

Two Step Offer Process & TEC Amnesty

23rd November 2022

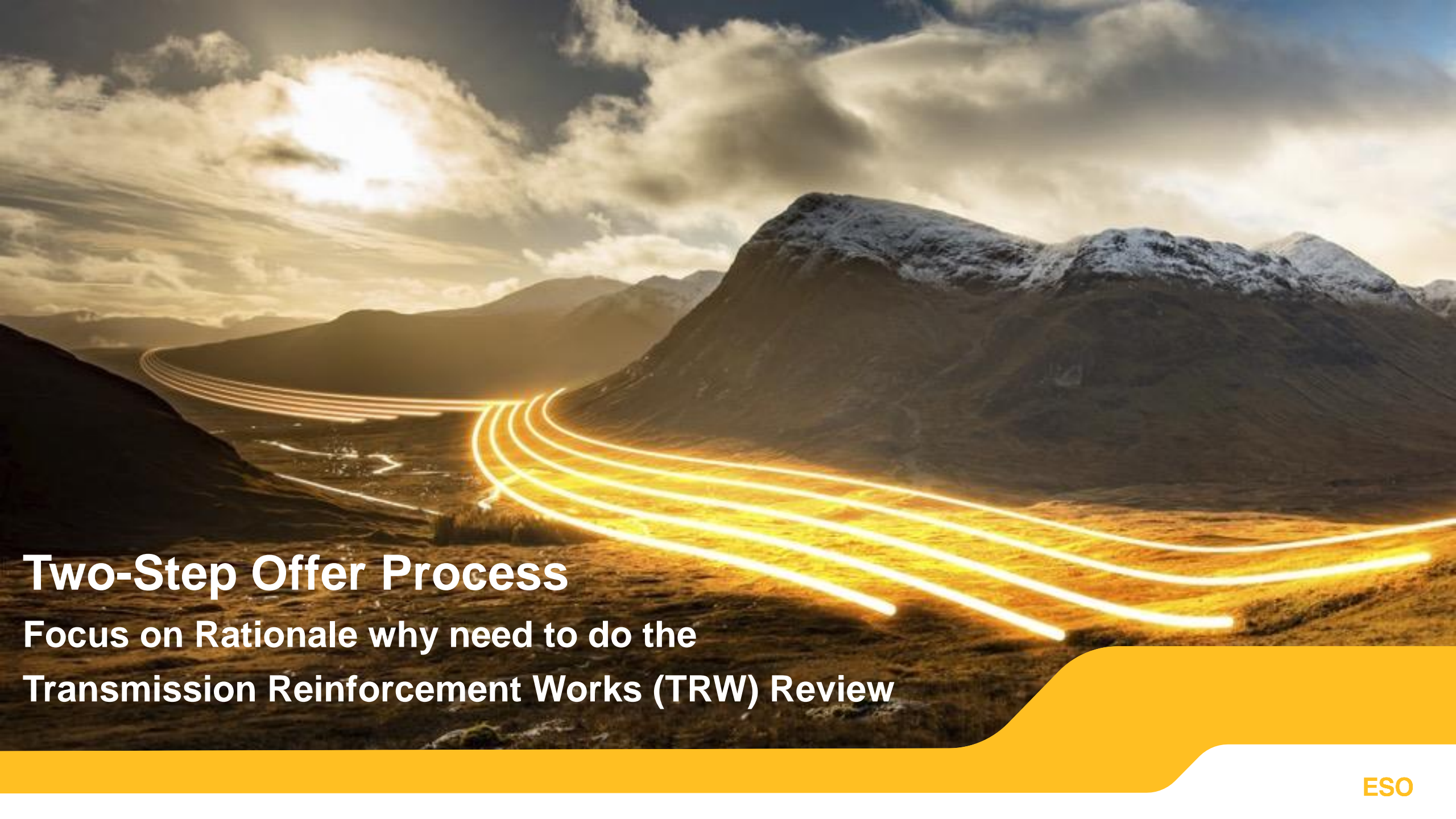
You have been joined in listen only mode with your camera turned off. Please note this session is being recorded.

Agenda

- ❖ Two-stage Offer Process
- ❖ TEC Amnesty Call Out
- ❖ Questions and Answers

Please ask all questions in the Chat. We aim to get through as many questions as possible.





