

# ESO Connections Agora

## 25<sup>th</sup> October 2023



# 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.

## Agora presented by

**Emily Watson**

Senior Policy and Change Officer

**Jeno Abraham-Kodmon**

Technical Operations Policy Manager

**Paul Mullen**

Senior Connections Design Lead

**Ahmed Koriem**

Power System Engineer

# Agenda

- 5 Point Plan
- GB Connections Reform
- System Monitoring (DSM/ASM)  
Questionnaire
- Questions and Answers

Please ask all questions Q&A function.  
We aim to get through as many  
questions as possible.

# 5 Point Plan

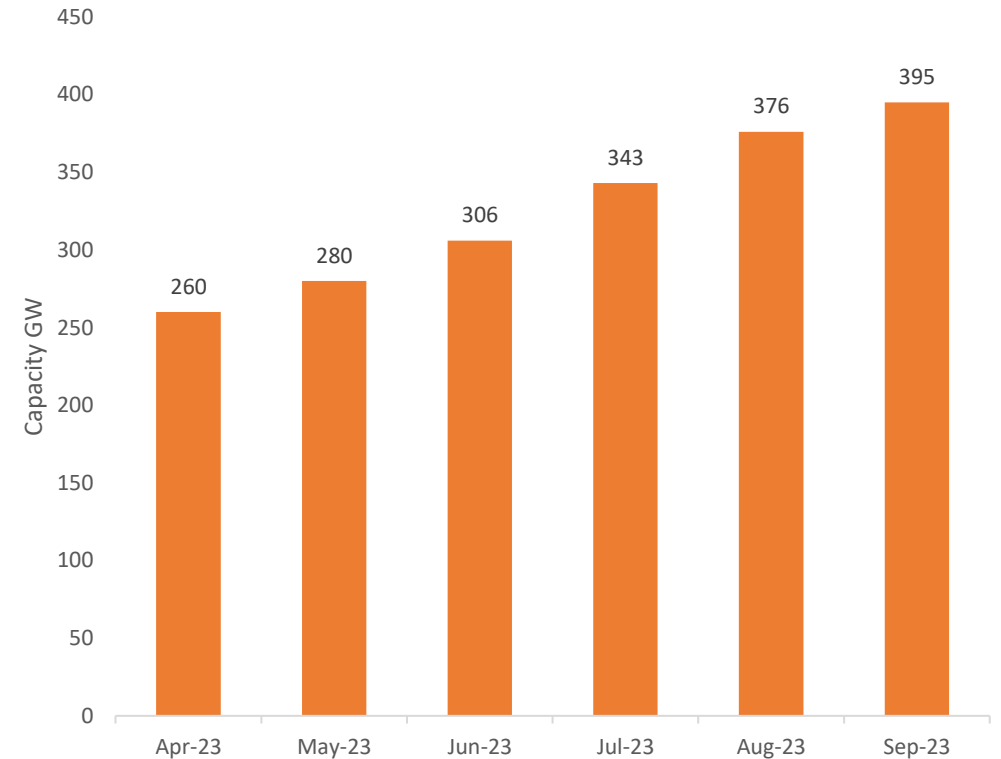
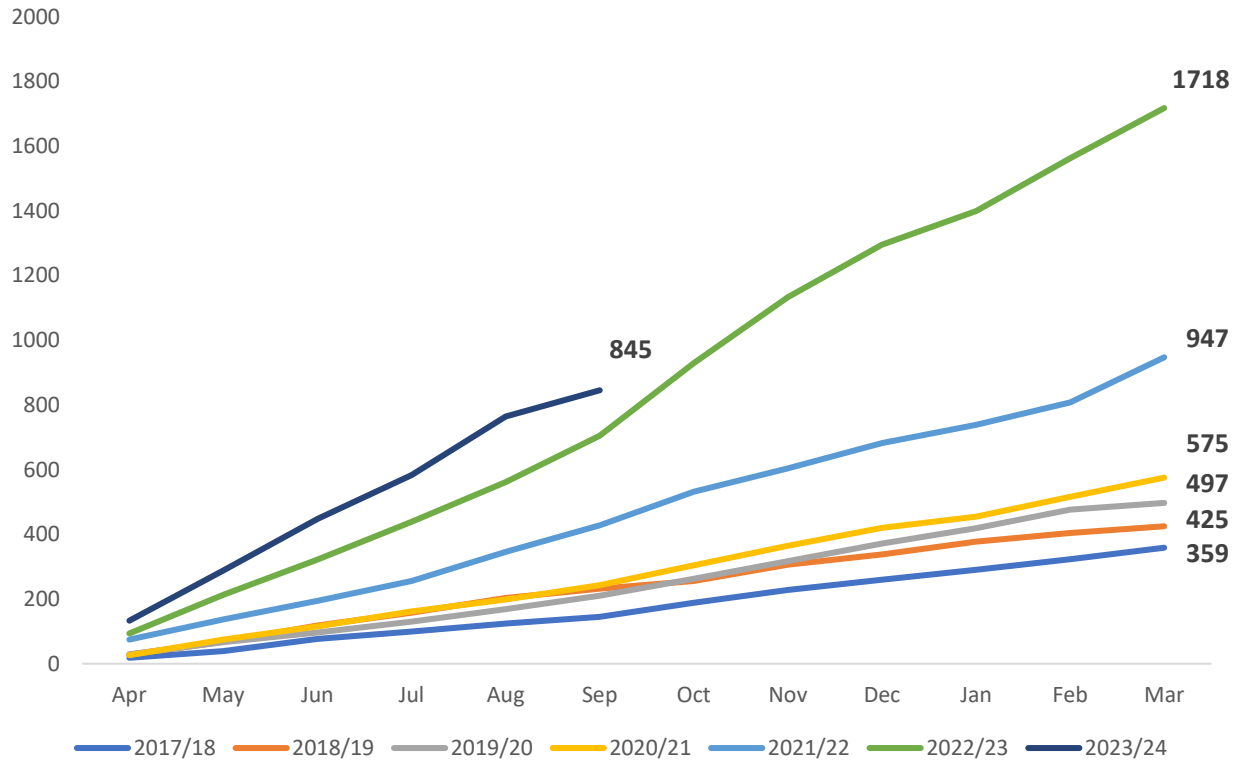


