

Policy and Guidelines for Managing Interactive Offers

Version History

Version	Issue Date	Comments
1.0	29/12/2020	Interim Interactivity Guide drafted as part of the Energy Networks Association Workstream 2 review of interactivity across industry
2.0	15/10/2021	Revision and finalisation of the guidance document following CUSC Panel review of CUSC modification CMP370. The changes include the outcome of the Summer 2021 review outlined in version 1.0.

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1. Introduction

1.1 Background

Review of the Interactivity Policy

As part of the Open Networks Project, National Grid Electricity System Operator (the ESO) has worked with the Energy Networks Association (ENA) and industry to devise a consistent approach to administering interactive offers across network companies. Version 1.0 of this document was published in December 2020.

Where future changes to the Interactivity Policy are required (other than minor changes, for example, correcting typographical errors or providing clarity in the drafting of the policy where ambiguity has been identified etc.), the ESO will undertake an industry consultation of the proposed changes for a minimum period of two calendar weeks and highlight the consultation at the appropriate industry forum e.g. the Transmission Charging Methodology Forum (TCMF). The responses to the consultation will be considered and inform the changes to be made to this policy document.

What is Interactivity?

There are occasions where the ESO receives two or more applications to connect to or to use the same part of the existing or future National Electricity Transmission System (NETS) but where not all the applicants can be successfully accepted due to restrictions. Examples of restrictions which may impact on an applicant's ability to connect to or use the NETS include limited network capacity (such as circuit ratings and switchgear fault level capability), point of connection or physical limitations such as space to upgrade a substation. Where this occurs, the affected offers will become interactive with each other and the resulting offers are referred to as Interactive Offers.

Roles and responsibilities for the Interactive Process

Interactivity is identified by the Relevant Transmission Licensee during its network assessment in response to applications. Once interactivity has been identified, the Relevant Transmission Licensee will notify the ESO by completing an interactivity proforma.

The administration of the Interactivity Process is managed by the ESO and includes all aspects such as creating the Interactive Queue through to resolving which applications are successful (including processing and issuing any re-offer where appropriate).

The Relevant Transmission Licensee will work with the ESO and provide the ESO with all the required information to ensure that the ESO can administer an effective process.

1.2 The purpose of this document

The purpose of this document is to set out the detailed process that the ESO will follow when interactivity has been identified by the Relevant Transmission Licensee that two or more offers have become interactive with each other. The process set out in this document is consistent with the process that will be followed by the other network operators within Great Britain. This will ensure that a transparent, consistent, and fair approach is taken when managing Interactive Offers regardless of the network operator involved in the Interactivity Process. This interactivity policy will be applied to all applications under the CUSC irrespective of technology type, generation, or demand capacity etc.

2. The Interactivity Process

The following is to be read in conjunction with the process map within Appendix 1. Examples of how the interactivity process works in practice can be found in Appendix 2.

2.1 The Interactive Queue

There are occasions where the ESO receives two or more applications to connect to or to use the same part of the existing or future NETS but where not all the applicants can be successfully accepted due to restrictions. Restrictions can include limited network capacity, the point of connection, or physical limitations such as space to upgrade a substation. Where this occurs, the affected offers will become interactive with each other.

Where interactivity has been identified, the ESO will establish an Interactive Queue. The Interactive Queue will include all the Affected Parties. Each Affected Party will be assigned an Interactive Queue position.

The Interactive Queue position of each Affected Party will be determined by their respective Clock Start Dates. The Affected Party with the earliest Clock Start Date will be 1st in the queue, the Affected Party with the next earliest Clock Start Date will be placed 2nd in the queue and so on. Where two or more offers within the Interactive Queue have the same Clock Start Date, their Interactive Queue position will be determined by the time the application was declared to have been Clock Started, with the Affected Party with the earlier Clock Start having priority over the other applicant. In the event that two applications Clock Start at the same time, the ESO will use the date and time that the applicant submitted their application to the ESO as the determining factor of who will have the higher Interactive Queue position.

Statement of Works and Project Progression Applications

Where a Distribution Network Operator (DNO) is following the Statement of Works Process to identify whether any further work is required on the NETS, and subsequently submits a Project Progression application to the ESO within 30 calendar days of the outcome of the Statement of Works being notified to the DNO, the Clock Start Date for the purpose of the Interactive Queue will be the date that the Statement of Works was declared competent by the ESO. Where the Project Progression application is made after the 30 calendar day period, the date of the Project Progression application made to the ESO will be used to establish the Interactive Queue position.

In some areas of Great Britain, it is always assumed that works on the NETS will be required and only a Project Progression application will be made. In this case, the date that the Project Progression application is made to the ESO will be used to establish the Interactive Queue position.

2.2 Early warning of interactivity

Early warning before an offer has been issued

Where it is established prior to an offer being issued that the application may be an Interactive Offer, the ESO will aim to provide early warning to the Affected Parties through the issue of an Early Warning Letter. Any Early Warning Letter will be provided to the Affected Parties following notification to the ESO by the Relevant Transmission Licensee that potential interactivity has been identified during its network assessment.

The Early Warning Letter is intended to alert the applicant that their offer may be issued with a shorter acceptance period in comparison to a Standard Offer, which is currently three months. Interactive Offers will have either a 30 calendar day acceptance period for developer offers or a 45 calendar day acceptance period for offers sent to a DNO. For further information about acceptance periods see section 3 below.

The Early Warning Letter will also set out that the ESO will be unable to accommodate any request for an extension to the acceptance period beyond the date provided in the offer.

Early warning after a Standard Offer has been issued

Where one or more parties have already been issued with a Standard Offer and it is likely that these may become interactive with another applicant's offer when it is issued, the ESO will aim to notify all applicants of the potential interactivity at the same time. For those already in receipt of a Standard Offer, this alerts the applicant(s) that it is likely that the acceptance period of their offer(s) may be reduced to a maximum of 30 calendar days for a developer applicant or 45 calendar days for offers sent to a DNO. For further information about acceptance periods see section 3 below. The 45 calendar day acceptance for the DNO allows the DNO to undertake due diligence, prepare its offer to issue to its customer, and allow the DNO customer time to review, sign and return its offer to the DNO before the DNO has to sign and return its offer to the ESO.

The Early Warning Letter will also set out the ESO will be unable to accommodate any request for an extension to the acceptance period beyond the date provided in the offer.

2.3 Unconditional and Conditional Offers

The terms 'Conditional' and 'Unconditional' relate only to the type of offers that Affected Parties may receive in relation to interactivity and not any other terms or conditions in relation to the offers.

Unconditional Offers

An Unconditional Offer will always be issued where the Affected Party is first in the Interactive Queue. It is possible that there can be more than one Unconditional Offer within the same Interactive Queue (see Appendix 2, example 3 or an example where this may occur). An Affected Party that has been issued with an Unconditional Offer has the right of first refusal in respect of the terms of that Interactive Offer. An Unconditional Offer is not dependent, or affected by, the acceptance or non-acceptance of offers issued to the other Affected Parties within the Interactive Queue.

Any offer issued prior to the Interactive Queue being established, will have been issued as a Standard Offer on standard acceptance terms of three months. Once Interactivity is triggered, which occurs when the first Conditional Offer in the Interactivity Queue is sent to the relevant Affected Party, these offers will become Unconditional Interactive Offers. See section 2.4 below for details of changes that may occur to the acceptance period.

