

July 2023

# GB Connections Reform

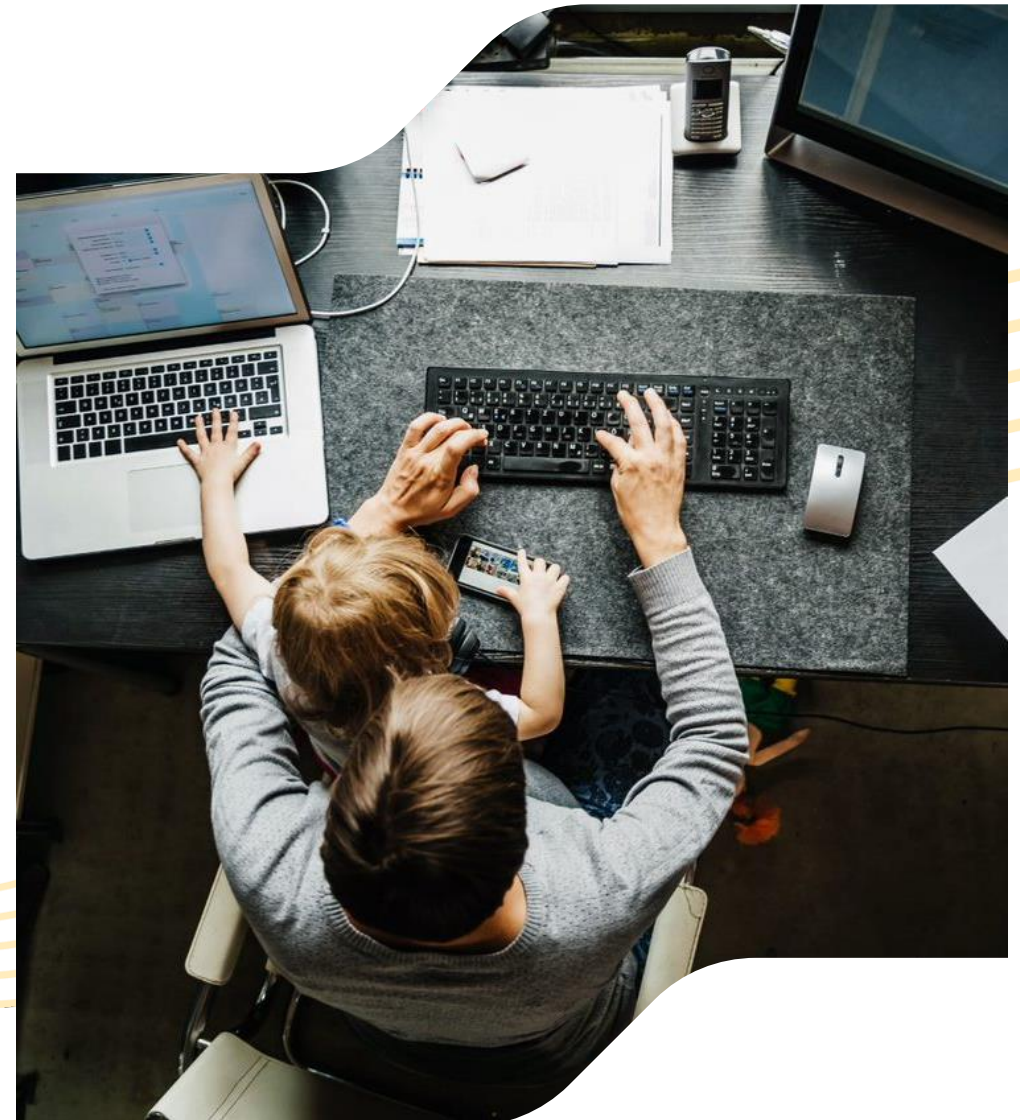
Launch Events Q&A

# Questions and Answers

The following is a summary of the questions asked at our ESO Connections Reform launch events on 15 and 20 June 2023 and our webinar on 22 June 2023.

These have been grouped into themes and to avoid duplication, questions and answers on related topics have been combined.

However, these do not supercede the content of the current [consultation](#), which provides greater detail on the topics covered here. In the event of any discrepancy between this document and that of the consultation then the consultation should be taken to reflect the accurate position.