# Connection Applications

The number of licenced connection applications has increased over the last 5 years, with a marked increase over the last 2 years. This increase is driven mainly by new Offshore Wind and Battery Energy Storage applications.

The increase in applications has in turn increased the contracted background and connection queue to **404GW**, which is an increase of over **100GW** in the last 5 months.

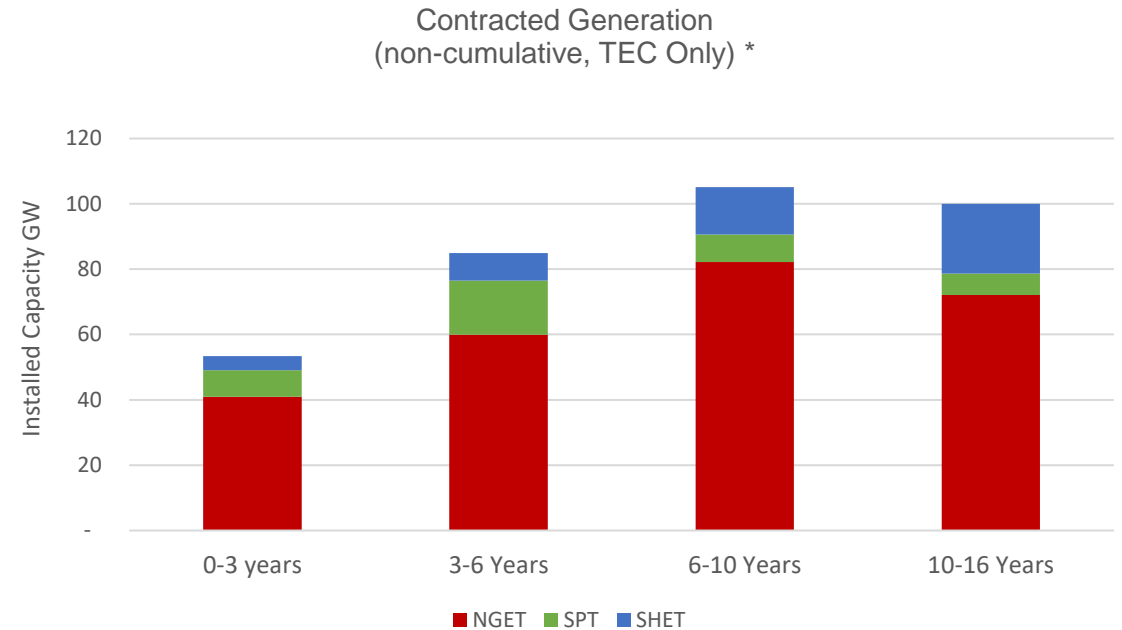
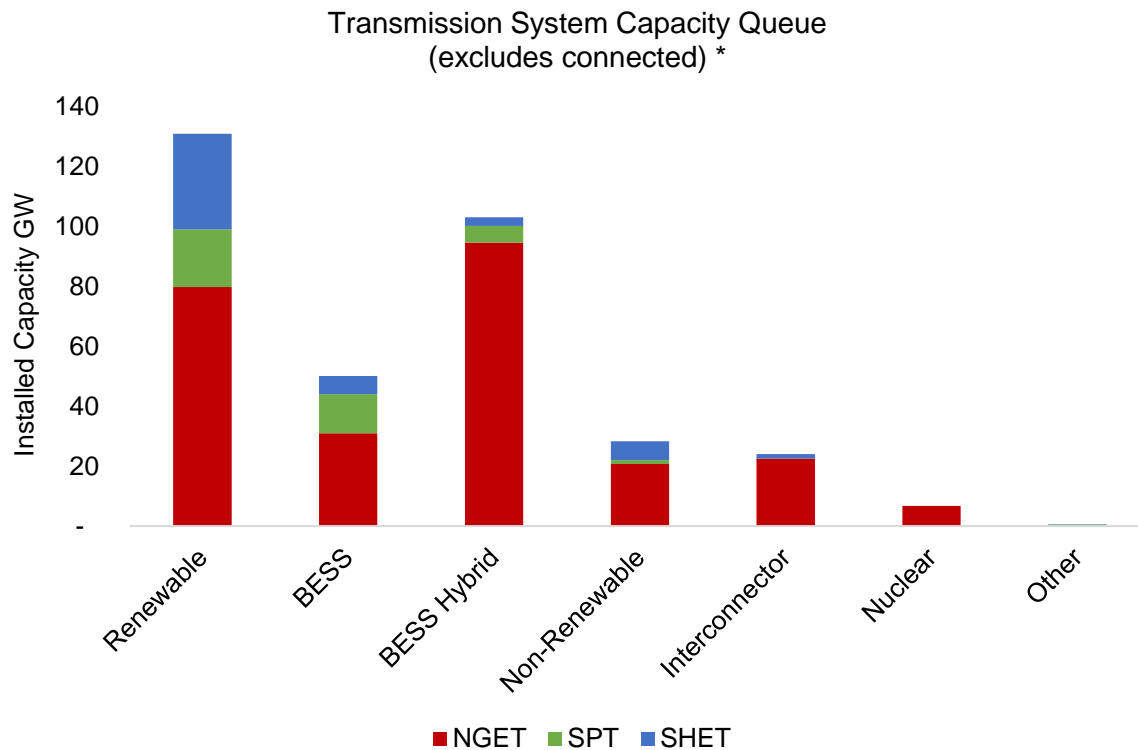
Licensed Applications Received



