

ESO Connections Agora 26th April



Introduction

The Customer Connection Agora Sessions are aiming to:

- ✓ Provide an opportunity to learn about a variety of subjects such as Connection Processes, Codes and Policy Changes, Network Operability, Operational Compliance, Security and Liabilities, Cancellation Charges and more;
- ✓ Increase the visibility of the Electricity Connections Team to our customers, stakeholders and the wider electricity market;
- ✓ Facilitate updates on our key workstreams and initiatives, as well as enable engagement and interaction via the Questions and Answers segment.

April Agora presented by

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Connections Policy and Change
Manager

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Customer Contract Manager

Agenda

- Non-Firm Connections
- Two Step offers
- Expression of interest
- Questions and Answers

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



Non-firm connections update



Whole System Strategy - Background

- Large volumes of both Transmission and Distribution connecting generation now behind significant Transmission reinforcement Works
- At both ESO led customer seminars and supporting DNO seminars over the last year we've shared details of the constraints on the wider Transmission System and instigated several ESO incentives (CPA Review, Queue Management, review of treatment of Energy Storage in our study assumptions) to look at how lengthy delays to connection might be overcome
- Review of existing Regional Development Programme solutions, as well as learning and best practice to use tools such as Visibility and Control, paid solutions such as MW Dispatch functionality and wider use of local limits to manage import and export where constraints exist on local GSP assets to potentially release local capacity across the T-D Interface
- Non-Firm options to facilitate earlier connections

What Do We Mean by 'Non-Firm'?

- 'Non Firm' is an industry term, rather than a formal commercial or technical term and can be different if you are connecting to a DNO's network rather than Transmission
- By Non Firm we mean an SQSS Design Variation or Customer Choice connection solution – also known as “Interim Restrictions on Availability”
- The associated curtailment will be uncompensated
- The Interim Restrictions are timebound and fall away on completion of works

Next Steps

- Expressions of Interest launched on the ESO's website 28 March – running to 30 April
- Open to Transmission and Distribution projects
- Offering potential non- firm curtailed connections ahead of works – initially for energy storage projects
- We are also keen to hear from you if you are building a hybrid project or other technology
- Asks for feedback on type of instruction (day ahead, on day) and levels of curtailment that might be acceptable
- Do you believe your project is 'Shovel Ready' and can you demonstrate key milestones such as consents and procurement are in place to enable your connection in the next year ?
- Post 30 April we'll be looking at responses through the EOI route then looking to release communications and our plan to advance connections – we'll be working closely with TO's and DNO's to facilitate this



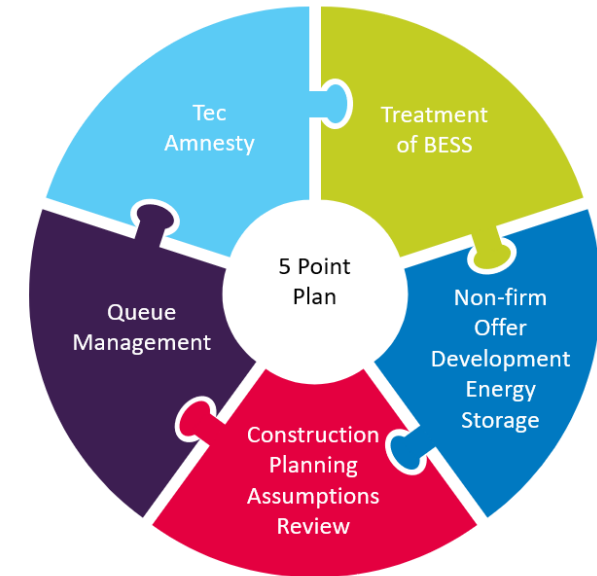
5 Point Plan



Connections

5 Point Plan

- 1 Transmission Entry Capacity Amnesty until April 23
- 2 Updating our modelling assumptions to reflect current connection rates of **30-40%**
- 3 Changing treatment of **battery storage**
- 4 Developing new **contractual terms** for connection contracts – Queue Management Milestones
- 5 Non-Firm (stage) for all Connections



What's next?

