



Distribution Network Operator (DNOs) are companies that are licensed, by OFGEM, to distribute electricity in specific areas of Great Britain.





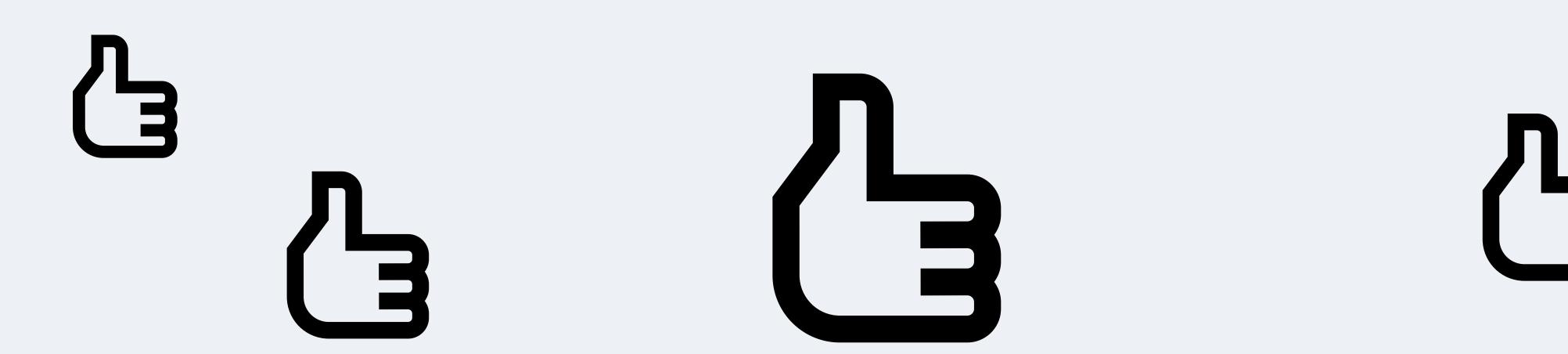
These DNOs distribute electricity from the transmission grid to homes and businesses in fourteen geographical areas throughout Great Britain.



IDNO

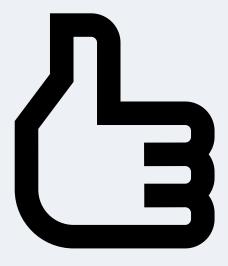
Independent Distribution Network Operator

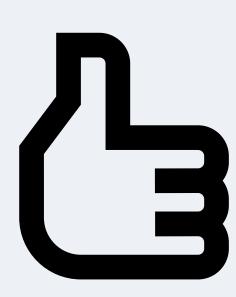




In order to increase competition in the electricity distribution market, and offer a better deal for the consumer, OFGEM now licenses

Independent Distribution Network Operators (IDNOs).