# Connections Queue

The contracted background is still growing, with more applications offsetting a falling acceptance rate.

Over **404GW** of generation projects are currently seeking to connect to the electricity transmission system, yet our data shows that up to **70%** of those projects may never be built. There is **113GW** currently in the distribution queue.



# Our 5 Point Plan

Our 5-Point Plan is a set of Tactical Initiatives ahead of the wider connections reform

1. TEC Amnesty
2. Construction Planning Assumptions Review
3. Treatment of Storage
4. Queue Management
5. Non-firm Offer Development





## TEC Amnesty

- First TEC Amnesty since 2013
- We received a total of **8.1GW** of applications
- Ofgem published a letter of comfort on 15th August confirming that the costs could be re-couped through TNUoS
- Final Step – we need to ensure customers still want to be a part of the amnesty
- Final figure for TEC Amnesty is 4.1 GW (4GW of capacity has dropped out)
- Current cost of the project is £32 Million (subject to changed based on Final Sums from TO's).
- Starting to terminate agreements for those that have confirmed



# CPA Review and Treatment of Storage

## Construction Planning Assumptions Review (CPA)

We are changing the assumptions that most projects in the queue will connect to reflect a 30-40% connection rate

## Treatment of Storage (BESS)

We are revising the way storage connections are modelled using insight resulting of a better understanding of its behavior. These changes will allow storage to connect quicker and support unlocking more capacity to connect others.

## Transmission Works Review (TWR)

Together the above changes are being reflected in the Transmission works review where we hope to improve connection dates and reduce works.

In England and Wales the two step offer process has been introduced to allow the TWR to be completed alongside the usual connections process

The existing connections process is still in operation in Scotland.



# Queue Management

- There is currently no mechanism in the CUSC to terminate projects that are not progressing.
- CMP 376 is the CUSC Mod which would give the ESO powers to terminate agreements that are not progressing
- Final work group report was submitted to Ofgem on the 7th June
- Awaiting Ofgem's decision – 10<sup>th</sup> November
- Currently developing a substantial guidance document and working with TO's on implementation