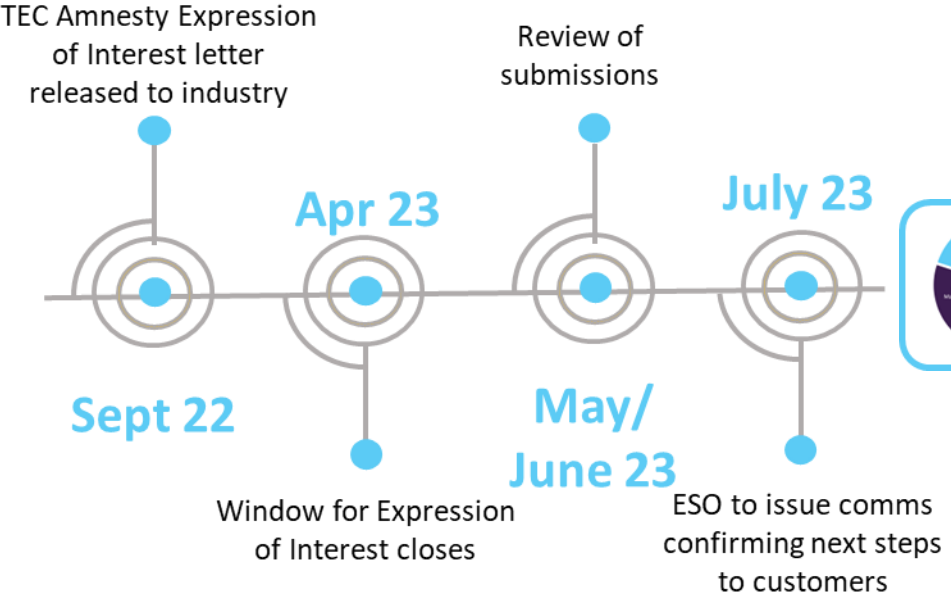
2 Step Offer process started on the **1st of March**

Release of Expressions of Interest for ***Preferred earlier connection dates*** and ***Non-Firm***

Monthly industry webinars and newsletters

Development and release of ***Optimisation and 2 Step Offer Programme***

TEC Amnesty and Queue Management



Two Step and Expression of Interest letter

The Transmission Reinforcement Works Review is well under way, exchanging CPA's with NGET, we don't expect results to have a preliminary results that we can share with customers until mid / late summer 2023

First Two step offers will be going out in May that clock started 1st March 2023. We are working with NGET and legal to finalise drafting required for Step One Offers

Expression of interest form for connection date acceleration and non firm battery connections, still open this will close on the 30th April 2023

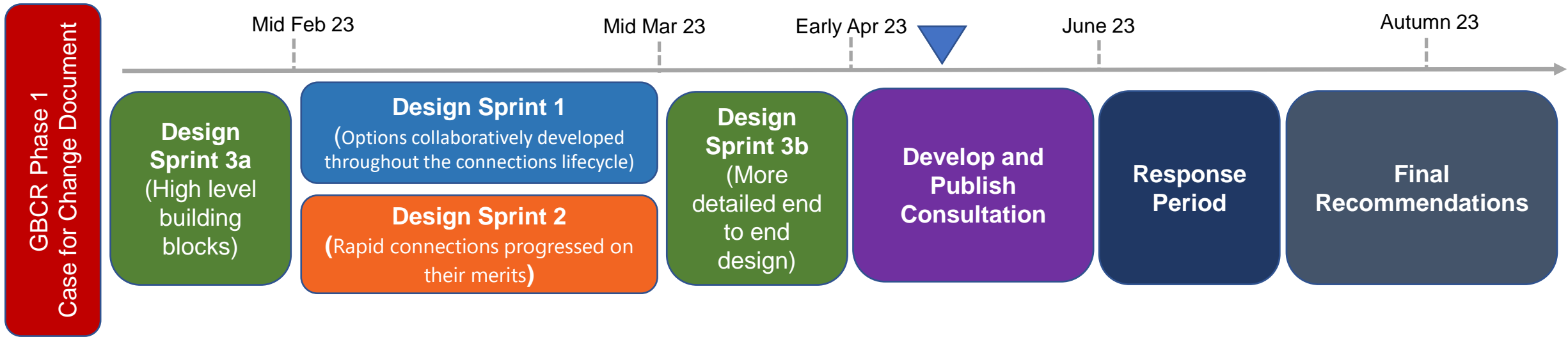
Bringing forward connection dates is open to all customers (Transmission) who are being held off connecting due to Transmission works being required.

Non Firm (restricted access) connection offers open to any (hybrid) Storage customer , Transmission or Distribution.