Conditional Offers

Conditional Offers are made on the premise that Offers ahead of them in the Interactive Queue will not be accepted and therefore the terms in the Conditional Offer reflect this.

The application that triggers the need to apply the Interactivity Process and establish the Interactive Queue will be issued a Conditional Offer. All subsequent offers made in relation to the same part of the NETS and joins the Interactive Queue will also be issued as Conditional Offers.

Where all Unconditional Offers have been accepted within the acceptance period so that no further Conditional Offers may be accepted on the terms set out in the respective offers, all Affected Parties that have a Conditional Offer will be notified that their Conditional Offer will be re-offered with revised terms by the ESO, irrespective of whether the Affected Party accepted its Conditional Offer or not.

Affected Parties who have been notified that they will receive a re-offer will be given the opportunity to retain their queue position and join any subsequent Interactive Queue based upon their original Clock Start Date. See section 4 below.

2.4 Interactivity where a Standard Offer has been issued

If interactivity has not been triggered when issuing an Offer (which occurs at the point that one or more Conditional Offer(s) within the same Interactive Queue are issued by the ESO), then a Standard Offer will be provided to the applicant with a three month acceptance period. This also applies where possible interactivity has been identified by the Relevant Transmission Licensee and Early Warning Letters as described in section 2.2 above have been sent to the Affected Parties but the first Conditional Offer within the Interactive Queue has not yet been issued to the Affected Party by the ESO. See section 2.3 above for further information about Conditional Offers.

If further applications are received that mean that an offer already issued may become interactive, then where possible, the ESO will send the Affected Parties an Early Warning Letter as described in section 2.2 above.

Once interactivity is triggered, the Affected Party with a Standard Offer will receive a Final Interactivity Notification, which will set out revised terms for acceptance, which will include:

- the date by which acceptance must be received by the ESO in order for the acceptance to be valid;
- the Interactive Queue position of the offer; and
- confirmation of the type of offer applicable. For the avoidance of doubt, offers issued as a Standard Offer that then become interactive will always be classified as an Unconditional Offer. Section 2.3 above sets out more detail about Unconditional Offers.

Where a Standard Offer has more than 30 calendar days (for developer offers) or 45 calendar days (for offers sent to a DNO), of acceptance period left when interactivity is triggered, the ESO will shorten the acceptance period of the Standard Offer to either 30 calendar days or to 45 calendar days respectively from the date that the ESO issues the Affected Parties with a Final Interactivity Notification.

In the event that there are fewer than 30 calendar days (for developer offers) or 45 calendar days (for offers issued to a DNO) remaining for acceptance at the point interactivity is triggered, then the Affected Parties acceptance period will remain unchanged.

Where interactivity is triggered, the ESO will be unable to accommodate requests for extensions to the offer acceptance period set out in the Final Interactivity Notification.

3. Acceptance

An Interactive Offer (whether an Unconditional or Conditional Offer) will remain open for acceptance for a maximum period of 30 calendar days for developer applicants and 45 calendar days for DNO applicants. Where an Interactive Offer has not been accepted within this period, the offer will lapse. For the avoidance of doubt, the acceptance period cannot be extended beyond the date stated in the Final Interactivity Notification (where a Standard Offer was originally issued) or the Interactive Offer documentation as appropriate.

An Interactive Offer will be considered to have been accepted if the Affected Party has signed and returned undated copies of each agreement to the ESO before the end of the offer acceptance period. The ESO will then review the acceptance by all Affected Parties and contact all Affected Parties to confirm their status and next steps.

3.1 Process following acceptance

For those Affected Parties that have been notified that they have secured their offer on the terms set out in their Interactive Offer, the ESO will then counter-sign the agreement(s) and this will form a valid contract between the applicant and the ESO. The ESO will then sign the Transmission Owner Connection Offer (TOCO) and any Affected Transmission Owner Connection Offer (ATOCO) and return these to the Relevant Transmission Licensee(s) for counter-signature.

Where an Unconditional Offer has been accepted before the expiry of the acceptance period and the NETS cannot accommodate the next Conditional Offer in the queue, all Affected Parties from that point in the queue onwards (regardless of whether they have accepted their offer or not) will be notified that they will receive a re-offer, which will contain revised terms. The ESO will then commence the re-offer process in accordance with section 4 below.

4. Re-offers

4.1 Re-offers where Interactivity has been resolved prior to the expiry of the acceptance period

Where an Unconditional Offer has been accepted, which causes the interactivity process to be resolved early (i.e. before the expiry of acceptance period for the last offer in the Interactive Queue), all Affected Parties from that point in the queue onwards will be notified that they will receive a re-offer, which will contain revised terms. Where Affected Parties wish to retain their queue position based upon their original Clock Start Date, the Affected Parties will be required to confirm to the ESO in writing (e.g. by email) within 10 working days of notification that the ESO will be issuing a revised offer. This will require the Affected Parties to confirm there are no changes to the original application. Where changes are required by the Affected Party, they will be required to reapply and will be issued with a new Clock Start Date.

4.2 Re-offers where Interactivity is resolved following the expiry of the acceptance period

Affected Parties that were issued with an Offer (whether this is an Unconditional Offer or a Conditional Offer) and chose not to accept the offer within the acceptance period and the Interactivity is resolved following the expiry of the acceptance period of the last offer in the Interactive Queue, will need to reapply should they wish to proceed with a connection. In the case of any subsequent interactivity, the queue position for these Affected Parties will be based on the new Clock Start Date.

5. Triggering Interactivity where a Grid Supply Point has a Transmission Impact Assessment in place (Appendix G)

5.1 Transmission Impact Assessment

At many Grid Supply Points (GSPs) a process has been established between the DNOs and the ESO to assess the impact of embedded connections and mitigating the need for a Statement of Works application. This is known as the Transmission Impact Assessment (TIA). This process was developed as part of the Open Networks Project and is commonly referred to as an 'Appendix G'. Under this process, DNOs provide the ESO with a list of all generators already connected or contracted to connect to a specific GSP. The list includes the size and type of generation for review by the ESO and the Relevant Transmission Licensee. The ESO provides the DNO with amount of capacity ('Headroom') available at these GSPs and establishes an enduring Appendix G.

As part of the TIA process, DNOs provide an updated Appendix G to the ESO on a monthly basis (unless agreed otherwise) clearly showing any changes to current existing embedded generation listed on the Appendix G, together with any newly accepted offers. As part of this submission the DNO will adjust the remaining known Headroom accordingly and forward the update to the ESO for approval. The ESO will then approve the changes accordingly or raise any queries with the DNO.

5.2 Triggering Interactivity under Transmission Impact Assessment.

Interactivity may be triggered where a Transmission Applicant applies to connect at a GSP where there is an existing Appendix G in place with the DNO. In order to facilitate the Transmission Application, the Relevant Transmission Licensee may identify a need to utilise some or all the capacity which has been previously allocated to a DNO through the TIA process. Where this occurs, the Relevant Transmission Licensee will notify the ESO of this and then in order to establish whether there is interactivity, the ESO will request the relevant DNO to complete a Proforma (see Appendix 3 of this document). This review may identify additional DNO projects that need to be considered for interactivity. For all projects identified, the principles outlined in this document will be followed.