# Non-firm Offer Development

## Context

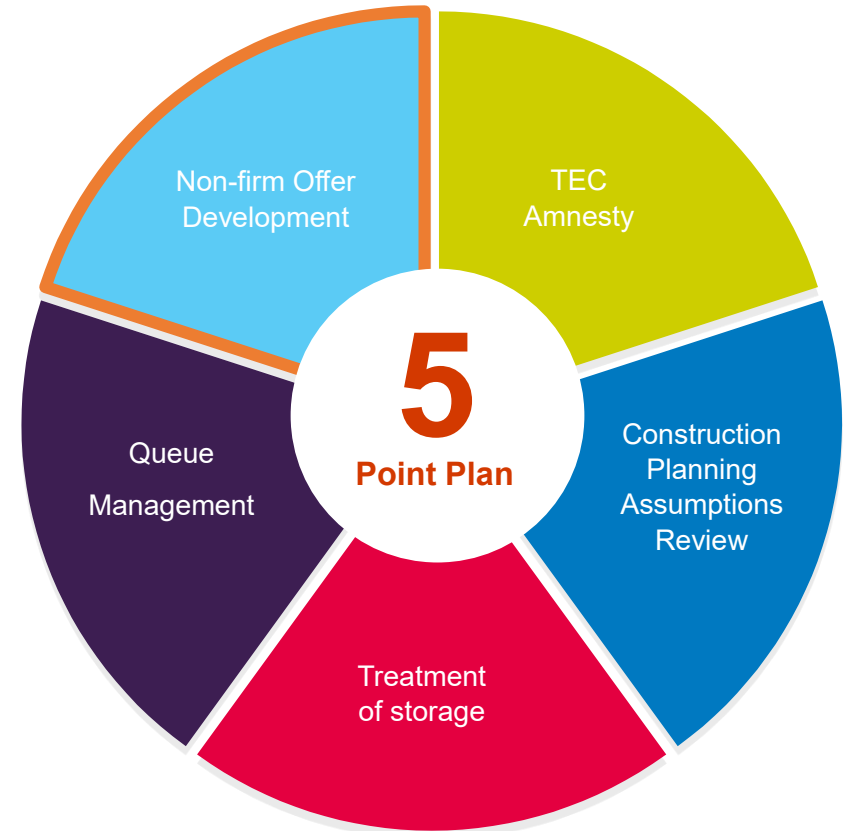
We published an [update](#) in June. It allows storage to connect once non essential enabling works are completed on a non-firm (customer choice) basis.

## What has happened since then

We have been working with the TOs and the DNOs (through the ENA's Strategic Connections Group) to develop the detail that underpins the policy. In addition we have analysed our [EOI](#) to understand the appetite for an accelerated non firm connection date for storage.

## Update

We will imminently launch tranche 1. This will be for ~20 customers (~10GW). Sites have been selected by NGET on suitability criteria. Customers will receive offers shortly and will have 3 months to sign. During that time, they will need to assess the 'firmness' of their connection. Tranche 1 is for E&W transmission. Distributed connected storage is being progressed together with the ENA through their [three point plan](#) (point 2 – changing how transmission and distribution coordinate connections).

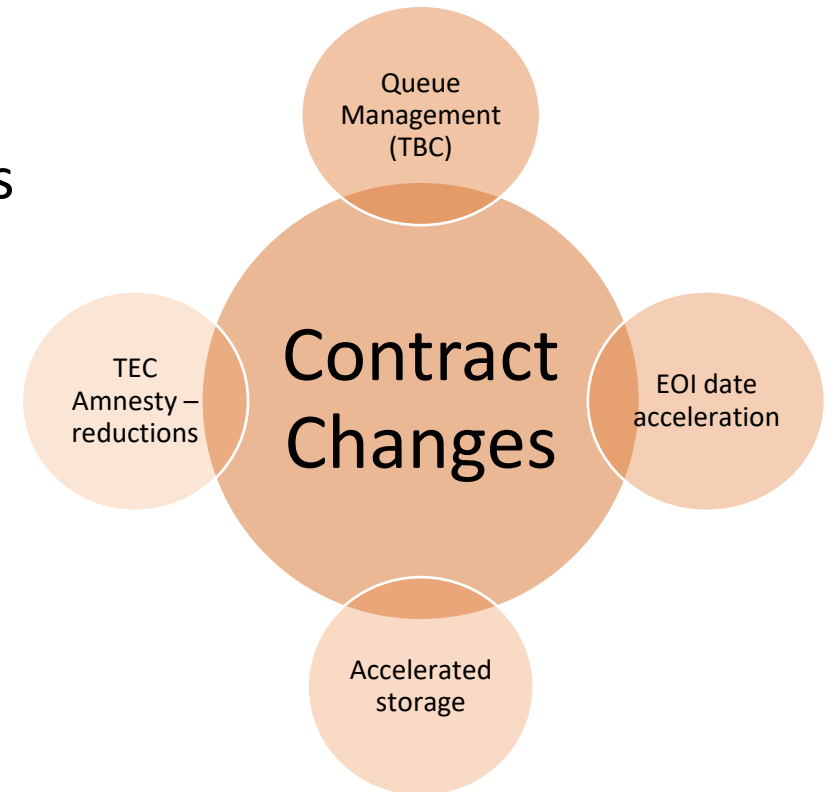


## Contract updates for the Five Point Plan

- We are expecting at least **250** contract changes as a result of the Five Point Plan across all of the TO's

### ESO approach to contract change

- Treat as a Modification Application to existing Agreements for any EOI's
  - BCA / BEGA / BELLA
- Include as many of the contract changes as needed into one contract amendment
- Most efficient and effective route for all parties involved in the process as condenses contract changes into one update.