# Reformed Connections Process

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## Why is the use of an Application Window favoured given the time delays for customers if they miss an Application Window?

We note the concerns that under the proposed Application Window process it will take longer for the ESO to provide customers with a connection offer than under the current arrangements.

However, the Application Window allows the ESO (working with the network companies) to collect and review applications on a batched basis, which we believe will deliver material benefits through more coordinated and efficient network design and earlier overall connections.

On balance, we believe that the additional time up front will deliver better value for consumers, as well as connect customers more quickly.

## How long is the process from opening of the Application Window to Offers being signed expected to take place?

Proposed to be an annual process with connection applications likely received within the first 3 months, then being studied under a batched assessment process and an offer issued following a subsequent 6 month network design period.

We will need to work closely with the network companies and further define the timings (including when this starts in the calendar year) for the key process steps e.g. what is the deadline by when an application has to meet technical competence prior to entering into the batched assessment process, etc.

## Will the Application Window cover the whole of GB or be applied on a regional basis?

Proposed to be applied on a national basis to allow greater co-ordination of the design of the network.

# Reformed Connections Process

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## To whom will the reform process apply?

The reformed process is proposed to apply to all new generation (including relevant embedded), interconnectors and large demand connections across GB (onshore and offshore) from the date at which the reformed process 'goes live.'

Once we make our final recommendations and finalise our plans for implementation and transition, we will set out further thinking on the extent to which any of the reformed process would apply to projects that already have a connection contract at the time of 'go live' (see later response to "How do we transition from the current process to the reformed process?").

## What do customers need to do in the Pre-Application window?

Proposed that customers must complete a pre-registration of interest form and then a checklist (to say that they have reviewed self-service tools including potential connection dates in the area they are applying) to confirm that they are ready to apply.

Customers also have the option to have a pre-application meeting with the ESO and Transmission Owner(s) (TO) ahead of submitting an application.

## Will there be changes to the current Application fees?

We propose to review the application fee methodology solely to ensure alignment and proportionality of application fees in relation to a reformed connections process.

Within this we are also initially recommending the introduction of a nominal Pre-Application Stage fee to cover any pre-application work / discussion where a customer registers interest in the pre-application window but does not then apply.

No change is currently proposed to cost recovery of application fees where the customer applies in the Application Window but does not sign their Connection Offer i.e., they will be liable for the proportionate costs of processing that Connection Offer.

# Reformed Connections Process

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## Will a Letter of Authority or equivalent be required for all new applications or just generation?

Propose that Letter of Authority or equivalent would apply to all new applications for the land their site is proposed to be located on. What constitutes sufficient evidence needs to be developed further and we are aware that this form of evidence may differ dependent on technology.

## Can a customer submit/amend a submitted application after the Application Window closes?

No – we propose that they would need to wait until the next Application Window is open. A partial exception relates to Reserved Developer Capacity as detailed within Chapter 8 of the consultation.

## Can ESO reject my application if a User provides all the information required?

Although we are proposing a right for the ESO to be able to reject an application in specific circumstances, we are not currently proposing to utilise at this stage and this is for future proofing purposes.

There may potentially be circumstances for offshore wind where an otherwise valid offshore wind application could be rejected where there is no route to a seabed lease. However, it will be clear to all customers in advance what data they need to provide and we would only reject an application under clear and transparent and available published criteria.

## Do sites identified as "priority projects" (government preferred / nationally significant infrastructure) still have to meet the requirements of the proposed Gates 1 and 2?

At this time this is what is proposed, with the potential exception of Gate 2 potentially being triggered by that priority project designation even where such project has not submitted consents. However, different requirements for priority projects may be identified in the future but these requirements would be made clear to all customers before an application window is opened and initial expectation is that any different requirements would only apply to Gate 2. What is classed as a priority project will need to be tightly defined and we propose it would be designation from Government or other competent body as a priority project.

# Reformed Connections Process

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## Will there be limits on capacity and/or capacity per technology in the batched assessment process?

Not proposing at this stage to have any limits on overall capacity or capacity per technology. However, the proposed reformed process will be flexible to allow the above if a future need is identified e.g. in the event there were to be a move to more centralised planning of generation and large demand in future.

