

ALoMCP Steering Group, 02 March 2022

Notes and actions

Name	Company	Name	Company
Julian Leslie	NGESO – Chair of Steering Group	Cheng Chen	NGESO
John Rowland	NPg (Stakeholder workstream chair)	Martin Queen	Ofgem
Paul Munday	SSEN (Customer Support & Delivery Assurance workstreams chair)	Andy Vaudin	EDF Energy
Mark O Connor	SSEN	Andrew Colley	SSE Generation
Christian Hjelm	WPD	Paul Richards	Ylem Energy
Keith Evans	ENW	Paul Graham	Sembcorp Energy UK
Steve Mockford	GTC		
Programme delivery colleagues in attendance			
Bieshoy Awad	NGESO	Mike Robey	NGESO
Sue Guest	For SSEN		
Apologies			
Cara Blockley	ENW	Matt White	UKPN
Mark Johnston	Northern Powergrid	Steve Beasley	Anesco
Gerry Boyd	SPEN	John Smart	SSEN

Confidence in Compliance reports (for sites not delivering changes funded by the ALoMCP) (slide 6)

Bieshoy introduced the current issue regarding how to increase ESO's confidence in the compliance of 7GW of capacity that generators have reported for sites that have not received ALoMCP support. The challenge is presented on slide 6. Bieshoy asked for Steering Group direction on:

1. Whether assurance activity is needed for these sites
2. And if yes (to the question above), whether new contractual terms are required

1. Whether assurance activity is needed for these sites

- Martin noted that the 2019 event demonstrated that there are concerns about compliance.
- Julian checked for other views. There was no disagreement to the statement that assurance activity is required.
- **Decision: Steering Group agreed assurance activity is needed.**

2. Whether new contractual terms are required

- John expressed Northern Powergrid's view that new contractual wording is required, and he believed Electricity North West, UK Power Networks and Scottish Power Energy Networks shared this view.
- Julian highlighted the concern that legal changes can cause several months delay and noted that Licensees would need to speed up the legal process, unless another means can be found to undertake the work, given the 31 August compliance deadline.
- Martin queried how extensive the contractual amendments would be. John noted the current contracts focus on generator-applicants, whilst this amendment will need to include generators who are not applicants for funding towards LoM protection changes.

- Andy raised whether this concern will also apply to the remaining capacity whose status is not confirmed at the 31 August compliance deadline, and therefore should the contract amendment also ensure these could be addressed too? Bieshoj responded that sites that have not confirmed their status by 31 August should be addressed through a BAU compliance enforcement process.
- Christian proposed that if agreement in principle for the contract amendment can be confirmed it could be possible to begin assuring these sites in parallel to completing the legal process to confirm the amendment.
- Julian asked for view on whether Christian's approach could work for others.
- John thought this could be possible. John also noted that assurance activities are planned to continue after 31 August into autumn 2022 for sites that complete works or report their compliance before the 31 August deadline.
- **Agreed that ESO will draft a contract amendment to incorporate this assurance activity and encouraged everyone to push their legal review timescales to resolve as soon as possible.**

Tackling 6.8GW yet to apply or report their compliance

1 - <50MW sites (slides 7-8)

- Mike summarised that 5GW remains, with 4.2GW of this considered as engaged with the programme but has not yet applied or reported their compliance. 0.8GW is considered challenging, with little or no response from these 242 sites (representing 3% of the capacity 7% of the sites in this site capacity range).
- Martin noted the good progress and considered the compliance deadline and enforcement process as the likely next step for these hard-to-reach sites. He reported that the Ofgem team is working through the Distribution Code modification on enforcement, and this should generate some helpful wording to reinforce the message to generators.
- Paul G noted that with the limited number of hard-to-reach sites remaining, a door-knock to these sites would be appropriate.
- Keith proposed an option to free-up DNO resource to follow-up these remaining ≥ 1 MW sites by deprioritising or stopping pursuing the smallest sites. He emphasised that this would only be reasonable if the ALoMCP scope for sites eligible for funding matched the scope of sites covered by the enforcement process. The programme would need a clear steer to be able to do this.
- Paul M recognised the potential benefit of Keith's proposal but noted that some of the apparent remaining ≥ 1 MW sites may turn out to be out of scope or legacy sites and that there may be better progress in system risk reduction in resolving the status of < 1 MW sites.
- Bieshoj expressed that the larger sites were key to closing the remaining capacity gap of sites whose compliance status is unknown. He noted that ESO does not have risk reduction data that would support raising the minimum site capacity threshold covered by the programme / enforcement.
- Martin noted that sites should not be excluded from the programme, but some activity could be deprioritised to allow focus where the benefit is greatest.
- Bieshoj reported that 1.45GW of wind generation is yet to apply or report their compliance and shared details of engagement activity with Original Equipment Manufacturers, site portfolio owners and Renewables UK. Bieshoj noted that other issues such as over / under frequency protection on turbines appears to be delaying resolution. ESO has been invited to attend the next Renewables UK Onshore Forum to raise concerns about wind sector progress and the nearing compliance deadline.

<1MW sites (slide 9)

- Mike and Bieshoy summarised three main programme activities to engage the large number of generation sites with installed capacity of less than 1MW.
- John emphasised that approval of the Distribution Code modification on enforcement would be very helpful in the programme's communication messaging to remaining sites.
 - Post-meeting note: Ofgem decision to approve Distribution Code Compliance Process [published](#) 14 March.
- **Programme team to continue to focus on reducing the remaining capacity at risk and to report progress at the next meeting.**

Programme Close Down (slide 11)

- Mike summarised the programme close down schedule presented, noting that generation site works supported through the programme and reporting compliance to the programme ahead of the deadline must be completed no later than 31 August. He noted that the plan shows how assurance of this activity and payments etc. would continue through most of the 2022-23 financial year.

Any other business

- Next Steering Group meeting to be scheduled in late April