



**Proposal with regard to :**  
**the Role of the Lead Developer and**  
**the decision making process**  
**to facilitate Distribution contestability**

**Status: Submitted to CER**

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**ESB Networks Ltd.**

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## 1. INTRODUCTION

With the introduction of Distribution contestability ESB Networks Ltd. consider it timely to establish key concepts to facilitate parties wishing to build their connections contestably and ensure the processes required are as streamlined as possible. With this in mind, and acknowledging that the rules and principles previously consulted on will be updated and finalised in due course, ESB Networks Ltd. wish to advise on proposals with regard to

- a. the decision making process which will apply in Gate 3
- b. the role of the lead developer where assets being built contestably are required for the connection of a number of parties

## 2. Decision Making process

As previously set out in the consulted on Rules and Principles, prior to an offer issuing to an IPP, the IPP must opt for a contestable or a non-contestable offer. In the case of shared distribution assets, a group of developers may also opt to defer the decision under the conditions set out in the accompanying document. In order to inform this decision the DSO proposes the following process :

- a. DSO will write out to customers requesting whether they wish to contest the Transmission Assets which form part of their shallow connection<sup>1</sup>. The communication will provide the following information :
  - a. Which assets can be contested
  - b. Where assets are shared, which generators must agree in order for the assets to be contested
  - c. An up-to-date estimate of the non-contestable cost of building these assets. Please note that the non-contestable build will be based on the principle of standard pricing, albeit with certain items being charged on a pass through basis.
  - d. An up-to-date estimate of the contestable charges which would apply should the assets be contested. Please note contestable charges will be fully on a pass through basis
- b. Based on this advice the customers will advise within 20 business days

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<sup>1</sup> As TSO must issue an offer to DSO in advance of DSO's offers issuing, an earlier decision is required in relation to the contesting of Transmission Assets

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- a. which assets they wish to contest;
  - b. the expected lead-time for delivery of these assets
  - c. In the case of shared assets, who will be the lead developer for the shared assets
- c. DSO will write out to customers requesting whether they wish to contest the Distribution Assets which form part of their connection. The communication will provide the following information :
- a. Which assets can be contested
  - b. Where assets are shared, which generators must agree in order for the assets to be contested
  - c. An up-to-date estimate of the non-contestable cost of building these assets. Please note that the non-contestable build will be based on the principle of standard pricing, albeit with certain items being charged on a pass through basis.
  - d. An up-to-date estimate of the contestable charges which would apply should the assets be contested. Please note contestable charges will be fully on a pass through basis
- d. Based on this advice the customers will advise within 20 business days
- a. which assets they wish to contest;
  - b. the expected lead-time for delivery of these assets
  - c. In the case of shared assets, who will be the lead developer for the shared assets
  - d. In the case of shared assets, if the group wish to defer the decision to contest, this can be done under the terms and conditions set out in the accompanying document
- e. Please note that in respect of both Transmission and Distribution assets standard templates will be provided for the developers to sign indicating their preference for a contestable build and nominating a lead developer as appropriate
- f. Non-contestable offers will be issued in the following scenarios;
- a. In the case of dedicated assets, if the customer indicates a preference for the a non-contestable offer, or if no response is provided within 20 business days
  - b. In the case of shared assets
    - i. If no response is received from any one of the parties sharing the assets within 20 business days

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- ii. If any one of the parties sharing the assets indicates a preference for a non-contestable build
  - iii. If all parties do not indicate the same lead developer
  - iv. If any one of the parties sharing the assets indicates that they are only willing to proceed on the basis of a performance bond being put in place, and the lead developer indicates that he/she is not prepared to put a bond in place

In the case of the option to defer the decision, this can only be availed of if all parties opt to defer.

### **3. Role of the Lead developer**

In the case of shared assets, ESB Networks Ltd. would propose to deal with a lead developer with regard to the contestable build of said assets. With this in mind it is appropriate to set out ESB Networks proposal with regard to the roles and responsibilities of the key developer in relation to the shared assets.

However prior to outlining this, it is also appropriate to outline key principles. Please note that the proposal set out below applies where all parties sharing the assets are to be connected to the distribution system. Where there are also parties sharing assets, who are connecting directly to the Transmission System, a different process may apply.

#### **3.1 General Principles**

- Shared assets can only be built contestably where there is agreement between parties and one lead developer is appointed to do the works.
- For the purposes of a contestable build shared assets are defined as those assets where work element is discrete. For example all works within a given station site are considered shared. On this basis while a bay in a station is dedicated from the perspective of charging for a non-contestable build, for the purposes of a contestable build it is deemed to be shared as all station works should be the responsibility of one party (the lead developer).

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- No part of the shared asset site will be commissioned or energised until all works are complete

### **3.2 Responsibilities of the lead developer**

In relation to shared assets, the lead developer is responsible for

#### ***Legal/Commercial***

- Payment of Contestable charges
- Performance bond if required
- Delivery of shared assets up to required System Operator standard
- Delivery of as built records and safety files
- Provision of Site familiarisation, training etc to SO staff as required<sup>2</sup>
- Obtaining Planning Permission and wayleaves as required
- Legal transfer of all assets on transfer of ownership<sup>2</sup>

#### ***Design/Construction/Commissioning***

- Provision of programme information
- Recipient of functional specifications
- Provision of detailed design
- Safety legislation compliance (client PSDP, PSCS etc.)
- General Site safety
- Primary responsibility for any interface issues where dedicated assets are also to be built contestably
- Acts as a single point of contact in relation to common issues

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<sup>2</sup> Assumes assets to be transferred to ESB and/or operation to be taken over by the relevant SO