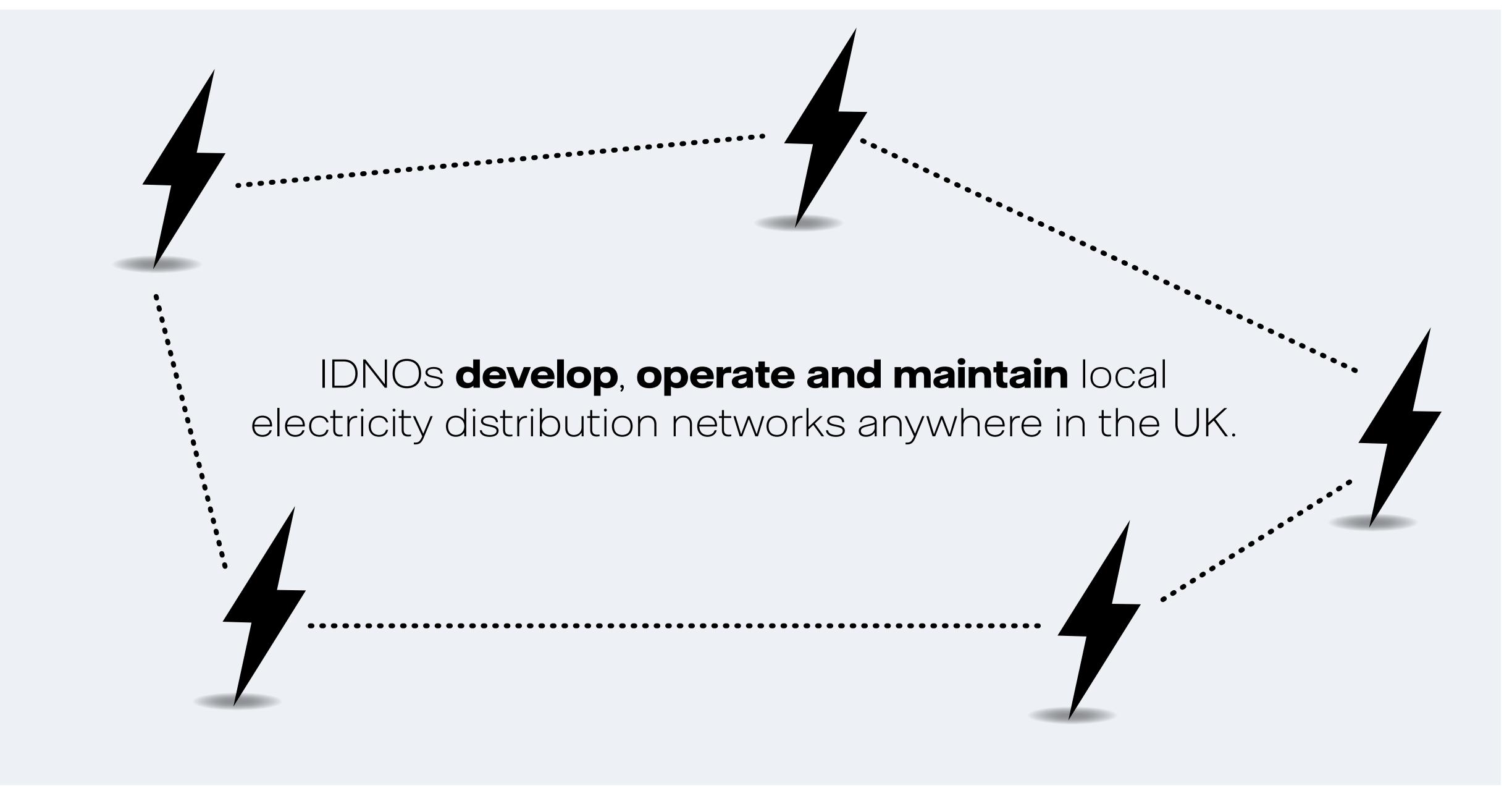




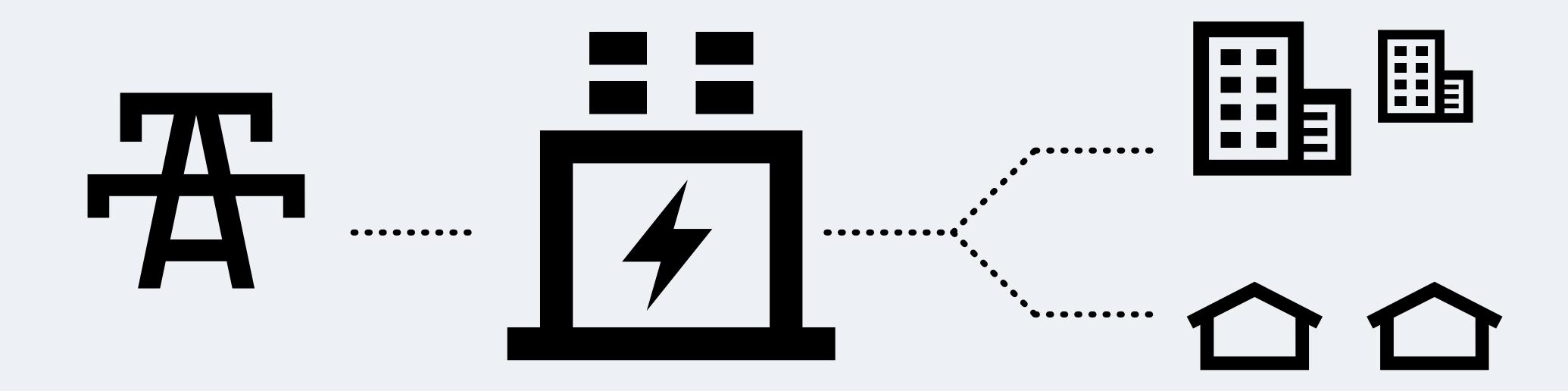










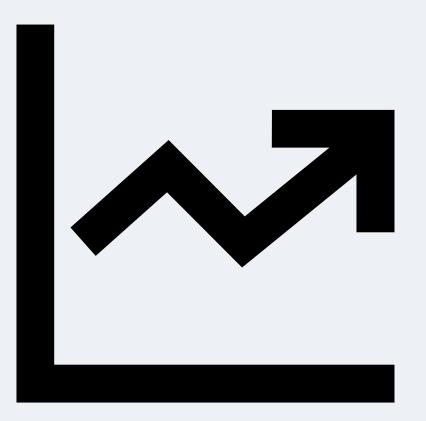


IDNO networks are mainly extensions to the DNO networks serving **new housing** and **commercial developments**.

