

Workgroup Consultation Response Proforma**CM094: Amendment to Bi-annual estimate provisions**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to stcteam@nationalgrideso.com by **5pm on 14 February 2024**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Milly Lewis milly.lewis@nationalgrideso.com or stcteam@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Neil Bennett	
Company name:	SSEN Transmission	
Email address:	Neil.bennett@sse.com	
Phone number:	07437176084	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input checked="" type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:

(Please mark the relevant box)

☒ **Non-Confidential** (this will be shared with industry and the Panel for further consideration)

☐ **Confidential** (this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration)

For reference the Applicable STC Objectives are:

- efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act
- development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission
- facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity
- protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees
- promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.
- facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;
- compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

Please express your views in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions				
1	Do you believe that the Original Proposal better facilitate the Applicable Objectives?	<p>Mark the Objectives which you believe the solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E <input checked="" type="checkbox"/>F <input type="checkbox"/>G</td> </tr> </table> <p>We believe it will better facilitate access by improving the chances that a customer can continue through to connection without the burden of onerous securities whilst still ensuring the customer secures a reasonable level for their Sole Use/Connection assets</p>	Original	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input checked="" type="checkbox"/> F <input type="checkbox"/> G
Original	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input checked="" type="checkbox"/> F <input type="checkbox"/> G			
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>We wholly support the implementation approach which will reduce unnecessary securities for infrastructure projects where the needs case has been approved by the Authority. It will ensure there are no unnecessary barriers to entry and will allow projects that are essential to Net Zero to connect</p>		
3	Do you have any other comments?	<p>We agree with the need for urgency for this modification due to existing offers that are reliant on enabling works that have had needs case approval by the Authority and are acting as a barrier to connection.</p>		
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/>Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>		

Specific Workgroup Consultation questions		
5	Do you agree that the Construction Approval should be based on the needs case approval rather than funding approval?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>There have been a number of examples where needs case has been approved by the authority and the final funding amount is still to be determined at a later stage, however the TO can proceed with construction in the knowledge that, although final funding amount is not determined at that stage, the initial works will be funded as the works would be minimal.</p>
6	Do you agree that it's non material when customers contract?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p>

		<p>Customers have the option when they wish to contract. By contracting early they may be subject to securities where approval by the Authority has not been granted but they will be 1st in the queue which has benefits such as 1st in queue for non firm advancement. Those that contract later may not have to secure Authority approved projects but they will be further down the queue. Also, the works done prior to Authority approval will be minimal and therefore securities will be low</p>
7	Do you agree that the next security period is a reasonable time for the change?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>There needs to be a reasonable time frame to advise the ESO so they can update the securities with the end User. The notification period prior to the bi annual estimate provision by the TO would be adequate.</p>
8	Is it clear that prior to Construction Approval (needs case) that customers will still need to provide securities for construction works?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>We think it is clear within the consultation that customers will still need to provide securities prior to Authority approval</p>
9	Does the legal text satisfy the intent of the modification in improving the security process in a transparent way?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>We believe it is clear that it will only be works that have been approved by the Authority will be removed and in a defined timeframe. This will ensure that any costs that have been removed by the TO will flow through via the ESO to the end User. The approval of large transmission investments by the Authority will mean a large reduction in overall securities. Our LOTI projects currently have a liability of £3bn which would be removed from securities on approval of this modification and will therefore have a large impact on securities.</p>