GB CONNECTIONS REFORM [GBCR]

TRANSFORM | CONNECT | ENABLE NET ZERO

Connections Reform overview



- Design sprint outputs generated through external design groups with wide membership from across industry.
- Outputs taken to Steering Group, with wide membership from across industry, and independent chair. Final proposed positions going to Steering Group on 18 May.
- Consultation (including recommendations) to be published in mid June 2023
- Final recommendations, post-consultation, likely to be published Autumn 2023

Steering Group minutes published to date can be found here - [Connections Reform | ESO \(nationalgrideso.com\)](https://www.nationalgrideso.com/connections-reform)

Q&A



Please ask any questions in the meeting chat

Questions and Answers

No.	Questions	Answers
1	If I am non-firm is my "TEC" different and does that impact my ability to be in the Capacity Market? Are you talking to DESNZ about this?	All relevant authorities are aware of the ESO proposals yes. If you are 'enduring non firm and have opted for a 'customer choice' design for your connection the full details around use of your TEC and terms and constraints associated with you restrictions will already be captured in your connection agreement. If there is an opportunity to advance your connection on an interim non firm basis any impact upon your TEC, together with details of level of constraint and curtailment will be discussed ahead of agreement so that considerations can be made in terms of impacts upon CM or any other ESO product or services .
2	Could you clarify difference between CEC and TEC please and how this relates to TIC?	TEC – is the amount of MW capacity you are requesting or have secured via a signed agreement on the Transmission System. CEC is the installed capacity of the units being built. Given that over the life of a connected project the TEC may reduce or increase, but unless replanted, the units built remain the same – hence the differentiation between TEC and CEC. TIC – relates to a level of Import capacity and is normally found in relation to Battery plant where there will be both export and import MW values captured in the agreement.
3	If a project does not respond to the EOI is it still later able to opt in to any initiatives?	We need to know about projects that are interested in the EOI now, there may be future opportunities but we cannot say for certain at this stage
4	Will expression of interest be able to bring storage elements co-located projects (e.g. BESS + PV) forward, with the generation elements connecting later?	Potentially yes, but we would need to better understand the configuration of the site.
5	we did not receive any acknowledgement that our EOI on "non-firm / earlier connection" had been received nor is there any record of our submission details - is this typical?	We will be contacting all customers next week who applied for the EOI to acknowledge receipt
6	We are still awaiting SOW from NG on some projects, and do not expect to receive before April 30 deadline. Can we apply for EOI for earlier connection for these projects?	Please still complete the EOI, we will assess where the project is contractually when we assess the applications.

Questions and Answers Continue...

No.	Questions	Answers
7	We received an offer yesterday, we have submitted EOI as it is a 2037 connection date. We are reviewing the agreements which if there are edits required will take us beyond Apr 30 until we can accept, will our EOI stand?	Please still complete the EOI, we will assess where the project is contractually when we assess the applications.
8	After submitting our EOI forms, we did not receive any email confirmation, so we are unsure if ESO received them. How can we confirm that our forms were received successfully?	We will be contacting all customers next week who applied for the EOI to acknowledge receipt
9	For non-firm connections, would NGESO provide a curtailment estimation? Would NGESO provide Network Models so the customer could perform their own estimates?	Where we are able to offer non firm connections to advance connection dates, the ESO will be working with the relevant TO's and DNO's to provide sufficient information for curtailment estimates to be derived.
10	Is the connections review addressing demand connections as well as generation?	The EOI is addressing both demand and transmission.
11	If the connection application already requested a non-firm connection, will applying for an EOI for non-firm connection have an impact? i.e. get an earlier date of connection than what was already provided for the said non-firm connection?	If you have already requested an SQSS Design Variation as part of your offer that is an enduring solution and may apply to the design of your connection rather than any interim level of curtailment, so applying via the EOI wont alter your enduring connection solution but may enable an earlier connection date.
12	Is the DNO able to cope with the work involved to bring connection dates forward? DNOs are currently working to dates such as 2036/37 and planned their works accordingly. Have they been consulted about the resources required at their end to meet the new dates? I am aware of 1 DNO who has informed us that if everything in their queue suddenly moved forward by years that they wouldn't have resources to meet the dates from their end	The ESO has been working closely with all DNO's and industry groups for some time, so would expect any issues or concerns to be raised formally via the appropriate forums.

Questions and Answers Continue...