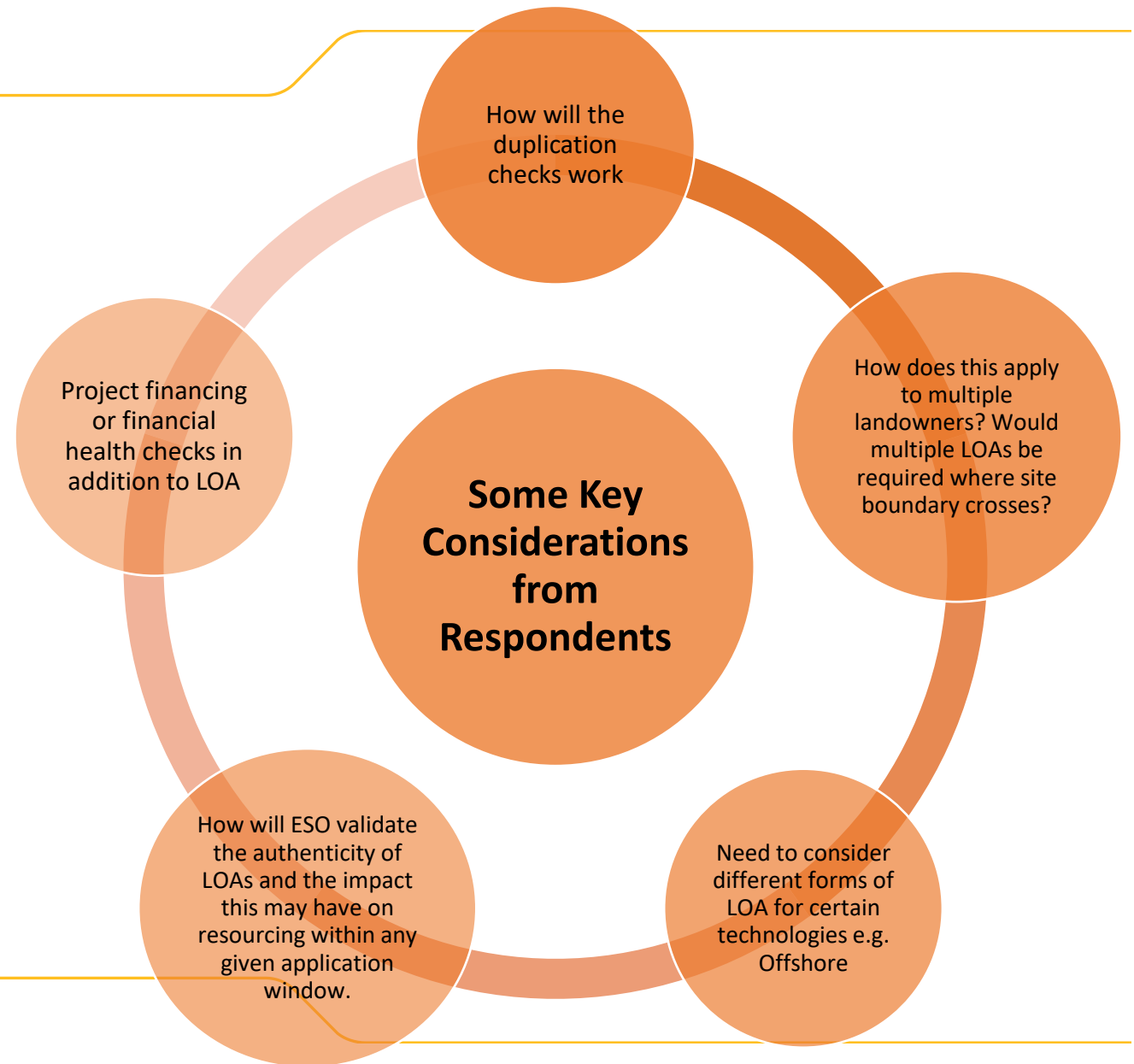


# Letter of Authority



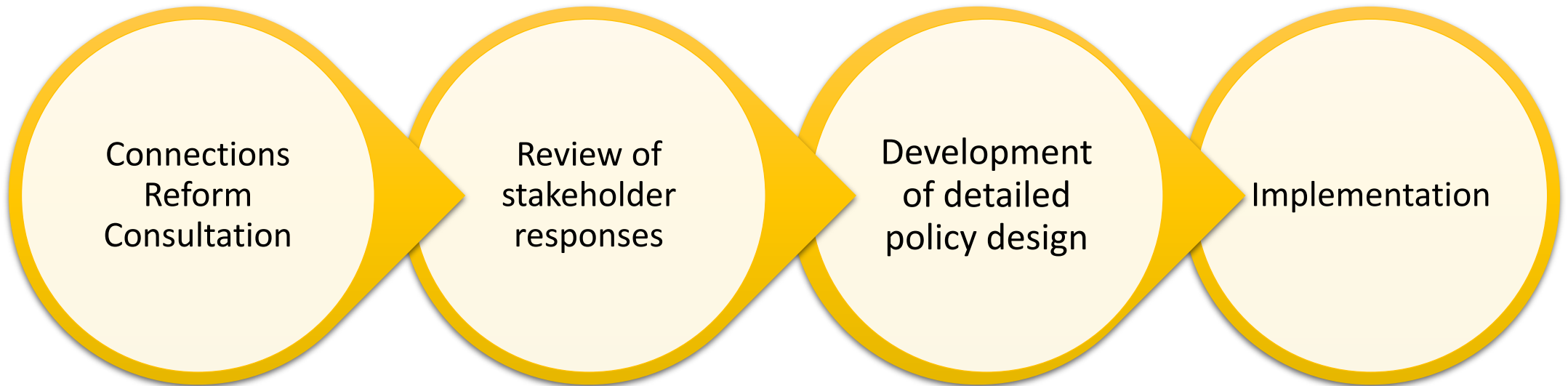
# Letter of Authority

**Connections Reform Consultation:** Circa **78** responses were received from industry with strong support for the introduction of a LOA requirement as part of the connections applications process.



## Letter of Authority – next steps

The introduction of the Letter of Authority requirement could be a potential quick win ahead of connections reform