Where the volume of accepted and contracted DNO generation connections exceeds the available Headroom at a GSP, the relevant DNO will be required to make an application to the ESO to identify whether any works are required by the Relevant Transmission Licensee on the NETS to increase the available Headroom. This is

done through the Statement of Works and Project Progression process as set out in Section 2.1. Where a specific GSP is also subject to the ESO Regional Development Programmes (RDP) terms to manage a specific network condition, the same principles explained in this document and the TIA process will be followed.

5.3 Identifying Interactivity and queue position as a consequence of a Transmission Application requesting a connection at a GSP where Appendix G is in place:

Where the ESO receives an application for a transmission connection, it will liaise with the Relevant Transmission Licensee to identify whether the application, will require some or all of the allocated DNO Headroom through the TIA process. Where it has been identified that the application may use some of the available Headroom, the ESO will send a Proforma to the relevant DNO (see section Appendix 3) to request up to date details of the accepted and contracted position in respect of that particular GSP.

The Proforma includes all the DNO applications that:

- have been received by the DNO but an Offer has not yet been made to the applicant;
- any DNO Offers that are within their acceptance period, but have yet to be accepted; and
- and accepted Offers where an update has not yet been provided to the ESO through the monthly Appendix G process.

The DNO will have 10 working days to send the requested information to the ESO from the date of receipt of the request. After receiving the updated Proforma from the DNO, the ESO will send the Proforma to the Relevant Transmission Licensee to enable them to undertake its network assessment. Where the DNO fails to provide the requested data within the agreed 10 working day timescales, the ESO will not include any DNO Offers within the interactivity process.

Where interactivity is identified, the queue position of the applicant is determined as below.

- The Transmission Application's queue position is determined by the Clock Start Date (See section 2.1 for further details).
- The Distribution Application's queue position is determined by the minimum information date (competent application date) of the Distribution Application which will be detailed in the Proforma.

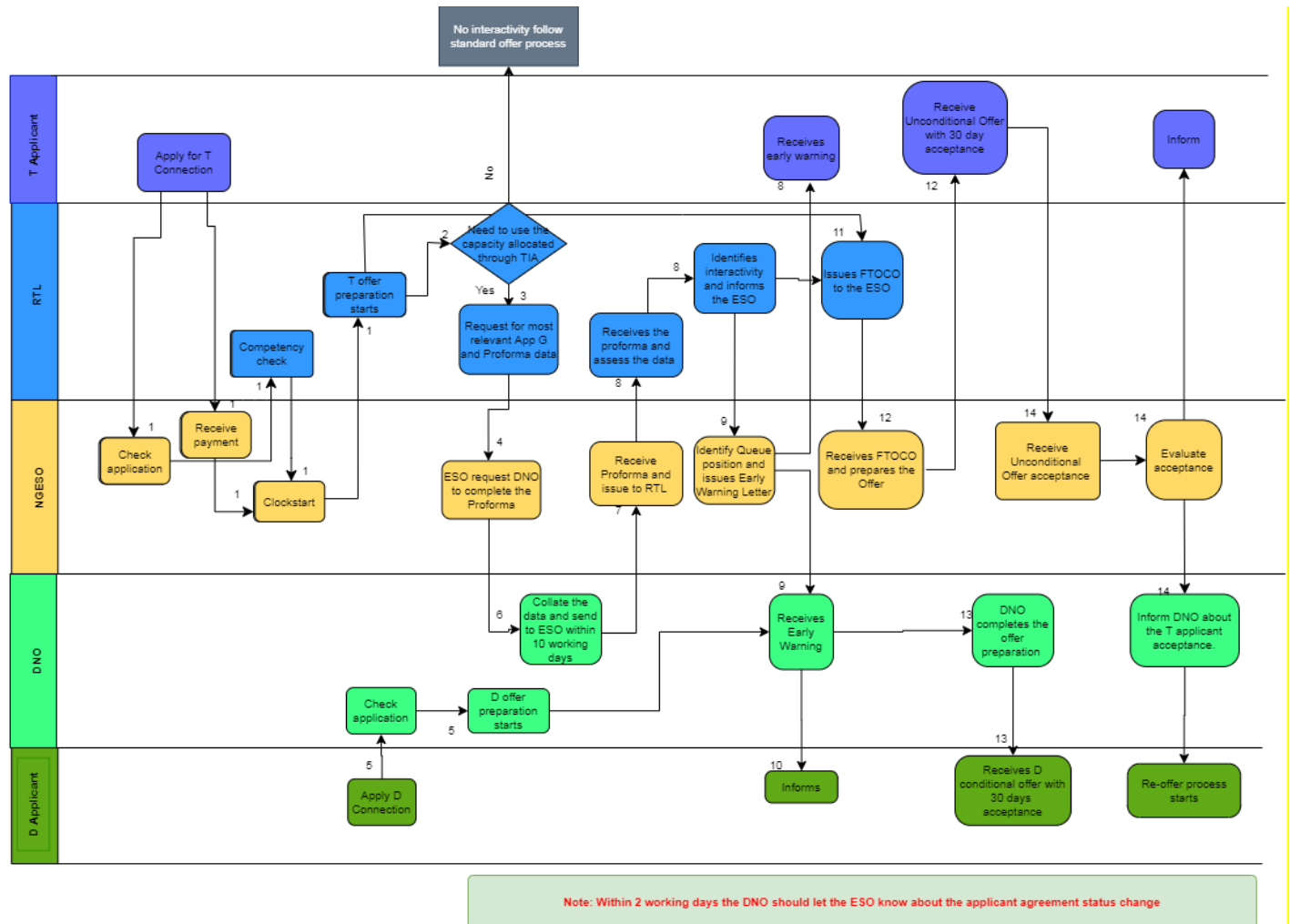
Where potential interactivity is identified by the Relevant Transmission Licensee, the Relevant Transmission Licensee will inform the ESO. The ESO will identify the queue position and update the Proforma. The ESO will then provide an Early Warning Letter to each of the Affected Parties with the updated Proforma (see section 2.2 for more information about Early Warning Letters). All Interactive Offers will have the acceptance period set out in Section 3.

In the event that a DNO project changes its status (e.g. an Offer has been issued, accepted or lapsed) during the resolution in the interactivity process, the DNO will have 2 working days to update the ESO. The ESO will notify the change to the Relevant Transmission Licensee who will then assess and make any required changes to its TOCO as appropriate.

5.4 Scenario: Transmission Application triggers interactivity with a DNO Application – Transmission Impact Assessment

In this scenario, the ESO receives a Transmission Application to connect to a GSP where there is an existing Appendix G and the Transmission Application utilises some or all the DNO allocated Headroom.