No.	Questions	Answers
13	Is expression of interest going to be another submission window for offers that are going to be received with long connection date after 30th April?	The EOI is separate to the connections process and does not impact the current connections processes.
14	When are customers likely to receive feedback to their EOIs as it will provide input into development timelines and requirements to submit planning applications potentially sooner than planned	As the EOIs are feeding into the wider TRW project, we will need to await the outcome of that project before we can provide a response.
15	The DNO queue management milestones do not allow for how slow the planning consent process can be in Scotland? Will your milestones be more lenient?	The queue management milestones that we have developed work backwards from connection date and are longer than the standard planning timescales to allow for slippage.
16	Will the milestone management be managed through the ESO Connection Portal?	Yes it will be, we are currently developing this functionality.
17	When does ESO expect Queue Management to be implemented?	It will depend on how long it takes Ofgem to make a decision, the final paper is due to be submitted to Ofgem on the 7 th June.
18	Can you give an example of evidence that would make it more likely for ESO to move the connection date forward? For instance, if a customer tells you when they plan to submit their planning application and when they expect to receive a decision, would that be enough or does the project need to have planning permission already secured at the EOI stage?	Any changes in connection date will be dependant on the outcomes of the TWR review.
19	Will DNO Project Progressions also be subject to the 2-step process?	Yes they will be.
20	Will the queue management apply to new contracts only, or will it also apply to existing contracts?	It will depend on which option Ofgem decide on.

Questions and Answers Continue...

No.	Questions	Answers
21	<p>Is the EOI submission somewhat binding? I.e. if one reduces non-firm MW requirement down by 50%, does it mean that's the maximum one will get, even if there's more headroom?</p> <p>And will the curtailment be updated as the enabling works progress? Also for batteries it's crucial to know when the curtailment is, rather than how big is it on average across the year.</p>	<p>The terms of the EOI and non firm are customer choice so not mandatory, in that you may choose to retain your existing connection date and terms. Details of conditions for Non Firm together will level of curtailment expected will be provided for consideration and will only become binding once your connection agreement has been varied.</p>
22	<p>Will new CPA's work on TEC or CEC?</p>	<p>No Construction Planning Assumptions (CPA) are about study assumptions and contracted background – once in a signed position only a customer can formally request a TEC increase or reduction via existing CUSC processes, or advise us of a material change to CEC (installed capacity).</p>
23	<p>Can we get confirmation that our EOIs have been received?</p>	<p>We will be contacting all customers next week who applied for the EOI to acknowledge receipt</p>
24	<p>When we gain a 2030+ connection and can only gain a max 5 year planning consent period, but submit an EOI will it be taken into account that we can actually achieve planning in say 12 months so could achieve an earlier connection date?</p>	<p>Any changes in connection date will be dependant on the outcomes of the TWR review.</p>
25	<p>The DNO's think that the EOI could allow embedded schemes to get earlier connection dates, as they have been reaching out to ask customers to submit EOI's?!</p>	<p>Details of the EOI were formally shared with all DNO's enabling them to contact their customers and signpost the EOI link on the ESO website.</p>
26	<p>Is it right that Distribution customers aren't going to be offered an earlier connection date, in relation to transmission reinforcement works? Surely D and T customers needed to be treated equitably?</p>	<p>The Non Firm options in the EOI are open to both Transmission and Distribution customers.</p>

Questions and Answers Continue...

No.	Questions	Answers
27	Sorry to clarify, does the bringing connections forward EOI apply to DNO embedded connections?	The non firm element of the EOI applies to embedded connections and all DNO's are aware and have been formally writing to their customers signposting the process on the ESO website.
28	We are getting conflicting information from DNOs saying that distributed generation projects can apply for early connection dates via the EOI. The message says that the ESO asked the DNO to cascade the EOI link, encouraging distributed customers to compete the form.	See response to Q27.
29	I think perhaps there's a bit of confusion on this call - the Eoi letter and previous NGENSO calls have all stated that expression from both distribution and transmission customers are welcomed and there is no need for a direct contractual relationship with the ESO.	See response to Q27. The EOI is in tow parts, the non firm element open to both Transmission and Distribution.
30	Is there a target ESO have to work towards to get EOI feedback to applicants? i.e. Months/over a year?	As the EOI's are feeding into the wider TRW project, we will need to await the outcome of that project before we can provide a response.

Please take the time to give us some feedback on today's Agora



Thank you