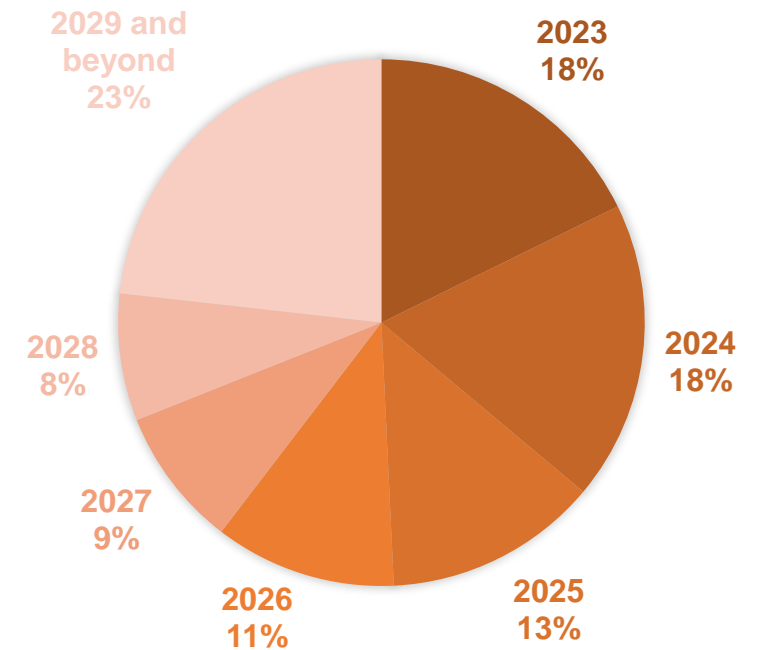
Two-Step Offer Process

Focus on Rationale why need to do the
Transmission Reinforcement Works (TRW) Review

Why are we proposing a Temporary Two-Stage Offer Process

- Continuous growth of **contracted generation background, 320GW** and growing
- Increase in the number of Connection Offers which have connection dates of late 2020's to late 2030's
 - **51% of offered connections have connection dates of 2026 and beyond**
- **Continuous growth of new applications, 84% YTD**, contributing to increase in connection timescales and network studies complexity
- ESO completed the review of the Construction Planning Assumptions and modelling of Battery Storage which was agreed with TOs
- Lessons learned from HND coordinated connections review
- Requirement to **introduce urgent short term improvements to connections process** that have an impact on connection timescales and scope of enabling works
 - Objective is to provide Customers more certainty