IDNOs are responsible for managing and operating their local networks, including

future maintenance and fault repairs.





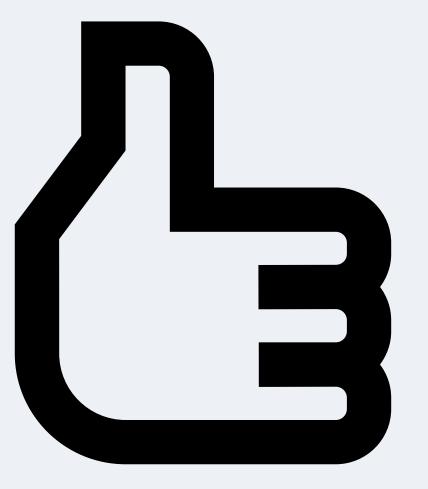
IDNOs have the same obligations and performance standards as DNOs.





IDNOs are regulated by OFGEM on how much they can charge customers for using their networks under 'Relative Price Control'.



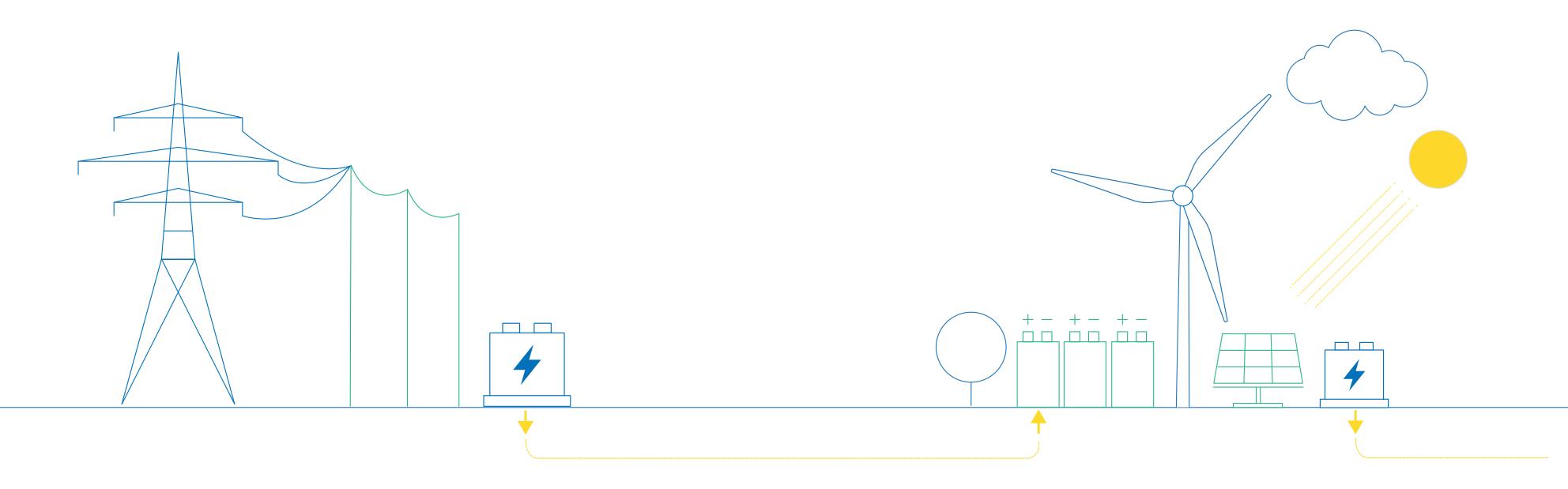


Customers that are connected via an IDNO network are entitled to the same level of service and guarantee of performance as those from a DNO.



New grid connections

UK Grid connections are split into two components



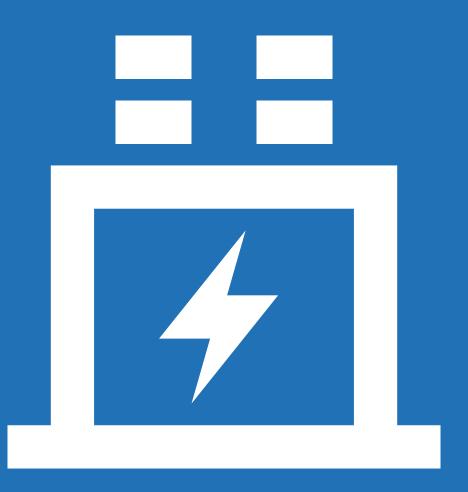
Non-contestable works:

Work that can ONLY be carried out by the DNO, such as the connection to the DNO network.

