

## Action 09/02 – Response received from Harmony Energy

We understand there are some tertiary connections already connected and energised, so if real life worked examples of these charging changes can be provided that would be really useful.

Under the normal connection scenario where the DNO and TO have a standalone entry/exit point:

- We understand that the charging relationship is based on a sole asset and the locational boundary costs are passed through to D connecting customers via the relevant charging rules.

Where a GSP becomes a multi-user/shared asset site via the connection of a third party tertiary connection:

- We assume this creates a differential in how the entry/exit charges are calculated with the DNO. I.e those assets are now shared so the costs are shared.
  - If this does change the entry/exit point charges, what impact does it have? How are the charges shared between the parties once the tertiary connection connects?
  - If the DNO sees a reduction in their boundary charges, are these reductions passed on to the D customers?
- Where DNO's have funded the capital costs of SGT's either in full or over 40 years:
  - Is there a mechanism for some of those costs to be returned to the DNO upon a third part connecting?
  - If so, who is paying for this? the third party connectee or National Grid via their generality of customers?
- There is also a new scenario, where Distributed BESS customers are required to fund new SGT's in full, as a result of NGET modification applications.
  - If a tertiary connection was subsequently made to a new SGT that DERs customer(s) funded would they contribute back to those distribution customers that triggered the works?

In addition to the charging points raised above, we are also concerned that DNO's are advising that National Grid have stated that sites which have tertiary connections contracted/connected are no longer feasible for an ANM solution to facilitate further penetration of renewables on the distribution network.

In areas such as Norton GSP, this means that 1GW of DER cannot connect under an ANM scheme because of 2 tertiary connections which are 98MW in total. This isn't a very effective use of network assets, as we attempt to transition to net zero.