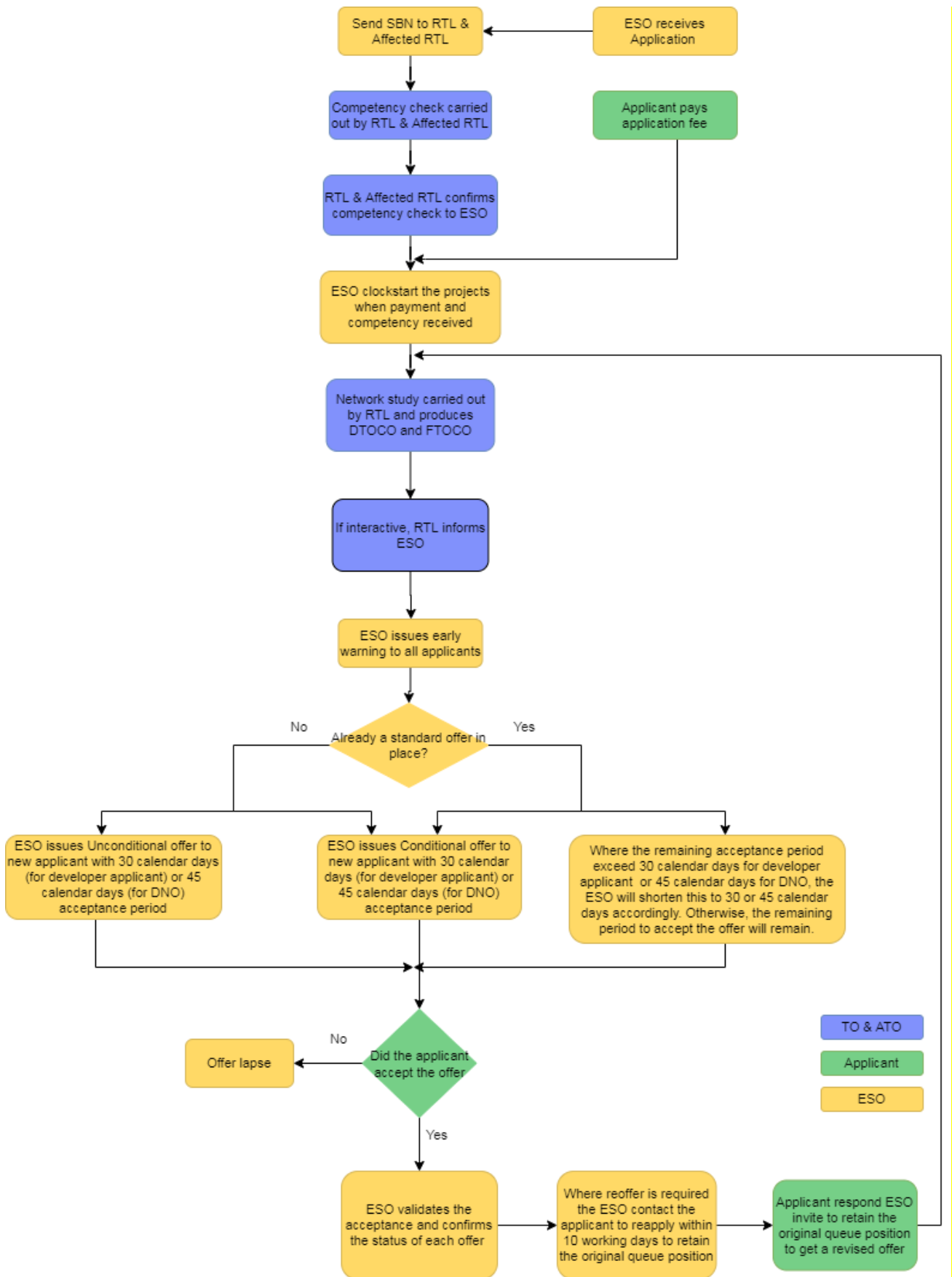
The diagram below illustrates two parallel processes on separate timelines - a Transmission Application (T Applicant) and a Distribution Application (D Applicant), that become interactive with each other.



1. The ESO receives a Transmission Application (T Applicant) and Clock Starts the application.
2. On evaluating the Transmission Application, the Relevant Transmission Licensee identifies that the Transmission Application may have a DNO impact. The Relevant Transmission Licensee identifies the GSP has an existing Appendix G in place and in providing an offer, it may have to utilise some or all of the Headroom allocated to the DNO.
3. The Relevant Transmission Licensee may then request Connection Planning Assumptions (CPA) data or alternative agreed data from the ESO to complete its assessment.
4. The ESO sends the Proforma set out at Appendix 3 requesting up to date details from the DNO of applications it has received and offers issued. The request will include a request for details of the following:
 - all competent connection applications that are pending Offer;
 - Offers that are within their acceptance period but the applicant has not yet accepted; and

- offers that have been accepted but not yet been notified to the ESO under the regular monthly Appendix G update process.
- 5. The DNO receives a competent application from an embedded applicant and starts preparing the Offer.
- 6. The DNO collates the data and completes the Proforma and send to the ESO within 10 working days.
- 7. The ESO receives the Proforma and forwards the Proforma data to the Relevant Transmission Licensee.
- 8. On receipt of the updated information (Proforma), the Relevant Transmission Licensee identifies any interactivity and in the above scenario it is determined that there is insufficient capacity for both the Transmission Application and the Distribution Application to both connect, therefore, they are interactive with each other. The Relevant Transmission Licensee informs the ESO of the interactivity.
- 9. The ESO identifies the respective Interactive Queue positions of each applicant and updates the Proforma with the Interactive Queue position. The ESO will notify the Affected Parties (Transmission Applicant and DNO) about the potential interactivity and issue an Early Warning Letter to those Affected Parties. The Affected DNO will also receive the Proforma with the queue position details.
- 10. The DNO notifies their applicant(s) about the potential interactivity by issuing an Early Warning Letter to those Affected Parties.
- 11. The Relevant Transmission Licensee prepares the Offers and issues the Final Transmission Owner Connection Offer to the ESO.
- 12. The ESO prepares the Offer for the Transmission Applicant. In this scenario, the Transmission Applicant's Clock Start Date is earlier than the DNO Applicant's minimum information received date. Therefore, an Unconditional Offer is issued to the Transmission Applicant with a 30 calendar day acceptance period.
- 13. DNO prepares its Offer and issue a Conditional Offer with 30 calendar day acceptance period to relevant DNO applicant.
- 14. As the Transmission Applicant accepted its Unconditional Offer, the ESO is able to confirm its acceptance. The ESO contacts the DNO to update on the status of the Transmission Offer and the DNO will issue a re-offer to their applicant. Validation of the Offer Acceptance follows the same principles described in sections 3 and 4 of this document.

