

# CONNECTING NEW CONSUMERS TO POWER SERVICES

Sergey Aghinyan
Head of Investment Programs Division
PSRC of Armenia



## CONNECTING NEW CONSUMERS TO POWER SERVICES

- THE COST OF CONNECTING NEW CONSUMERS OR RENEWING CONNECTIONS ARE CARRIED BY THE SERVICE PROVIDER
- TO COVER THIS COST, A CONNECTION FEE IS LEVIED ON THE CONSUMER WHO REQUESTED THE SERVICE. THE FEE IS CALCULATED BASED ON REQUIRED CAPACITY AND VOLTAGE



#### **CONNECTION FEE REQUIREMENTS**

- THE COST OF CONNECTING NEW CONSUMERS SHOULD NOT RESULT IN AN INCREASE IN POWER RATES
- THE POWER SUPPLIER OWNS THE POWER SUPPLY INFRUSTRUCTURE
- □ CONSTRUCTION OF POWER GRIDS IS DONE BY A SPECIFLIZED CONTRUCTION COMPANY



#### **RECOVERING CONNECTION COSTS**

• INCLUDING THE COST IN THE STRUCTURE OF ELECTRICITY TARIFFS

USE CAPITAL INVESTMENTS TO REDUCE THE TAXABLE BASE AND CALCULATE DEPRECIATION

BY INTRODUCING A CONNECTION FEE
 CONSTRUCTION OF A MEDIUM VOLTAGE GRID
 COSTS ARISING IN 400V AND 6 (10) KV GRIDS (THE CONSUMER PORTION)



# THE PROCEDURE OF CONNECTING NEW CONSUMERS TO POWER GRIDS

- A REQUEST TO CONNECT TO SERVICES
- SIGNING AN AGREEMENT FOR CONNECTION
- SIGNING A CONTRACT FOR DELIVERY OF SERVICES



#### A REQUEST TO CONNECT TO SERVICES

- 1. REQUIRED CAPACITY
- 2. REQUIRED VOLTAGE
- 3. TYPE OF CONNECTION (ONE- OR THREE-PHASE)
- 4. DOCUMENTS CERTIFYING RIGHTS OF THE APPLICANT TO THE SERVICED TERRITORY
- 5. EXPECTED DATE OF CONNECTION



#### A REQUEST TO CONNECT TO SERVICES

- 6. ADDITIONAL RELIABILITY REQUIREMENTS AS REQUESTED BY THE APPLICANT
- 7. DRAWING OF THE BUILDING OR A PLAN OF THE TERRITORY
  SHOWING THE CONNECTION POINT FOR THE CONSUMER SYSTEM
  OR THE DISTRIBUTION OF POWER LOADS
- 8. TECHNICAL CHARACTERISTICS OF THE CONSUMER SYSTEMS IF CONNECTED TO THE POWER GRID OF 400V OR MORE



# ACTIONS FOLLOWING THE RECEIPT OF THE APPLICATION

- •TECHNICAL PARAMETERS ARE DEFINED. IF THE SYSTEM IS CONNECTED TO THE POWER GRID OF 6(10) KV OR MORE, TECHNICAL PARAMETERS ARE REVIEWED BY THE CLIENT
- A FEASIBILITY STUDY FOR THE CONNECTION IS PREPARED
- •ALL NECESSARY APPROVALS FROM LOCAL GOVERNMENT AGENCIES AND OTHER AGENCIES ARE OBTAINED
- •THE APPLICANT RECEIVES AN AGREEMENT SINGED BY ONE PARTY, WHICH SPECIFIES THE COMPLETION DATE AND THE AMOUNT AND TYPE OF PAYMENT FOR CONNECTING THE SYSTEM



# SCHEDULES (SCHEDULES FOR SIGNING A CONNECTION AGREEMENT)

- FOR STANDARD CONNECTIONS TO 220V AND 400V GRIDS WITH THE CAPACITY OF UP TO 30KVA, 15 DAYS ARE REQUIRED TO PREPARE A CONNECTION DIAGRAM
- FOR OTHER TYPES OF CONNECTIONS TO 220V AND 400V GRIDS, 45
  DAYS ARE REQUIRED
- ALL OTHER CASES REQUIRE 75 DAYS



# SCHEDULES (SCHEDULES FOR SIGNING A SERVICE CONTRACT)

- •FOR A STANDARD CONNECTION TO 220V AND 400V GRIDS WITH THE CAPACITY OF UP TO 30KVA, 15 DAYS AND A CONNECTION DIAGRAM ARE REQUIRED
- •FOR OTHER CASES OF CONNECTING TO 220V AND 400V GRIDS WITH UP TO 30KVA CAPACITY, 45 DAYS AND A SET OF DESIGN DOCUMENTATION ARE REQUIRED
- •WHEN CONNECTING TO 400V GRIDS WITH THE CAPACITY OVER 30KVA, 90 DAYS ARE REQUIRED
- WHEN CONNECTING TO 6(10) KV CONSUMERS, 6 MONTHS ARE REQUIRED
- •WHEN CONNECTING 35 KV AND 110 KV CONSUMERS AND APARTMENT BUILDINGS TO GRIDS, 9 MONTHS ARE REQUIRED



#### **MONITORING**

- COLLECTING INFORMATION
- INCREASING MONITORING
- ANALYZING CUSTOMER COMPLAINTS AND OTHER FILINGS



#### APPLYING PENALTIES

- PENALTIES ARE MANDATED BY THE ENERGY LAW
- BASED ON THE ANALYSIS OF COLLECTED INFORMATION -- <u>5 ORDERS</u> ON APPLYING PENALTIES TO COMPANIES
- BASED ON THE ANALYSIS OF COMPLAINTS AND OTHER FILINGS —<u>I ORDER</u> ON APPLYING PENALTIES TO COMPANIES



#### **CURRENT ISSUES**

- ISSUES RELATED TO DEADLINES / SCHEDULES
- THE DIFFERENCE BETWEEN CONNECTION FEES AND ACTUAL EXPENSES
- ISSUES RELATED TO CAPACITY



#### **IMPLEMENTED REFORMS**

- REDUCED THE MAXIMUM PERIODS TO ENTER INTO AGREEMENTS ON CONNECTING CONSUMERS TO POWER GRIDS AND CONTRACTS FOR SERVICE DELIVERY, WHICH ARE SPECIFIED IN RULES FOR THE DELIVERY OF POWER AND THE USE OF ELECTRICITY
- THE NUMBER OF ACTIONS REQUIRED TO BE CONNECTED TO A GRID HAS BEEN REDUCED TO 2.
- THE FEE FOR COMMERCIAL CONSUMERS TO BE CONNECTED TO A 220VGRID IS NOW THE SAME AS THE FEE FOR CONNECTING PRIVATE HOMES TO A 220V GRID. ALSO, SAME CONNECTION FEE APPLIES TO CABLE AND OVERHEAD POWER LINES.
- •PREVIOUS RULES USED INTERVALS WHEN CALCULATING THE CONNECTION FEE FOR 400V GRIDS. TODAY, ACCORDING TO ORDER NO. 308, WE APPLY A FORMULA TO CALCULATE THE CONNECTION FEE FOR EACH CAPACITY UNIT.



#### THANK YOU FOR YOUR ATTENTION!