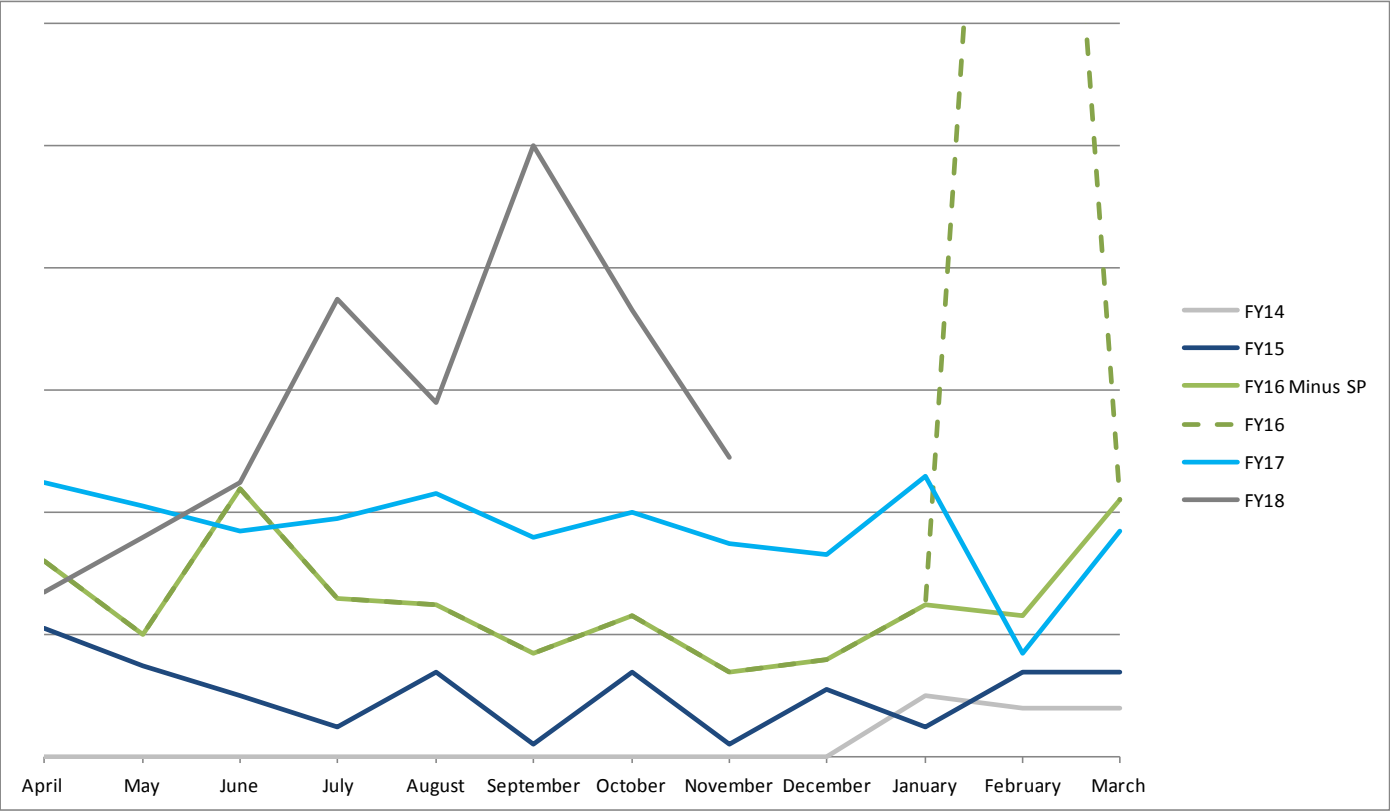
- All ENW Offers are issued with 6 month validity
- If an offer becomes interactive it will go in to a 10 business day “Moratorium Period”
- If the Moratorium Period expires without acceptance, offer validity returns to date stated on offer
- We are the only DNO to offer a 6 month validity on offers
- We are seeing an increase in the number and size of interactivity queues



- The principle impact of the validity period is on interactivity - the number of active and valid offers “competing” for the same capacity
- Longer validity periods mean it is more likely that an offer will become interactive
- Interactivity “withdrawals” as opposed to expired offers are offered re-quotes that take time and cost money
- The current “Expiry Period” was set when the market was very different, very few applications where quite extensions were often requested and where impact to third parties was rare
- Current market conditions have seen significantly more applications and it would be exceedingly rare that a request for extension would be granted as there would be third party impact



G&P (EHV) APPLICATIONS TREND FY14 - FY18









DNO	Offer Validity	Interactivity Moratorium
ENW	6 mths	10 days
WPD	90 days	10 days
UKPN	90 days	30 days
SSE	90 days	10 days
NPG	90 days	10 days
SPEN	3 mths	10 days

notes * - UKPN is not a moratorium it is a reduction to the overall offer validity days is business days

ENW Current Interactivity Status (G&P)	
Number of Active Queues:	15 +
Highest Distribution Level:	GSP
Longest Active Queue:	20 +
Number of Valid Offers in Interactivity:	105 +



- The proposal currently being considered is to reduce the offer validity period of ENW Formal Connection Offers from 6 months to 3 months
- Small Scale Domestic Demand (LVSSA & LVSSB) No 
- LV / HV Demand No 
- EHV Demand No 
- LV Generation Maybe 
- HV Generation Possible 
- EHV Generation Yes 



- Introduction of a trail just on EHV generation schemes.
 - To determine if there is a real impact on interactivity
 - To understand if there are any (unforeseen) cost or time impacts in the implementation of the change
- Understanding the possible impact of the introduction of upfront A&D fees
- As an alternative option:
 - Currently all Interactivity withdrawals are offered the option of a re-quote.
 - A decrease in interactivity queues and the number of active offers could be achieved by only offering re-quotes to those schemes that looked to proceed in the initial Moratorium Period.

So what are we asking today...?



- Would you support a reduction of our offer validity period to three months...?
- Would you support this focused just to Generation offers....?
- Would you be supportive of a different approach to different voltage levels....?
- Do you think a trial on EHV to ascertain the real impact on interactivity would be a good initial trial....?
- Do you believe we should wait to see the potential impact of up front A&D fees before considering a change or do we trial this first...?
- Would you be supportive of a change to the post interactivity re-quote process, only offering re-quotes to those schemes that showed a desire to accept in the initial moratorium....?