Appendix 1: Interactivity Process Map

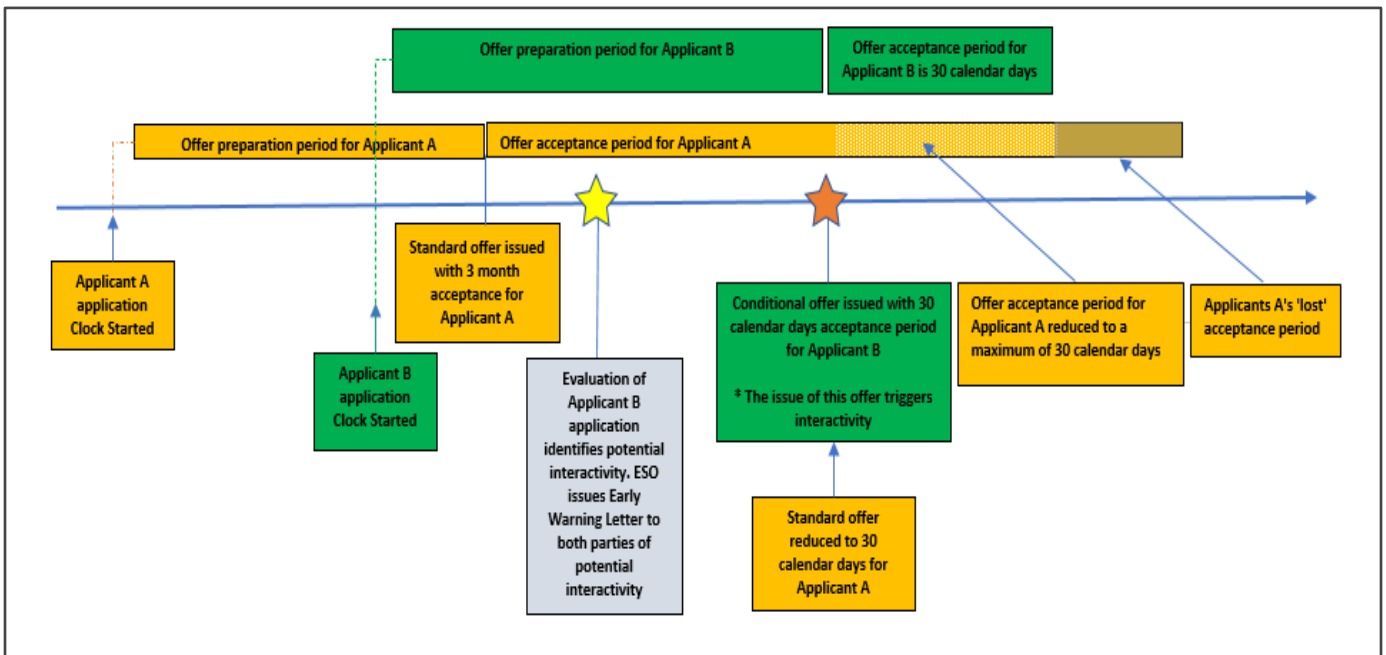


Appendix 2: Examples

Example 1 - Triggering interactivity when an Offer (Standard Offer) has already been issued

Total capacity available on the Transmission System = 500MW

Applicant	Application Clock Start Date	Position in the Interactive Queue	Capacity Requested	Type of Offer
A	04/08/2020	1	500MW	Standard Offer (Unconditional Offer once interactivity is triggered)
B	05/10/2020	2	500MW	Conditional Offer



A Standard Offer with a 3 month acceptance period has been issued to Applicant A. When Applicant B applies, the ESO Clock Starts the application. The Relevant Transmission Licensee carries out the network study for Applicant B and identifies potential interactivity with Applicant A and notifies the ESO.

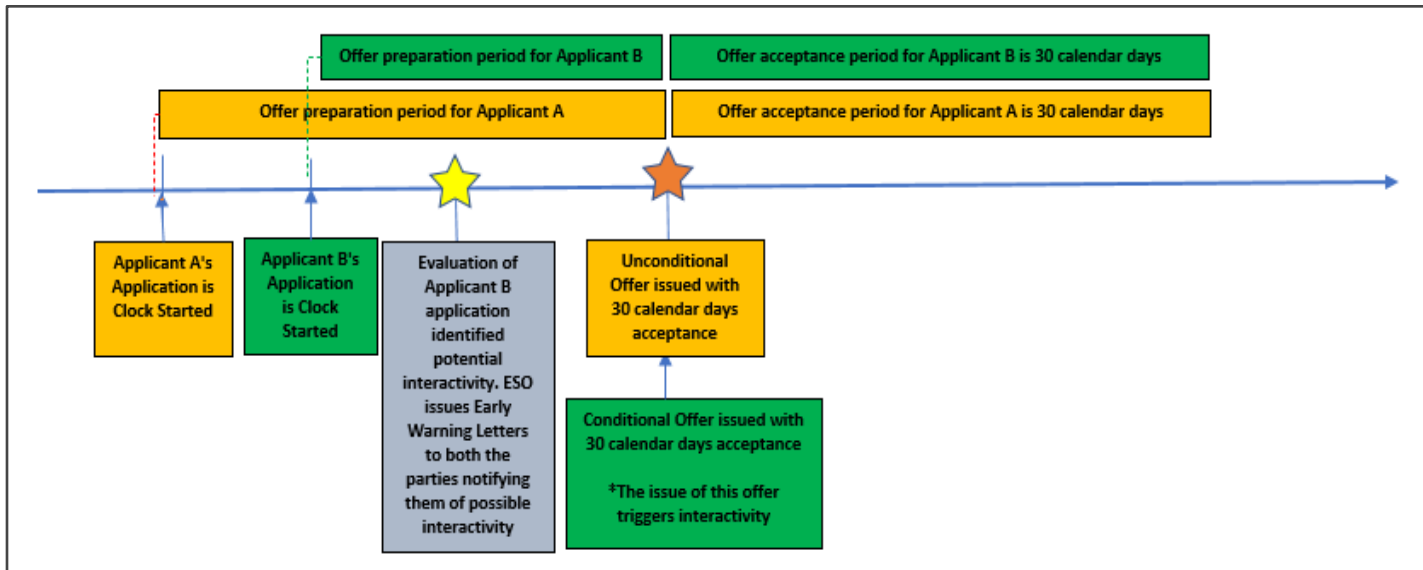
The ESO then sends out Early Warning Letters to both Affected Parties. Applicant A will be notified that their offer may become an Unconditional Interactive Offer and their acceptance period may be shortened to a maximum of 30 calendar days and Applicant B will be notified that their Offer is likely to be issued as a Conditional Interactive Offer with a shortened acceptance period.

When the Applicant B's offer is ready to be issued, a Conditional Offer with a 30 calendar day acceptance period is issued to Applicant B. At the same time, Applicant A is formally notified that their Offer is now interactive and its offer acceptance period is reduced to 30 calendar days.

Example 2 - Triggering interactivity where no Offers have been issued

Total capacity available on the Transmission System = 500MW

Applicant	Application Clock Start Date	Position in Interactive Queue	Capacity Requested	Type of Offer
A	04/08/2020	1	500MW	Unconditional Offer
B	08/08/2020	2	500MW	Conditional Offer



On evaluating the two applications the Relevant Transmission Licensee identifies potential interactivity and informs the ESO.

The ESO issues Early Warning Letters to both Affected Parties. This provides the Affected Parties with notice that their offers may be issued as Interactive Offers and therefore are likely to have shortened acceptance periods. As the two applications were received within a few days of each other, where possible, the ESO aligns the Offer Date for both Affected Parties to the earliest Offer Date (Applicant A's Offer Date). Therefore, both Affected Parties received their Offer on the same date.

As Applicant A has an earlier Clock Start Date, they are allocated Interactive Queue Position 1 and receive an Unconditional Offer.