NUMBER OF OFFERED CONNECTIONS BY CONNECTION DATE



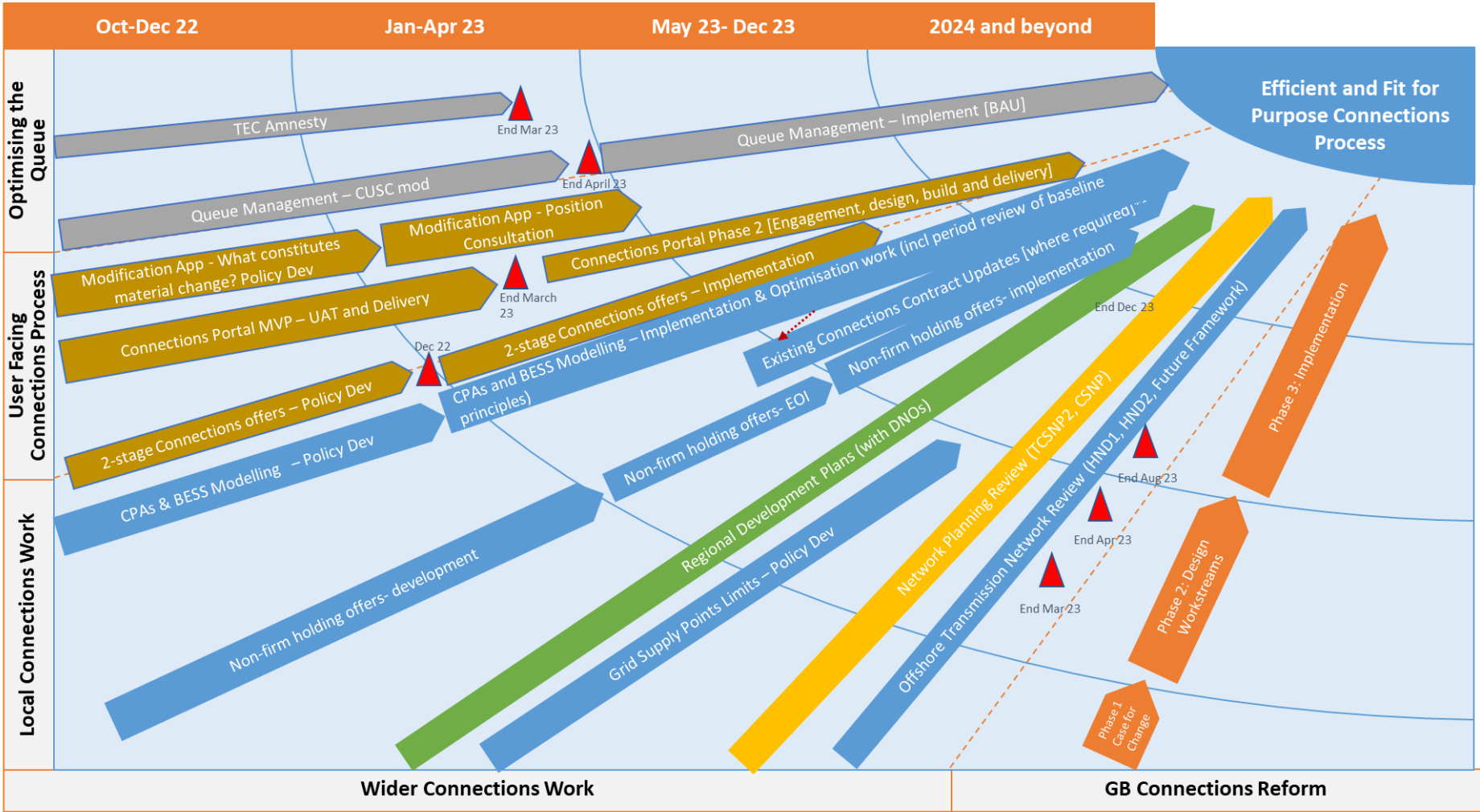
Why are we proposing a Temporary Two-Stage Offer Process

Following review of options available, this **temporary Two-Stage Offer** process was identified as the one that introduced value and looks to enable unlocking of grid capacity

Options considered but ruled out:

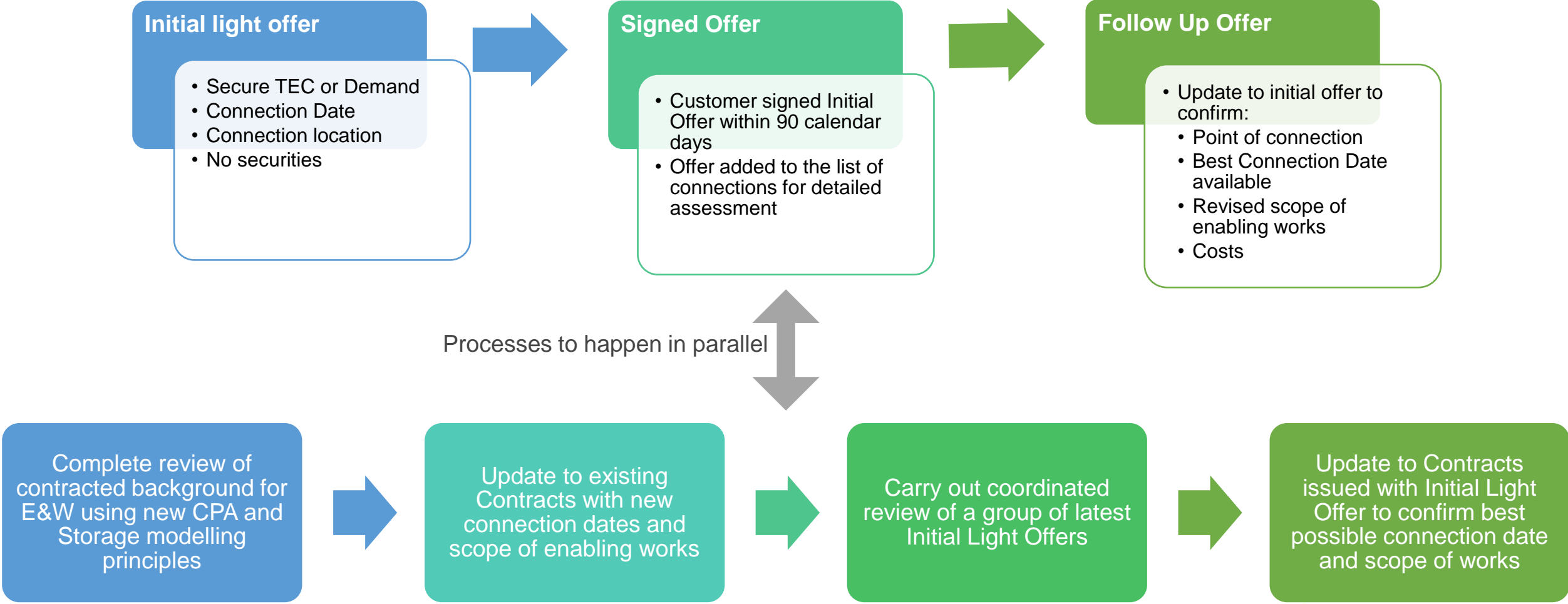
Do Nothing	Moratorium	Derogation for time extension to supply of Offer timescales
Doesn't enable optimisation of contracted connections	Could be understood as closure of GB Market to new connections	Represents delay to new Customers for the supply of certainty to secure TEC and initial connection date
Doesn't enable improvement to contracted connection timescales	Wouldn't address the needs for new customers and their developments	Introduces the uncertainty of a higher number of applications having to be reviewed at one given time, thus creating a challenge from a management of interactivity
New connection applications to be provided with more pessimistic dates, costs and scope of enabling works	Would enable for review and optimisation exercise of existing contracted background	Could represent a real challenge for return to BAU – introduce the need to extend duration of derogation on extension of time to manage new connections
		Would enable for review and optimisation exercise of existing contracted background