Contestable works:

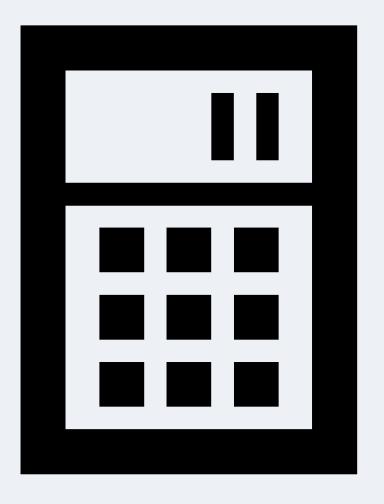
Work that can be carried out by the DNO or an ICP, such as the design and build of HV / LV networks.





Once a network is built it must then be 'adopted' by the local DNO or an IDNO, who owns and operates the network for its lifetime.

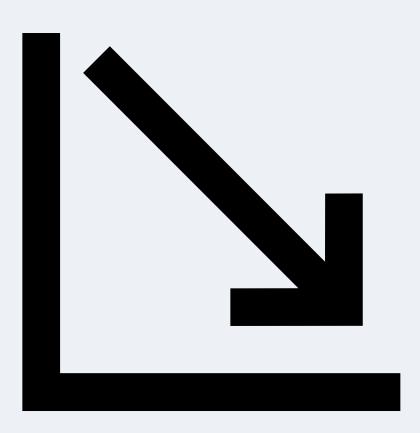




If the network is adopted by an IDNO, the IDNO will pay the business owner or developer an

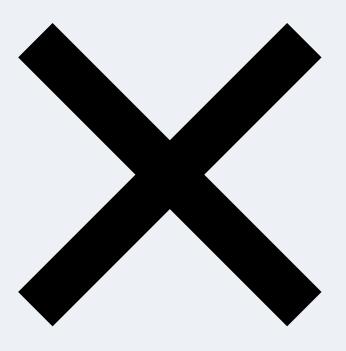
Asset Adoption Value.





Asset Adoption Value payments can be very attractive to developers by reducing the total capital cost of designing and building new power networks.



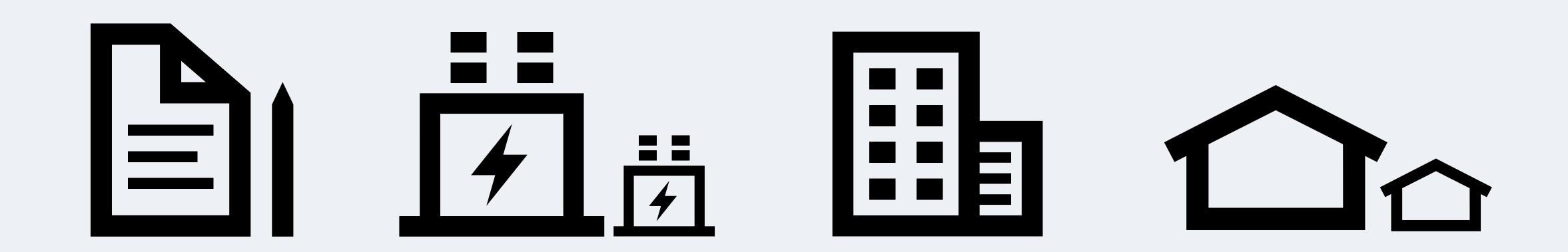


DNOs cannot discount in this way.



Asset Adoption Values are determined on a case by case basis,

depending on several factors, e.g. which charging methodology is used; the capacity of the site; the use cases for the load; and assets to be adopted.





DNO adopts the network:

No fee paid to the client

(All costs fall on the developer or client)



IDNO adopts the network:

Client or ICP receives an Asset Adoption Value payment from the IDNO.

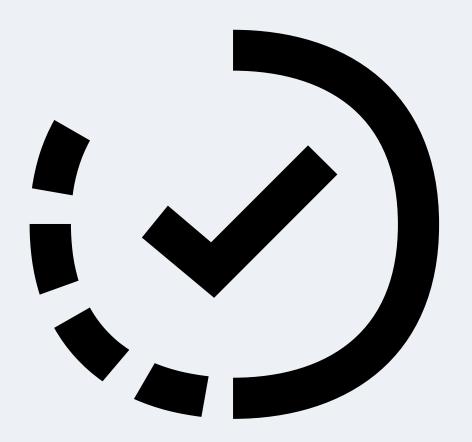
(Based upon the value of assets and the expected load profile)





As a differing factor from many other iDNOs, **Vattenfall can also connect generation projects to the grid** e.g. solar, wind, hydro pumped storage, and battery storage.





The flexibility of an IDNO means that we are set up to react quicker to customer demands.



And, by working in combination with Independent Connection Providers, our prices and project management are by design a challenge to the DNOs.

