

GB Connections Reform Consultation Response – Roadnight Taylor

Consultation doc: <https://www.nationalgrideso.com/document/281561/download>

Response deadline: 28th July

Foundational Design Options

1. Do you generally agree with our overall initial positions on each of the foundational design options and key variations? Are there any foundational design options or key variations that we should have also considered?

We agree with the majority of the ESOs initial positions except on the following:

- *Foundational Design Option 3: See response to Q3*
- *Variation 4 – Application Windows: **We do not agree that this is a beneficial variation.** We have significant concerns about the overall delay that application windows introduce in the connections process, particularly if the frequency of the windows is on the yearly rather than monthly scale. This reform is looking to address is the timeliness of connections and introducing up to a year of delay at the beginning of the process is highly unlikely to actually speed up the connections process. Connectees who have smaller projects – such as BELLAs and BEGAs, as well as DNOs seeking project progressions would be disadvantaged. We do not believe the RDC proposal mitigates this disadvantage, as there will always be embedded customers who apply after the RDC allocation has been filled.*

2. Do you agree with our initial view that the current issues with the connections process could potentially be addressed on an enduring basis through other, less radical, and lower risk means than the introduction of capacity auctions?

We agree. The introduction of capacity auctions does not seem appropriate at this stage.

3. Do you agree with our initial view that the reformed connections process should facilitate and enable efficient connection under either a market-based (i.e. locational signals) or ‘centralised’ deployment approach (or an approach somewhere between the two), but not mandate which approach to follow?

We do not believe it is appropriate for the ESO to develop a connections process that assumes a centralised planning and deployment decisions are made by an as yet undetermined body. Given the need for timely reform we suggest that the ESO should focus on the current market/developer led approach and look to deliver the best connections process for that world. This could include optional processes for centralised planning processes where there already are appropriate bodies (such as the Crown Estate offshore) but we do not think significant effort should be dedicated to considering the Central Planning foundational design option 3.

Pre-Application Stage

4. Do you agree with our initial recommendation that TMA A to TMA C should all be progressed, irrespective of the preferred TMO?

TMA A – agree, but disagree that access to self service tools should be limited to pre-registration via the portal. This just creates unnecessary admin for third party users like consultants. Self service information should be published and available to all in the public domain.

TMA B – disagree. This TMA has the wrong emphasis, in our experience it is typically the TO and sometimes ESO that are insufficiently resourced to come prepared to pre-application meetings. Customer checklists will not solve this.

TMA C – not a priority.

5. Do you agree with our initial recommendation on the introduction of a nominal Pre-Application Stage fee, discounted from the application fee for customers which go on to submit an application within a reasonable time period?

We have some concern over this – noting that the service level that Transmission Customers are seeing has significantly decreased over the last two years. This step would increase customer's expectations from pre-application meetings significantly – are NGENSO confident that an increase in quality can be delivered?

6. Do you agree with the importance of the TMA A 'Key Data'? Please provide suggestions for any other key data that you suggest we consider publishing at Pre-Application Stage

Quarterly TORI reports work well in Scotland – should be a requirement for NGET too. Agree with other suggestions.

Key Target Model Add-ons

7. Do you agree with our initial recommendation with regard to TMA D (requirements to apply)?

Strongly agree with TMA D1. TMA D5 and TMA D6 may be difficult to achieve at the point where connection specific restrictions/commercial conditions are unknown. Agree in principal however.

8. Do you agree with our initial recommendation with regard to TMA E (determination of enabling works), including that it is right to wait until the impact of the 5-Point Plan is known before forming a view on whether further changes to TMA E are required?

No response. Question is unclear as these TMAs are already being taken forwards?

9. Do you agree with our initial recommendation with regard to TMA F (criteria for accelerating priority' projects)?

Agreed on all NGENSO recommendations. We have significant concerns over TMA F4 and it's likely impact on commoditising queue positions and favouring larger developers or more commercially competitive technologies, so welcome the proposal to not take this forward.

10. Do you agree with our initial recommendation with regard to TMA G (queue management)?

Given the number of elements under change, it might be sensible to implement RQM and RQM+ in the new connections model prior to attempting PQM. A separate consultation would therefore be required once a specific future connections model has been agreed.

Target Model Options

11. Do you agree these four TMOs present a reasonable range of options to consider for a reformed connections process?

Yes

12. Do you think any of the four TMOs could be materially improved e.g. by adding, removing or changing a specific aspect of the TMO? If so, what and why?