## Noting that the Centralised Strategic Network Plan (CSNP) will not necessarily be on an annual lifecycle, how does this align with the proposed annual timescale for the batched assessment?

The Batched assessment will still be undertaken annually but will be aligned with the new electricity transmission network planning output – the Centralised Strategic Network Plan (CSNP). The CSNP will ensure that we strategically plan and deliver the wider transmission network (onshore and offshore), including through targeted anticipatory investment.

Not clear yet how frequently the CNSP will be updated but this does not necessarily have to be on same timeline as the batched assessment. However, there needs to be clear linkage between the various process e.g. how the proposed reformed connections process informs our Future Energy Scenarios and CSNP and how CSNP feeds into our proposed reformed process.

## How will the reformed connection process provide customers with increased certainty on capacity, location and connection dates?

The initial Connection Offer will provide the location and capacity, and will also include a backstop connection date (i.e. the latest expected connection date based on all reinforcements being needed).

The connection date could then potentially be accelerated if the customer meets the requirements of Gate 2 and signs the associated Modification Offer. Note there is no requirement on the customer to sign this Modification Offer (e.g. if their own programme is not in line with the proposed accelerated connection date).

# Reformed Connections Process

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## Will there any be changes to current User Commitment arrangements?

In general, there is a need to ensure that User Commitment arrangements are aligned with the reformed connections process and we will further explore this in the implementation period to ensure alignment between these arrangements.

## How do projects from different windows interact with each other? E.g. can a project from a later window connect prior to a project from a previous window, assuming that they progress with consents faster?

There is limited opportunity for such advancement in our proposals. Our current thinking is that the only circumstance where a project in a later window could come into an earlier window is if there is a capacity gap created through Reactive Queue Management<sup>1</sup> and there is not another project in the earlier window that was able to use this capacity. The reason we have proposed this is that if you allow customers to jump forward through Application Windows, if they meet milestones quicker than people in earlier windows, that effectively takes you to unconstrained (proactive) queue management, which we do not believe performs as well against the design objectives and criteria as it would likely be a significant challenge for investors if there were no certainty on backstop connection date.

## If a customer has submitted planning permission already for their proposed site, why does a customer need to apply / go through Gate 1. Can't the customer just go to Gate 2?

ESO's initial recommendation is that all customers applying through an Application Window will need to meet the requirements of Gate 1. If a customer only enters the process at Gate 2, this negates the benefit of the coordinated design or certainty of location and backstop connection date. However, we propose that Gate 1 and Gate 2 could be passed at the same time in the event a project applies into the Application Window and has met the Gate 2 requirements at that point in time.

# Reformed Connections Process

As a customer applies for a consent based on a programme, is it practical for Gate 2 to be triggered by submission of a planning application as customers will only know the backstop connection date at that stage.

Submission of planning permission is the ESO's initial recommendation after considering different potential triggers for Gate 2. We acknowledge there are benefits and drawbacks of this option, as there are with the other options. We are keen to understand from industry what practical challenges there may be with this approach, and any potential solutions or alternative Gate 2 trigger points.

As submission of planning permission is proposed to be the trigger to determine queue position / set an advanced connection date. is there a risk this could lead to speculative planning applications?

There is a requirement under current planning permission for customers to consult before submission so the expectation is that speculative planning applications are unlikely on this basis.

Does the use of Application Windows process mean the end of interactivity?

Under the Application Window, we would look at the applications received holistically in order to create a coordinated network design, which would address some of the significant challenges we have now around interactivity.

There could still be infrequent interactivity at Gate 2 in the event a number of interacting projects can advance when they have submitted their planning permission.





# Data and Publication

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What additional data will be published to help customers make informed decisions about whether or not to apply?

Robust and timely data is important to allow customers to properly develop their applications and to remove speculative applications as far as possible. It is recognised that a number of sources of data are published by network operators already and these need to be coordinated and kept up to date in an aligned way so they allow customers to make an informed choice as to whether or not to apply e.g. when and where they are able to connect, to manage expectations of all parties about network constraints and potential timeframes for connection.

Is real time information publicly available on the capacity at each potential connection point and, if not, will it be made available under the reform?

We believe it is important first to create a coordinated set of data across the network operators to help customers make an informed choice and then look at how we can make this data “live”.

