

National Grid ESO
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Via Email to: box.connectionsreform@nationalgrideso.com

Non-confidential response

Fred Olsen Seawind Response on GB Connections Reform

Fred. Olsen Seawind (FOS) is delighted to respond to this consultation. FOS was established as a separate offshore wind-focused development company in 2021 and builds on the strong onshore wind track record of Fred. Olsen Renewables as well as the maritime heritage of the Fred. Olsen group: including Fred. Olsen WindCarrier responsible for the installation of 20% of the world's offshore wind turbines outside of China and Fred. Olsen 1848 developing and commercialising renewable energy innovations.

FOS welcomes the opportunity to respond to the consultation on GB Connections Reform as follows:

Foundational Design Options

Question 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?

Response: Yes, we generally agree with the overall positions of the foundation design options and key variations. We have a particular interest in variation 3, scope of customer delivered works, and would be keen for this to be progressed alongside the wider reform.

Question 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?

Response: Yes, we agree.

Question 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?

Response: Yes, we agree.

Pre-Application Stage End-to-End Process

Question 4:

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

Response: Yes, we agree.

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Question 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?

Response: Yes, we agree. We think the reasonable time period for submitting a full application should be in the region of 12 months. Paid-for pre-application meetings should provide valuable insight over and above what is available on the web tool, which means they need to be well resourced and attended by relevant, knowledgeable individuals

Question 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.

Response: We would not mind offered capacity being shared but, have reservations about sharing applied capacity. We think it is helpful to release information on enabling works and queue position.

Key Target Model Add-ons

Question 7:

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

Response: Yes, we agree.

Question 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?

Response: Yes, we agree.

Question 9:

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

Response: Yes, we agree the consideration TMA-F3 but not with the other TMA-FM1,2 and 4.

Question 10:

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

Response: We agree with RQM+ based on readiness but we have serious concerns about progression based on government designating 'priority' projects.

Target Model Options

Question 11:

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

Response: Yes, we agree.

Question 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?

Response: None at the moment

Question 13?

Are there any important TMOs we have missed?

Response: Most options seem to have been considered.

Question 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?

Response: We understand the rationale for using submission of consent, and we think it is useful to differentiate between projects that have and haven't made the commitment to submitting planning consent. However, it is not a particularly discriminatory milestone and we would welcome further

discussion on additional gates, to be considered in conjunction with the CUSC Modification on queue management.

Preferred TMO

Question 15:

Do you agree that TMO4 should be the preferred TMO?

Response: We provisionally agree that TMO4 ticks many boxes but would like further consultation on this.

Question 16:

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

Response: For the most part, yes. although there should be a process of refining and future proofing the process as unintended consequences inevitably arise.

Question 17:

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

Response: Overall, TMO4 has the potential to deliver more benefits than the status quo and other TMOs. However, there are still aspects that need clarification, such as criteria for qualification as a 'priority project' as outline in TMA F1 and TMA F2. We agree to 'readier' projects being afforded the opportunity to connect early without disadvantaging other projects in the queue.

Question 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?

Response: We do not anticipate a better TMO based on the contents of the consultation.

Key Customer and Technology Type Adjustments (T/D Interface)

Response: No Comment on DNO Demand queries

Question 19:

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

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?

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
- 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)?

(Directly Connected Demand)

Question 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?

Key Customer and Technology Type Adjustments (Offshore)

Question 23

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

Response: Yes, we agree.

Question 24:

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

Response: We agree that TMO4 is the most aligned for offshore projects. However, the scenario description in Case Study 3 of appendix 5 is not clear on what the newly defined government process is. We have serious concerns about this.

Question 25:

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

Response: None at the moment

Question 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?

Response: Yes, we agree TMO4 includes the most design time at an early stage, thereby allowing for more checks to correct/adapt any design work and make it fit for purpose. However, there is also the potential for this to become a bottle neck if not properly resourced and administered. Assurances should be provided by the ESO on how it intends to make this process work.

We also agree with TMO4 being the most competitive TMO with respect to connections reform and alignment with network competition.

Supplementary Target Model Add-ons

Question 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?

Response: TMA H – Structure and Value of Fees: The proposal to accept a nominal fee advance during the pre-application phase is welcome. We do not see any material difference or benefit that will result from changing the methodology by which application fees are calculated at this stage.

TMA I – Criteria for ESO to reject an application: The provision of a future central planning system has its merits but, as most of the outcomes for this type of system are not yet known, it may be limiting to propose to reject 'competent' applications based on some future scenario. If certain criteria is set, such as the requirement for seabed lease prior to application; then that will be a clear ground for rejecting project applications that have not met such a criteria.

TMA J – Optionality provided in an offer: We feel optionality can be provided through discussions in the pre-application meeting, as well as a mid-point review of the offer with the customer, as it is being prepared, to present any key optionality around the final connection offer.

TMA L – Requirements to accept an offer: We agree to maintain the status quo with respect to how offers are accepted and welcome a review of the user commitment arrangements to mitigate any unintended consequences as a result of the options and add-ons from this consultation.

We welcome the ESO's position in the following TMA M, N, O, and Q. As stated earlier, we have reservations with TMA F1 (government priority projects). We welcome the idea of a fast and transparent dispute resolution process as part of the connections reform. With regards to TMA R, we accept that this is a complex area and will welcome more discussion around this.

Detailed Design, Implementation and Transitional Arrangements

Question 28:

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

Response: We urge for priority in the resourcing of the planned reforms; hopeful that the current views on the implementation period are reasonable and can be achieved.

Question 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?

Response: The recommendation for progressing projects that are 'readier' against set milestones is something we support and hope that the consultation on CMP376 will lead to an improved queue management in the long run. More clarity is needed however, on the impact of such transitional arrangements as CMP376 and implementation of TMO4 with respect to how it will affect projects with existing connection offers.

Question 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?

We thank you for the opportunity to respond to this consultation and look forward to further engagements in the future.

Yours Sincerely,

Precious Nwokoma
Grid & Regulation Manager

Fred. Olsen Seawind Ltd.