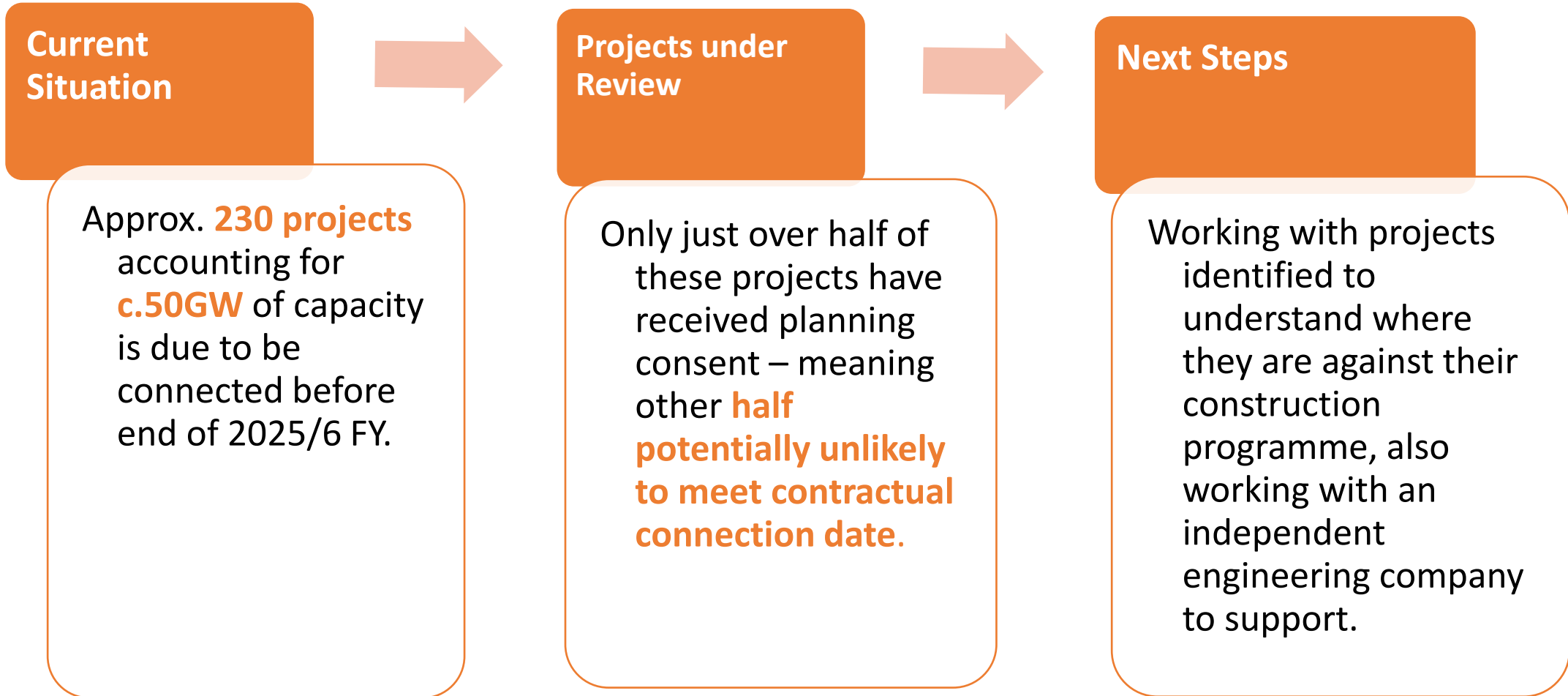




# Pre 2026 Connections



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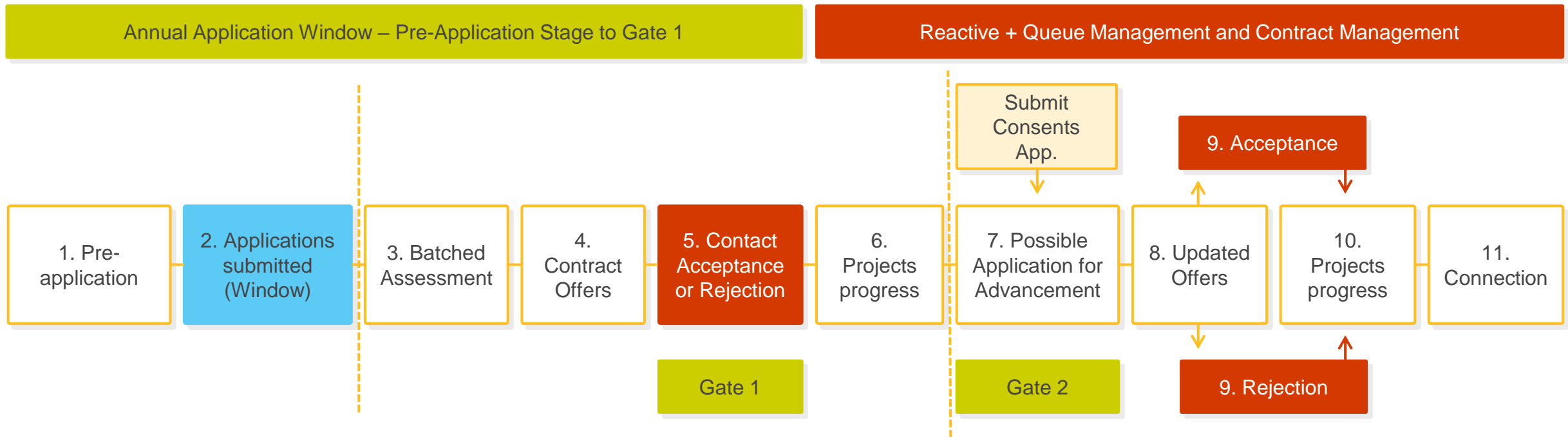
# Connections Reform



# Initial Recommendation Summary

Our initial recommendation is for Target Model Option 4.

- It has an early window for coordinated network design and a later gate for potential acceleration of progressing projects.
- Various other improvements throughout the process based on feedback.



## Consultation Responses re: Target Model Option 4 (TMO4)

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### Views on TMO4

Some outright support for our preferred option (TMO4, comprising an annual early-stage application window and two formal gates).

There was also some conditional/cautious support for TMO4 with the main concerns being:

- Requests for more frequent application windows and/or reduced application window duration;
- More detail on how Reserved Developer Capacity would work in practice (general support for the principle); and
- When Gate 2 occurs (i.e. the gate that allows the opportunity to advance connection dates) – we had suggested this might be when the application for Planning Consents has been submitted but there wasn't any consensus on the most appropriate timing for this gate.

Combining outright support and conditional/cautious support would result in majority support for TMO4.

## Connections Reform Phase 2 October Seminars

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**Presented an overview of feedback from our consultation and set out next steps**

**Ran four table sessions to further understand stakeholder views on the following key topics:**

- Application Window frequency and duration;
- What Gate 2 Milestone should be;