Has publication of the queue (and justification) been looked into?

We agree that more information on the queue would be beneficial. However, it is difficult to just publish a queue because of how the queue is constructed in relation to sequencing of works. However, we are seeking to publish more information on what capacity is where and what is contracted on that capacity, etc.

Are the reasons for rejection/progression going to be published at point of decision, to ensure there's full transparency about how criteria are being applied?

We would only reject someone on clear and transparent published criteria, as per earlier response above.

We will consider further if we would publish the reasons why a particular site's application was rejected in such circumstances.

# Implementation/Transitional Arrangements

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Given the length of time code changes and IT can take, can any of the proposed Code and/or IT changes be progressed earlier?

We will consider if any no regrets changes can be raised in the near future.

We would also endeavour not to delay implementation whilst waiting for IT changes.

**How do we transition from the current process to the reformed process?**

Transitional arrangements are currently being explored including how this process will impact on projects which already have signed connection agreements and have requested planning permission. Our initial thinking is that we would not apply the Application Window process to a site that currently has a connection contract. However, there could be potential to consider the introduction of a Gate to sites that have a connection contract, so their queue position is in line with the ability to progress their project.

We will need to consider whether there should be a pause in receiving and providing new Connection Offers to projects in order to facilitate efficient introduction of the new process.

# Transmission/Distribution Interface

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Has any serious consideration been given to radical reform of the Project Progression/Transmission Impact Assessment process?

Yes, we looked at more radical reform, but we agreed not to go as far as looking at entirely changing roles and responsibilities. However, we would argue that our Reserved Developer Capacity (RDC) proposal is a radical change in that it would replace existing Project Progression and Statement of Works processes.

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How does the batched assessment work with the Regional Development Plans?

In general, the initial view is that DNOs would need to apply within the Application Window period for RDC at a Grid Supply Point (GSP) and they can then use this capacity to make offers to their customers. We are yet to explore how this RDC concept interacts with Regional Development Plans.

For currently contracted Distribution level projects awaiting Transmission level reinforcements, when do you expect the DNOs to be advised which (if any) of these projects can be energised earlier (e.g., reinforcements no longer required following these new modelling approaches)?

We are yet to develop our views on the transitional arrangements and the extent to which the reformed connections process will apply to projects which already hold connections contracts, as per earlier response above.

# Transmission/Distribution Interface

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Will there be a mechanism in place to ensure a large DNO connection do not split into two medium generators?

We have not proposed such a mechanism, and so developers would be free to choose the MWs that are requested within their connection applications.

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# Transmission/Distribution Interface

## How will RDC interact with the GSP technical limits proposals?

We are yet to explore how this RDC concept interacts with GSP technical limits, and we will be working with DNOs and TOs to do so over the coming weeks/months.

## Could we look again at a whole system queue?

Queue position between new directly connected projects and new relevant embedded projects in Application Windows, including in relation to RDC, would be harmonised by our proposals.



# Other

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## Have we factored in how other countries run their connections process?

We have considered three international case studies when designing the proposed connections reform process. These case studies have now been published on our website alongside our other connections reform documentation.

## The reformed process places obligations on customers but how will TOs and DNOs be incentivised to deliver the works required for customer connections?

The proposed reformed connections process will help identify/clarify what needs to be built.

There are licence obligations and regulatory arrangements on TOs and DNOs to deliver in a timely manner and an overall responsibility on all industry parties to build quickly and efficiently.

## Has an impact assessment been done on the business models of developers and/or the ability to secure land for many months with no progression, with only a single annual window?

We have not done a formal impact assessment, but we have carried out an assessment against the design criteria. We would encourage developers to share the impact on their business models in response to our consultation.

## Will the ESO/TOs have enough resource to manage a single annual influx of applications?

There are already a significant amount of connection applications and we are hoping that the future process that has a more efficient pre application stage will help reduce speculative applications.

We will resource appropriately to make sure that if and when we do introduce Application Windows, everyone knows how to operate those and we can deal with the volume of projects that come through in that period.

# Other

Can you provide justification why the other options have been ranked lower than TMO4?

The other options are generally lower ranked as there is less potential for co-ordination, less potential for anticipatory investment, and less potential for improvements to connection dates, especially in relation to readier to connect projects.