Transmission Connections Improvements – Short, Medium and Long Term Actions

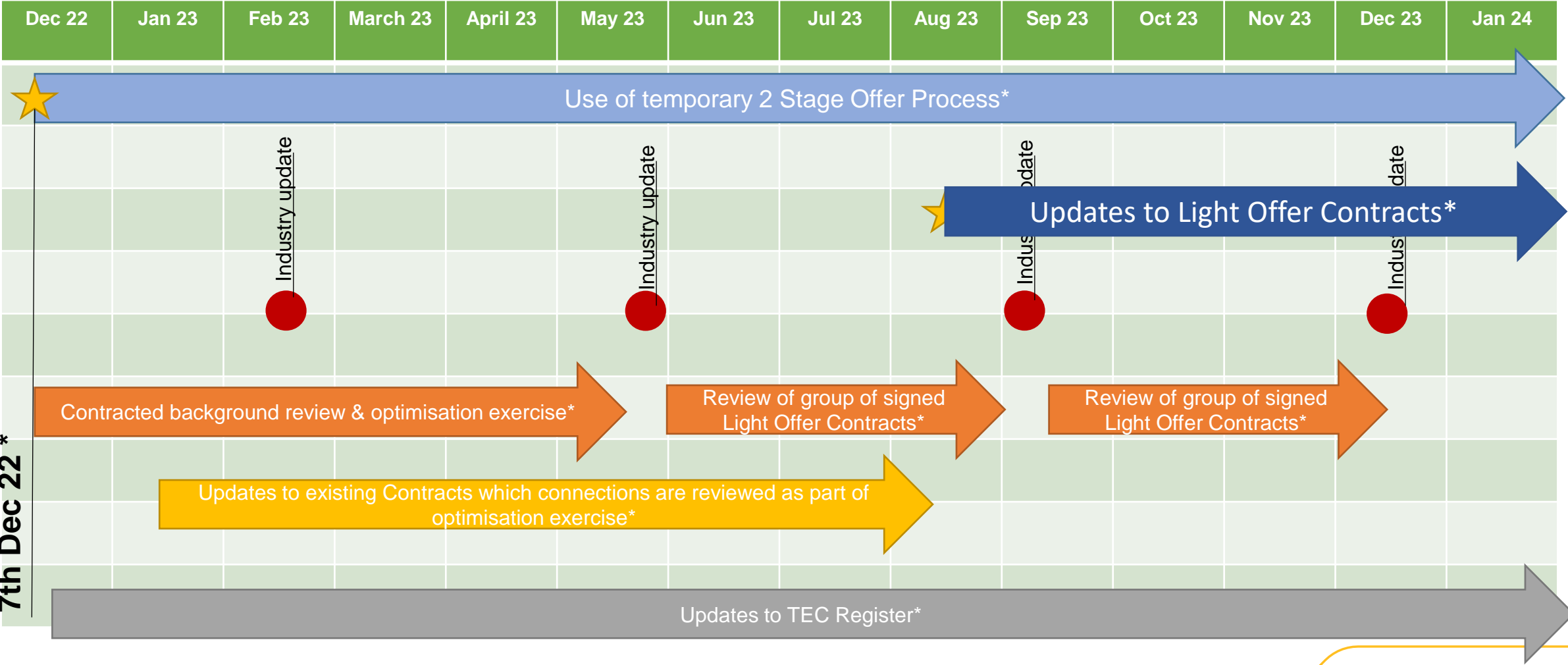


*1 where CPA and Storage modelling review and optimisation of existing contracted background results in a revised scope of works, enabling works and connection date

Why are we proposing a Temporary Two-Stage Offer Process

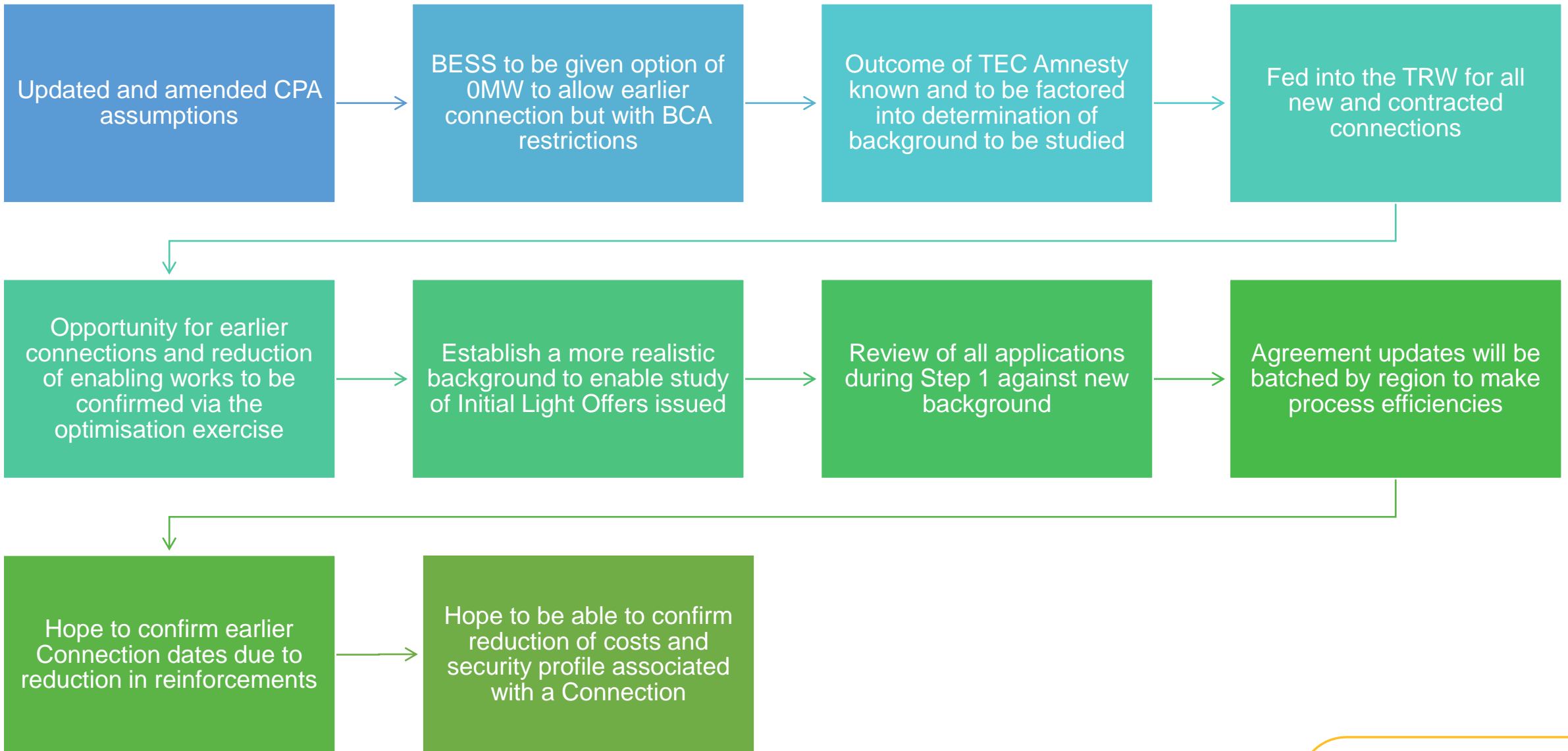


Why are we proposing a Temporary Two-Stage Offer Process



*dates and duration of activities to be confirmed & agreed, key dependency on when 2 stage offer is introduced