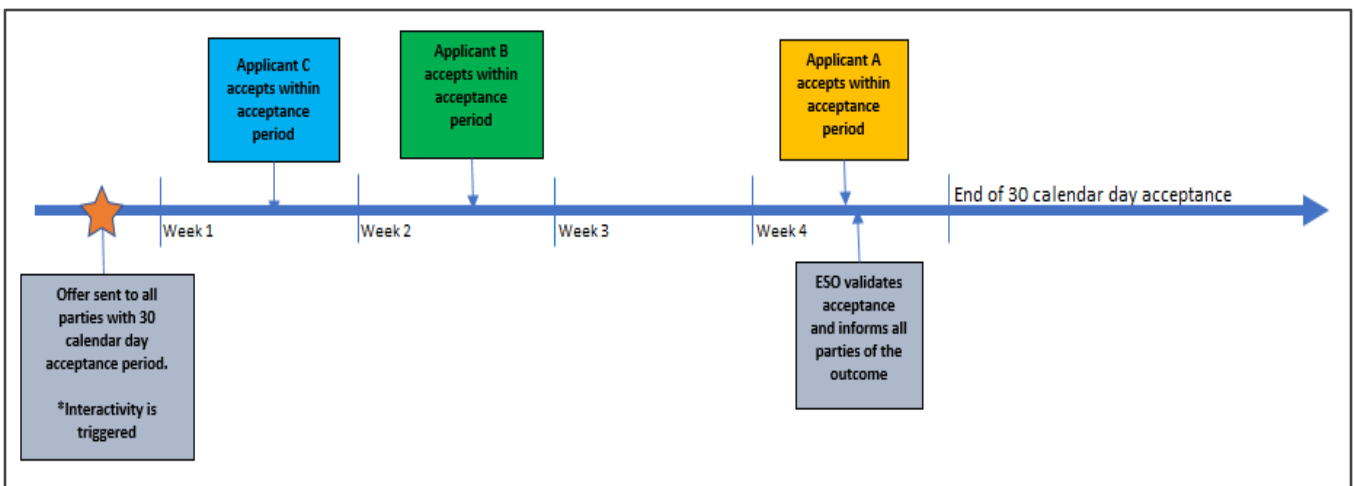
Applicant B is allocated Interactive Queue Position 2 and receives a Conditional Offer.

Both Applicant A and Applicant B have a 30 calendar day acceptance period.

Example 3 - All Affected Parties accepting their Offers

Total capacity available on the Transmission System = 500MW

Applicant	Application Clock Start Date	Position in Interactive Queue	Capacity Requested	Type of Offer	Offer Status
A	04/08/2020	1	250MW	Unconditional Offer	Accepted (secures offered capacity)
B	05/08/2020	2	250MW	Unconditional Offer	Accepted (secures offered capacity)
C	06/08/2020	3	250MW	Conditional offer	Accepted (re-offered by the ESO)



Applicant C applies, and the ESO Clock Starts the application. The Relevant Transmission Licensee carries out the network study for Applicant C and identifies potential interactivity with Applicant A and B and notifies the ESO.

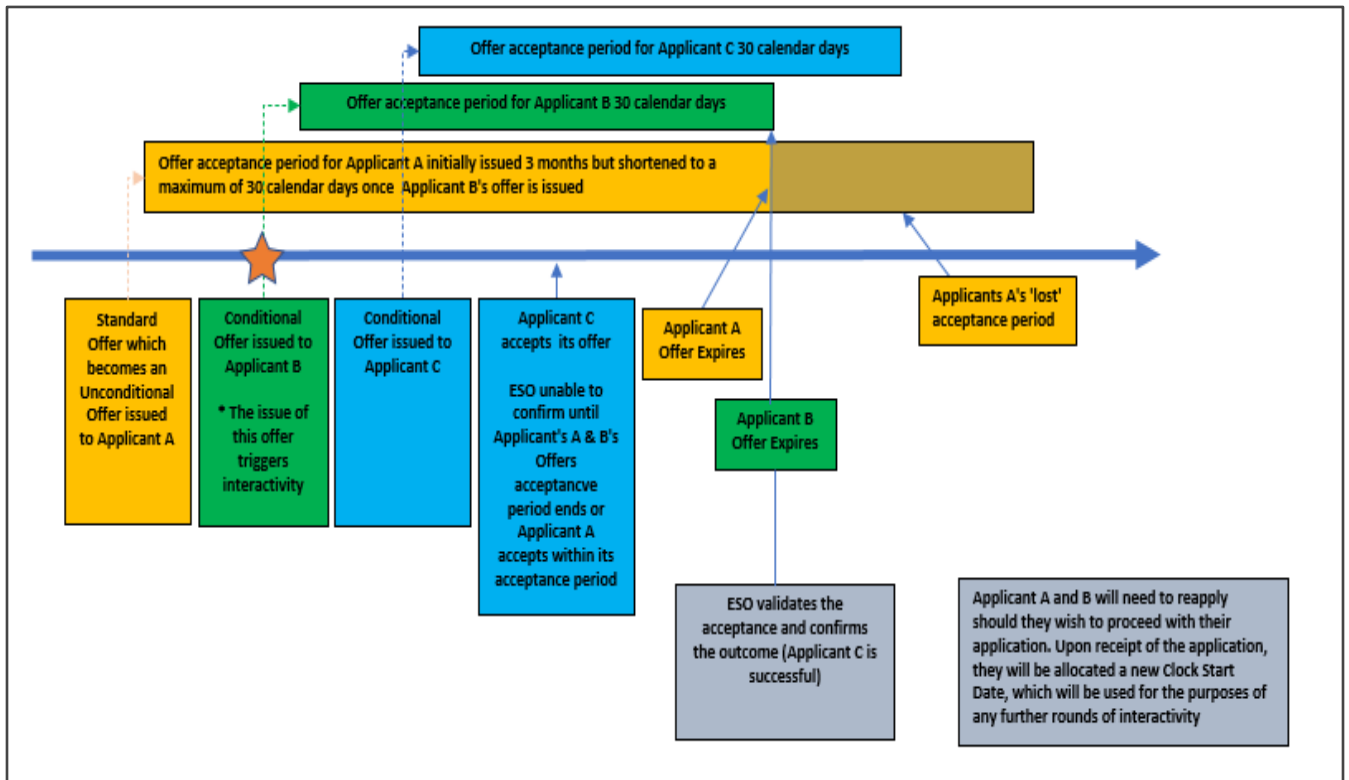
The ESO notifies the Affected Parties (Applicants A, B and C) of the potential interactivity by sending out Early Warning Letters. This will alert the three Affected Parties that their respective Offers may be issued with a shorter acceptance period of 30 calendar days.

- Once all Affected Parties with Unconditional Offers accept their respective Offers, the ESO will notify the Affected Parties of the outcome of the interactivity.
- Applicant A will secure their requested capacity as they submitted their signed acceptance of Unconditional Offer within 30 calendar days.
- Applicant B also secures their requested capacity as they accepted the Offer within the 30 calendar days and have an Unconditional Offer. In addition, their place in the Interactive Queue is higher than Applicant C. (Total 500MW allocated out of 500MW available).
- As Applicant C accepted their Condition Offer and those ahead of them have taken up all the available capacity, they will receive a revised offer from the ESO. If Applicant C wishes to retain their queue position in any further round of interactivity, they must inform the ESO in writing (e.g. by email) within 10 working days from having been informed about the outcome of the interactivity process.