We believe there should be consideration of whether embedded projects (who are not able to use RDC allocations, because for example these have been exceeded) could be allowed to proceed straight to Full Offer (Gate 2) in TMO2 and TMO3. Without this amendment these TMOs appear not fit for purpose when considering the level of information exchange required between a 2MW solar farm for example and a DNO and the ESO. Once RDC allocations have been used up, it must be efficient for DNOs to apply for additional capacity without needing to wait for specific EG projects to get planning consent and then have to effectively re-apply (noting that at this scale it would be common for projects to be constructed and energised within 12-18 months of receiving planning consent).

13. Are there any important TMOs we have missed?

14. Do you think 'Submit Consent' is too early for Gate 2 in TMO2 to TMO4? If so, what milestone should be used instead and why?

No. To the contrary it probably needs to be recognised that submitting consent is significantly more costly and time-consuming for non-Battery Storage projects. Given the volume of BESS projects in the current connection queue it might be considered that this Gate will make it harder for pure generation projects to progress.

Recommended TMO

15. Do you agree that TMO4 should be the preferred TMO?

Disagree. We have significant concerns over the window at application stage 1 – especially if this is annual. The time taken to get to a connection offer will be significantly increased which simply adds to connection delays. We also note that this is likely to increase development costs as developers will spend longer in the high uncertainty origination phases of a project, prior to being able to confirm whether a viable connection is achievable.

TMO4 could be considered without a window.

TMO3 would be our preferred alternative if a full offer and backstop date can be provided at Gate 1 (with an update and potential RQM at Gate 2).

16. Do you agree with our design criteria assessment of the four TMOs? If not, what would you change any why?

No. The scoring for Quicker Connections and Simple Transparent approach is heavily skewed towards transmission connected customer's. Every option needs to work for the T/D interface and embedded customers who have an impact at transmission. This proposed reform will affect hundreds of embedded generators for every 1 transmission customer. For example, in TMO4 those numerous and smaller embedded projects also stand to lose a lot if an annual window system is introduced and their DNO doesn't happen to have their crystal ball polished up enough to predict their RDC in advance – so we would score Design criteria 7, 8, 9, 10, 11 and 12 as -2 for TMO2, TMO3 and -1 for TMO4.

17. What are your views on the stated benefits and key challenges in relation to TMO4?

See above. TMO4 not our preferred model.

18. Do you think that there is a better TMO than TMO4? Whether that be TMO1 to TMO3, as presented, a materially different option, or a refined version of one of the four TMOs we have presented?

TMO3 would be our preferred alternative if a full offer can be provided at Gate 1 (with an update and potential RQM at Gate 2).

Key Customer and Technology Type Adjustments

19. Do you agree with our views on DNO Demand in respect of the TMOs

Yes, this should be aligned. However annual windows would likely become a blocker to large demand projects getting a speedy response on their connection date. Windows should potentially be 3/6 monthly.

20. Do you have any views on the appropriate mechanism to incentivise accurate forecasting of requirements and avoid more RDC than is necessary being requested by DNOs?

This does not seem like something the DNOs can reasonably predict. The annual increment observed within the DFES scenario could be used as a starting point.

21. Do you agree with our views on the process under which DNOs apply to the ESO on behalf of relevant small and medium EG that impact on or use the transmission system, including that (under TMO4):

- i) DNOs should be able to request RDC via application windows to allow them to continue to make offers to EG interwindow; and
- ii) resulting offers should be for firm access until relevant EG has reached Gate 2 (at which point they can request advancement and an earlier non-firm connection date)?

Allocation of RDC could reduce DNO workload. However it will also cause significant delays to projects that apply post-RDC allocation.

22. Do you agree that directly connected demand should be included within TMO4 and that the benefits and challenges are broadly similar as for directly connected generation?

Yes, this should be aligned.

23. Do you agree that TMO1 to TMO3 would require a separate offshore process, and that this would result in material disbenefits?

24. Do you agree that TMO4 is the most aligned to the direction of travel for offshore projects? If not, why?

25. Other than the Letter of Authority differences are there any other TMAs which have specific offshore considerations?

26. Do you agree with our views on network competition in the context of connections reform, including that TMO4 is the option which is most aligned with network competition as it includes the most design time at an early stage in the end-to-end process?

TMO4 seems marginally better for network competition. Given design for windows are likely to change, it will always be an iterative process.

Supplementary Target Model Add-ons

27. Do you agree with our initial recommendation related to each of the TMAs within this chapter? If so, why? If not, what would you change and why?

Detailed Design, Implementation and Transitional Arrangements

We have not responded to the implementation questions as we believe there is further work and consultation required to identify the best TMO.

28. Do you agree with our current views in respect of the implementation period?

29. Do you agree with our current views in respect of transitional arrangements? What are your views on how and when we should transition to TMO4?

30. What further action could Government and/or Ofgem take to support connections reform and reduce connection timescales, including in areas outside of connections process reform?