- Reserved Developer Capacity; and
- Detailed Design and Implementation Strategy and Transition options.

## Connections Reform Phase 2 October Seminars Feedback

### Application Window frequency and duration

- Some thought the 3 month saving was worth the overlap in activities. However, some noted likely issues of pre-application costs and securities placement overlapping (across windows).
- Some suggested regional/technology specific windows (which could be more frequent).
- General suggestion that windows should be reviewed and evolve post implementation.

### What Gate 2 Milestone should be

- Mix of views.
- Some thought that using planning milestones leads to technology distortions (although milestones linked to planning types may help) so is linking to land rights better?.
- Some proposed further options for Gate 2 – including assessment of developer viability.

## Connections Reform Phase 2 October Seminars Feedback

### Reserved Developer Capacity (RDC)

- Some suggested RDC should not be technology specific and should be more generic.
- Some proposed allocating RDC based on Network Requirements.
- To ensure forecasts were accurate, some suggested there could be caps per region rather than linked to Grid Supply Point and/or financial Incentives to ensure that there was no “over forecasting”.
- Some questioned whether Third Party Works and Shared Sites have been considered.

### Detailed Design and Implementation Strategy and Transition options

- Some keen that ESO, TOs and DNOs prioritise delivering current initiatives before introducing reform.
- Some keen that governance arrangements for reform implementation are robust and representative of industry.
- Some keen that we consult with industry on frequency/duration of windows and on RDC.