Example 4 - An acceptance for a Conditional Offer is received but it cannot be validated until all Offers ahead of it in the Interactive Queue have lapsed

Total capacity available on the Transmission System = 250MW

Applicant	Application Clock Start Date	Position in Interactive Queue	Capacity Requested	Type of Offer	Offer Status
A	04/08/2020	1	250MW	Unconditional Offer	Lapsed
B	14/08/2020	2	250MW	Conditional Offer	Lapsed
C	25/08/2020	3	250MW	Conditional Offer	Accepted (secures offered capacity)



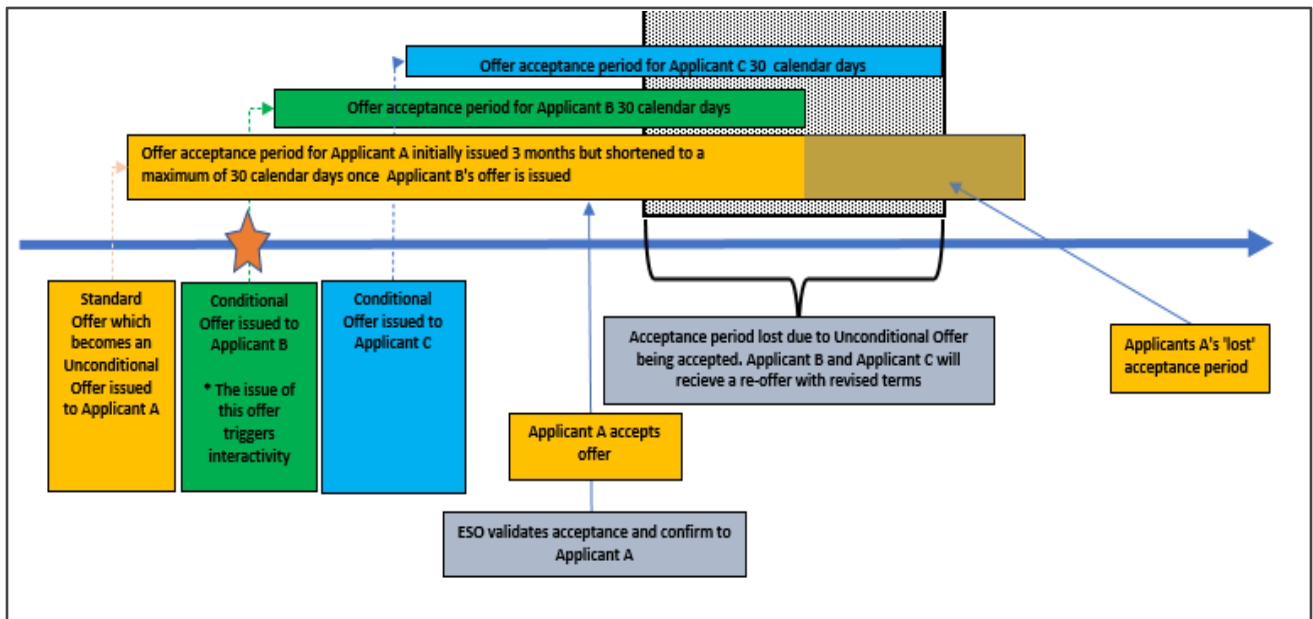
In this scenario, a Conditional Offer is accepted by Applicant C but this Offer cannot be validated until all acceptance periods of Offers that are ahead of it in the Interactive Queue have expired and formally lapsed (Applicant A and B). Applicant A and Applicant B have priority over Applicant C due to their higher Interactive Queue Position and so acceptance by either of these Affected Parties may impact on the outcome.

- When Applicant A's and Applicant B's Offers lapse, the ESO reviews and validates the acceptances (Applicant C) and confirms the Affected Parties status. In this example, Applicant C is successful in securing its Offer. The applicants A and B will need to reapply if they wish to proceed with a new connection offer.

Example 5 - An Unconditional Offer acceptance is received, and all other Offers are reoffered

Total capacity available on the Transmission System = 500MW

Applicant	Application Clock Start Date	Position in Interactive Queue	Capacity Requested	Type of Offer	Offer accepted
A	04/08/2020	1	500MW	Unconditional Offer	Accepted (secures offered capacity)
B	14/08/2020	2	250MW	Conditional Offer	The ESO confirms the status prior to expiry of the acceptance period and provides the applicant with a re-offer
C	25/08/2020	3	250MW	Conditional Offer	The ESO confirms the status prior to expiry of the acceptance period and provides the applicant with a re-offer

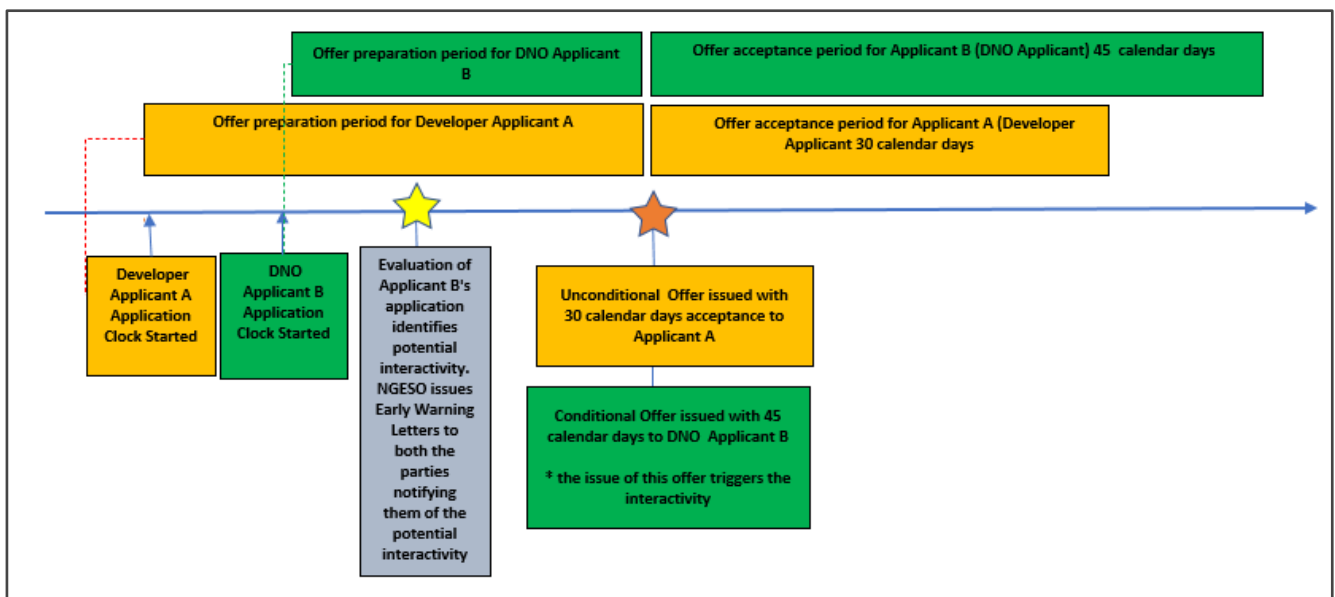


- Applicant A accepts its Unconditional Offer and the ESO validates the acceptance of Applicant A's Offer as no further Unconditional Offers are waiting to be accepted.
- There are two Conditional Offers remaining (Applicant B and Applicant C). As all available capacity has now been taken, the ESO notifies the Affected Parties that these offers are no longer able to be accepted and that the ESO will provide a re-offer with revised terms.
- As Applicant B and Applicant C had valid offers when they were notified that they will receive re-offers, they will have the opportunity to retain their original queue position, which is based on their original Clock Start Date. However, they need to notify the ESO in writing (e.g. by email) within 10 working days of their notification that they will receive a re-offer that they wish to retain their queue position in the event of further interactivity.

