

Response 34 – Quintas Cleantech

For context, Quintas Cleantech is a small developer of medium-sized solar farms across a number of geographies, including the UK. We focus on sub-50 MW projects, typically connected at distribution level. Where this makes sense, we co-locate battery storage with our schemes.

We have decided to focus on the consultation questions where we believe our viewpoints add most value. Starting with question 21 and then question 20.

Consultation question 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 which impacts on or uses 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 inter-window; and

If connection dates (firm and/or “non-firm accelerated”) can be within three years of application, then RDC makes sense.

If connection dates provided in grid offers are expected to continue to be more than 3 years in the future (despite the 5-point plan and other efforts), there is no real use for the RDC mechanism, because it would not result in EG projects being able to move faster. It would then be better to run project progression in parallel with the distribution grid application, to ensure that EG projects are included in the correct application window (see our solution 2 to question 20 below).

- 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)?

This is a Catch-22 situation as currently planning consent (which would trigger Gate 2) is only valid for 3 years. It would not be fair to require developers to first get planning consent before letting them know if they could connect within the 3 years on the basis of a(n economically viable) non-firm connection. For a significant number of projects, the non-firm earlier date would be the difference that makes a project work.

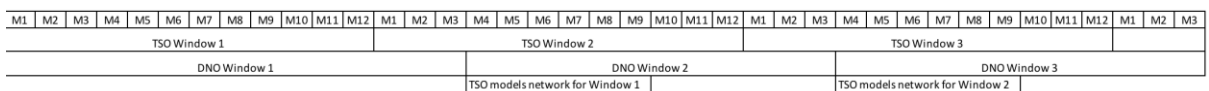
Consultation Question 20 (Do you have any views on the appropriate mechanism to incentivise accurate forecasting of requirements and avoid more RDC than is necessary being requested by DNOs?)

We do not see that DNOs have an incentive either way (too much RDC or too little) and suspect the only way to incentivise it is to regulate it. Furthermore, depending on the definition of small and medium EG, we do not see how DNOs would be able to make accurate assessments at GSP level of

how much RDC to request: they would not know if and when EG schemes of 20-50MW would apply in a specific part of their network.

Our proposed solutions:

1. Extended application window for DNOs.
 - a. The date of application by the EG developer to the DNO should determine in which transmission-level window the application sits.
 - b. The DNO only submits project progression for those projects that have accepted their grid offer. Given point a above, the DNOs should have a longer application window than developers that want to connect directly to the transmission grid.
 - c. The advantage is that no forecasting is necessary, as it is all based on already accepted offers.
 - d. The disadvantage is that there is some delay in the possibility for the TSO to start modeling as they have to wait for the DNOs project progression submission. This delay could be limited by accelerating the distribution connections process.
 - e. The approach is illustrated below:



2. Project progression triggered upon application.
 - a. The distribution process follows the same route as transmission connections: DNOs should trigger project progression immediately upon receiving a grid application.
 - b. The advantage is that the developer can make a more informed decision, as they will receive a grid offer that already takes into account transmission grid impact.
 - c. The disadvantage is that the TSO will have to deal with a larger number of schemes, some of which will be withdrawn. However, the same goes for transmission level applications as those may also be withdrawn if the connection offer doesn't work for them. The "batch approach" of TMO4 should simplify the modelling, so we would think that the larger number of schemes could be managed.
 - d. This solution is only realistic if the cost for project progression is significantly reduced. Currently this can be as much as £18k for individual projects. In many cases, this cost is split across applicants when DNOs submit batch project progressions. It is therefore a reasonable assumption that these costs can indeed be significantly reduced in the case of TMO4 as the majority of project progressions will be submitted in batches.
 - e. Furthermore, pre-application information should be more robust, consistent between DNOs, and should include an idea of the impact of a project on both the distribution and transmission grid.

Some further, general comments.

- We are concerned that distribution connections are not taken into account sufficiently in the redesign of the transmission process. Although the connections reform documentation acknowledges that the T/D interface is important, we note that nothing has been worked out in any detail yet, which to us is a significant gap in this reform process.
- Similarly, we note that planning consent in the UK is typically only valid for 3 years. If TMO4 is implemented and the Stage 2 queue position is determined based on planning consent achieved, the validity period of consent should be extended significantly, otherwise the balancing act of cost versus risk becomes nearly impossible to manage, especially for small developers.
- We foresee that overall the implementation of TMO4 would mean the grid application process will result in higher costs at an earlier stage in the project development process. We are not opposed to this in principle, as it will help weed out projects that are too speculative. However, the tradeoff should be that developers can have a clearer idea of whether their projects will be viable. For example, in terms of likely curtailment levels, there is much more data that could be shared in order for us to make our own assessment of risk, rather than rely on in-transparent and sometimes conservative assumptions made by DNOs. We note that data transparency is mentioned in the connections reform documentation, but no concrete steps are proposed to ensure this actually happens (or at least the steps are not clear to us).
- This consultation focuses on streamlining the connections process, but it ignores connection costs. We believe there are opportunities for improvement in that area that could be explored and could have an impact on the connections process as a whole. For instance, it should become easier for projects to jointly fund grid reinforcements. There is currently no good mechanism for this and in fact the recent Access SCR has made it even more difficult as second comer charges practically disappear and therefore first comer schemes will be prohibitively expensive. This means potentially losing out on clusters of projects that could otherwise make a significant dent in the step towards net zero.

We hope this is useful feedback and wish you well in progressing this important reform at pace.