## Next Steps

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Considering additional feedback received at Connections Seminar (16 October 2023) prior to making final recommendations in November 2023.



### Email us

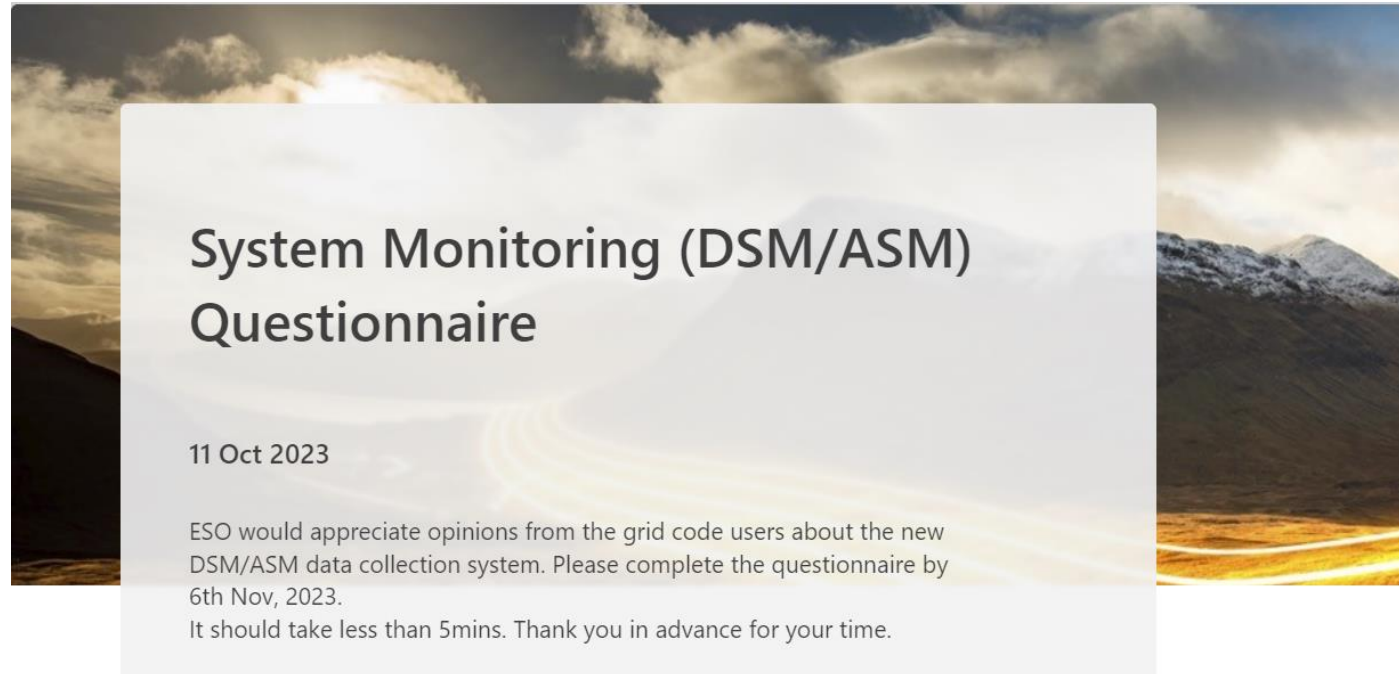
[Box.connectionsreform@nationalgrideso.com](mailto:Box.connectionsreform@nationalgrideso.com)

A landscape photograph featuring a valley with a river and mountains in the background. The sky is filled with dramatic, golden light trails from the sun. In the foreground, several bright, glowing yellow and orange light trails curve across the valley floor, suggesting a path or a journey. The overall mood is one of hope and progress.

# System Monitoring (DSM/ASM) Questionnaire

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- ESO is in the process to design a **new system** to seamlessly access Dynamic System Monitoring (DSM) data and Ancillary Services Business Monitoring (ASM) data from generation modules and interconnectors in England, Wales and Scotland.
- The data will be used to **carry out post fault analysis, manage network risk and verify compliance.**
- ESO would appreciate opinions from you before implementing the project. A questionnaire has been sent out to all grid code users.



- If you have not received it yet, please click [here](#) to complete the questionnaire or contact us to update your contact detail: [box.SystemMonitoring@nationalgrideso.com](mailto:box.SystemMonitoring@nationalgrideso.com)

\*Your feedback will remain confidential.

Q&A



Please ask any questions using Q&A function.

# Questions and Answers

All the questions were answered during the session except one as below-

No.	Questions	Answers
1	How to progress large distribution connections with BEGA arrangement? They are not captured under ESO non-firm initiative nor ENA technical limits.	Phase 2 of ENA SCG Technical Limits work will look at large BEGA's which is due to commence in November 2023.

Thank you

Next Agora –

22<sup>nd</sup> November 2023 10:00 – 10:45

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