Example 6 - Triggering interactivity where Offers issued with different acceptance periods

Available Capacity on the Transmission System = 60MW

Applicant	Connection Agreement Type	Application Clock Start Date	Position in Interactive Queue	Capacity Requested	Type of Offer
A	Transmission Connection (Developer)	04/08/2020	1	55MW	Unconditional Offer
B	Project Progression (DNO)	08/08/2020	2	10MW	Conditional Offer



Following review of the two applications, the Relevant Transmission Licensee identifies potential interactivity and informs the ESO.

The ESO issues Early Warnings Letters to both parties to give them notice that their offers are likely to have shortened acceptance periods.

As the applications were received within a few days of each other, where possible, the ESO aligns the Offer Date for both Affected Parties to the earliest Offer issue date (Applicant A's Offer Date). Therefore, both Affected Parties received its Offer on the same date.

As Applicant A has an earlier Clock Start Date, they are allocated Interactive Queue position 1 and receive an Unconditional Offer.

Applicant B is allocated Interactive Queue position 2 and receives a Conditional Offer.

As the Applicant A is a developer applicant, they are issued the offer with a 30 calendar day acceptance period.

As the Applicant B is a DNO applicant, they are issued the offer with 45 calendar day acceptance period. The 45 calendar day acceptance for the DNO allows the DNO to undertake due diligence, prepare its offer to issue to its customer, and allow the DNO customer time to review, sign and return its offer to the DNO before the DNO has to sign and return its offer to the ESO. The DNO customer will have normal 30 calendar day acceptance period to accept the offer.

Appendix 3: ESO Proforma to Request Data relating to Transmission Impact Assessments (Appendix G)

INTERACTIVITY

This proforma request data from the Distribution Network Operator when applicants may become interactive where the GSP has an existing TIA in place.

Following initial assessment of a Transmission application at Name of the substation, NGENSO believe this application will be potentially interactive with the remaining Materiality Headroom on the Appendix G for Relevant Substation Name

List of Relevant Embedded Power Station that have accepted their offer after APPENDIX G update to the ESO						
Relevant Embedded Power station	Developer Capacity	Competent Application start date	Offer Acceptance date	Date of Connection	Technology	Interactive Queue Position NB: ESO to complete

List of Relevant Embedded Power Stations that competent application received but not yet offered							
Relevant Embedded Power station	Developer Capacity	Competent Application start date	Offer due date	Offer to be accepted by date	Date of Connection	Technology	Interactive Queue Position NB: ESO to complete

List of Relevant Embedded Power Stations Offers that are within their acceptance period, but not yet accepted						
Relevant Embedded Power station	Developer Capacity	Competent Application start date	Offer to be accepted by date	Date of Connection	Technology	Interactive Queue Position NB: ESO to complete

Total Headroom available:	Total MW Used:
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DNO Contact details

Appendix 4: Acronyms and Definitions

Term	Definition
Affected Party	An applicant who has received an Interactivity Notification and has an allocated position within an Interactive Queue
Appendix G	The process through which a Transmission Impact Assessment is established
Affected Transmission Owner Connection Offer (ATOCO)	The connection offer issued to the ESO by the affected Relevant Transmission Licensee (If any), which subsequently forms the terms of the offer issued to applicants in their Interactive Offer
Calendar Days	Every day on the calendar, including weekends and public holidays.
Clock Start Date	The date when the ESO receives both: <ol style="list-style-type: none"> 1. confirmation from the Relevant Transmission Owner(s) that an application is technically competent; and 2. the application fee has been received from the applicant.
Conditional Offer	An Offer that is dependent on some or all offers within the Interactive Queue not being accepted in order to secure the terms set out in the Interactive Offer
Connection Planning Assumptions (CPA)	Connection Planning Assumption - the provision for the Relevant Transmission Licensee to request data under the terms of System Operator Transmission Owner Code (STC) to allow the data to be shared
CUSC	The Connection and Use of System Code. This constitutes the contractual framework for connection to, and use of, the national electricity transmission system
Developer Acceptance Period	The amount of time developers have to accept their Interactive Offer. This will be 30 calendar days from the date of the offer being issued where it is issued as an Interactive Offer. Where interactivity being triggered following the issue of a Standard Offer, this will be either: <ul style="list-style-type: none"> • a maximum of 30 days where the remaining acceptance period exceeds 30 calendar days; or • where fewer than 30 calendar days remain, the amount of days that are left.
Developer Applicant	An applicant other than a Distribution Network Owner. This can be for an application for use of, or connection to, the distribution or transmission network.
Distribution Applicant	An applicant that is applying to connect to the distribution network
DNO	A Distribution Network Operator's application in respect of the transmission network.
DNO Applicant	An applicant that is a Distribution Network Operator
DNO Acceptance Period	The amount of time DNOs have to accept their Interactive Offer. This will be 45 calendar days from the date of the offer being issued where it is issued as an Interactive Offer. Where interactivity being triggered following the issue of a Standard Offer, this will be either: <ul style="list-style-type: none"> • a maximum of 45 days where the remaining acceptance period exceeds 45 calendar days; or • where fewer than 45 calendar days remain, the amount of days that are left.

DTOCO	Draft Transmission Owner Connection Offer (see the definition for TOCO below)
Final Interactivity Notification	A notification issued by the ESO to an applicant that currently has a Standard Offer that inform them that they are now interactive with one or more other offers
FTOCO	Final Transmission Owner Connection Offer (see the definition for TOCO below)
Early Warning Letter	The notice confirming that an Offer is an Interactive Offer
ENA	Energy Network Association
ESO	National Grid Electricity System Operator
GSP	Grid Supply Point
Interactivity Process	The process the ESO will follow to manage Interactive Offers.
Interactive Queue	The created by the ESO as part of the Interactivity Process. Each applicant affected by Interactivity will be allocated a queue position, which is based upon the applicant's Clock Start Date. See Section 2.1 for further information.
NETS	National Electricity Transmission System. This refers to the whole of the Electricity Transmission System within Great Britain.
Network Headroom	This is the amount of unused capacity available on the network at a given point in time.
Project Progression Application	This is an application made to the ESO following works being identified on the NETS through the Statement of Works Process
Regional Development Programme	Regional Development Programme.
Relevant Transmission Licensee	This is the host transmission owner and where applicable, the affected transmission owner. This will be either: <ul style="list-style-type: none"> • Scottish Hydro Electric Transmission Plc (Scotland); • SP Transmission Plc (Scotland); or National Grid Electricity Transmission Plc (England and Wales).
Standard Connection Offer	<ul style="list-style-type: none"> • An offer issued by the ESO where no interactivity has been identified at the point of issue.
Statement of Works Process	The process followed to identify whether any further work is required on the NETS as a consequence of a distribution connection. This is initiated by the DNO to the ESO.
Transmission Owner Connection Offer (TOCO)	The connection offer issued to the ESO by the host Relevant Transmission Licensee, which subsequently forms the terms of the offer issued to applicants in their Interactive Offer
Transmission Owner Connection Agreement (TOCA)	A TOCO that has been signed by both the ESO and the Relevant Transmission Licensee
Transmission Applicant	An applicant that is applying to connect to the transmission network
Transmission Impact Assessment	An impact assessment undertaken to determine whether an application has an impact on the Transmission network.
Unconditional Offer	An Offer that is not dependent on some or all offers within the Interactive Queue being accepted in order to secure the terms set out in the Interactive Offer
Working Days	Every day on the calendar excluding weekend and public holidays