Benefits from introduction of this temporary process



Benefits from introduction of this temporary process

Current Offers		Offers under 2 stage offer proposal	
Connection Timescales	Long lead times for connections into late 2030s	Connection Timescales	Initial connection date driven by known timescales to address enabling reinforcement works
	Connection timescales not subject to planned or strategic review or acceleration		On Follow Up Offer, we shall confirm the best possible connection date, up to 9months from signing the offer – Focus on improvement of connection timescales
Scope	Enabling works currently include transmission network reinforcement schemes which have been identified as minimum works using old CPA;	Scope	Initial Offer won't contain detail on enabling works associated with the connection
			On the Follow Up Offer, detailed scope to be provided up to 9months from signing the offer, which will be reflective of the contracted background optimisation exercise
Costs	Securities (high) are reflective of the number of enabling works identified	Costs	Initial offer will have 0 securities;
			Updated offer will include the securities for the enabling works confirmed via the optimisation exercise, which are expected to be lower than current observed securities

Summary of Benefits from introduction of this temporary process



A landscape photograph featuring a valley with mountains in the background. The sky is filled with dramatic, golden light trails from the sun. In the foreground, several bright, glowing yellow and orange light trails curve across the grassy terrain, suggesting a long-exposure shot of light trails or a stylized digital effect. The overall mood is serene and futuristic.

Questions



TEC Amnesty



ESO launches new initiative to connect electricity generation to the transmission system faster



TEC (Transmission Entry Capacity) Amnesty launched to clear stalled projects from the TEC register.



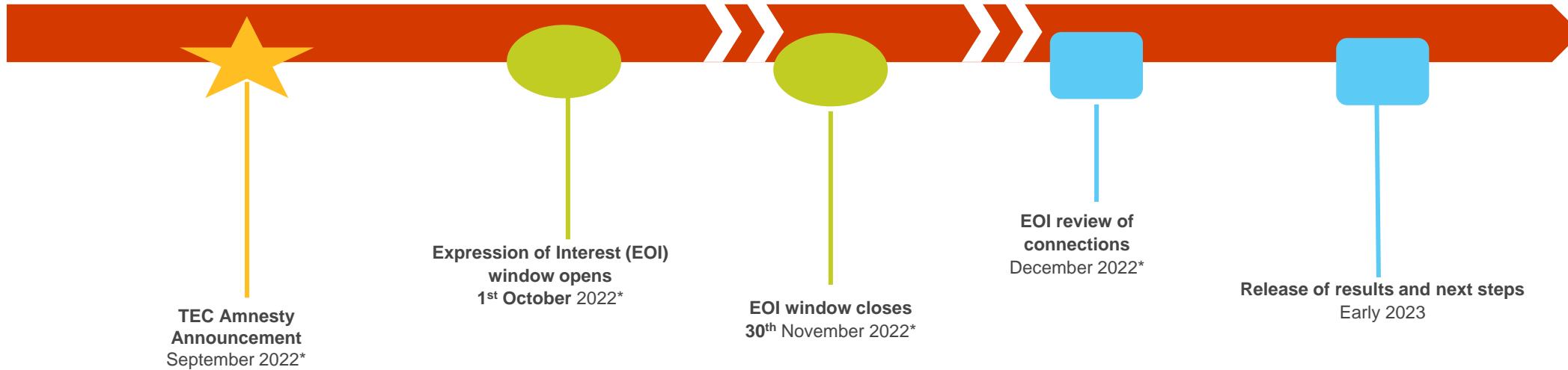
[Expression of Interest](#) running from 1 October to 30 November 2022 the amnesty window allows customers to leave the register at no cost or a reduced fee.



Part of a wider initiative of actions and reforms that the ESO are leading on to improve connections management in the short and longer term

What are the timescales to apply for this voluntary process?

For the period 1 October to 30 November 2022 inclusive users can fill out an expression of interest form and their agreement will then be assessed against the criteria and a decision will be made by early 2023.



*Dates for reference only



Questions?