

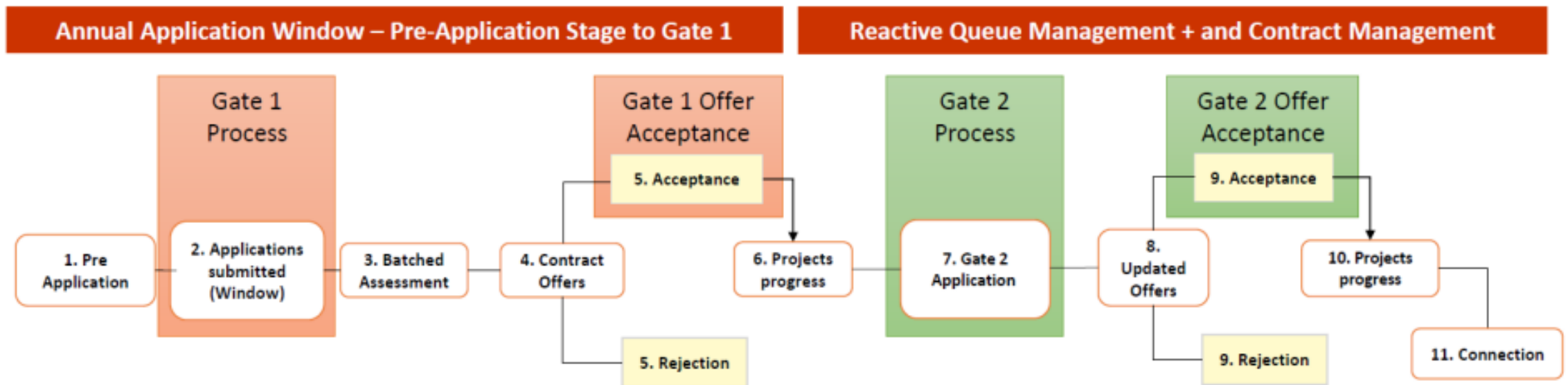


Connections Reform Update

August 2024

Target Model Option (TMO) 4+

July code modifications consultation recommendation



Methodologies | TMO4+ introduces a set of methodologies that help operationalise the reformed connections process

Connections Methodology	Summary
Connections Network Design	Sets out how ESO/TOs design the connections network at Gate 1 and Gate 2 to improve planning capabilities
Gate 2 Criteria	Sets out the criteria that projects need to meet in order to pass Gate 2 and be allocated a firm connection date and location in the new connections queue
Designated projects	<p>Sets out the criteria and process that NESO will use to designate specific projects as:</p> <ul style="list-style-type: none">(i) critical to security of supply security(ii) critical to ensuring system operability(iii) materially reduce system constraints <p>Sets out how Designated projects can be prioritised in terms of capacity allocation during a Gate 2 process</p>

What Has Changed?

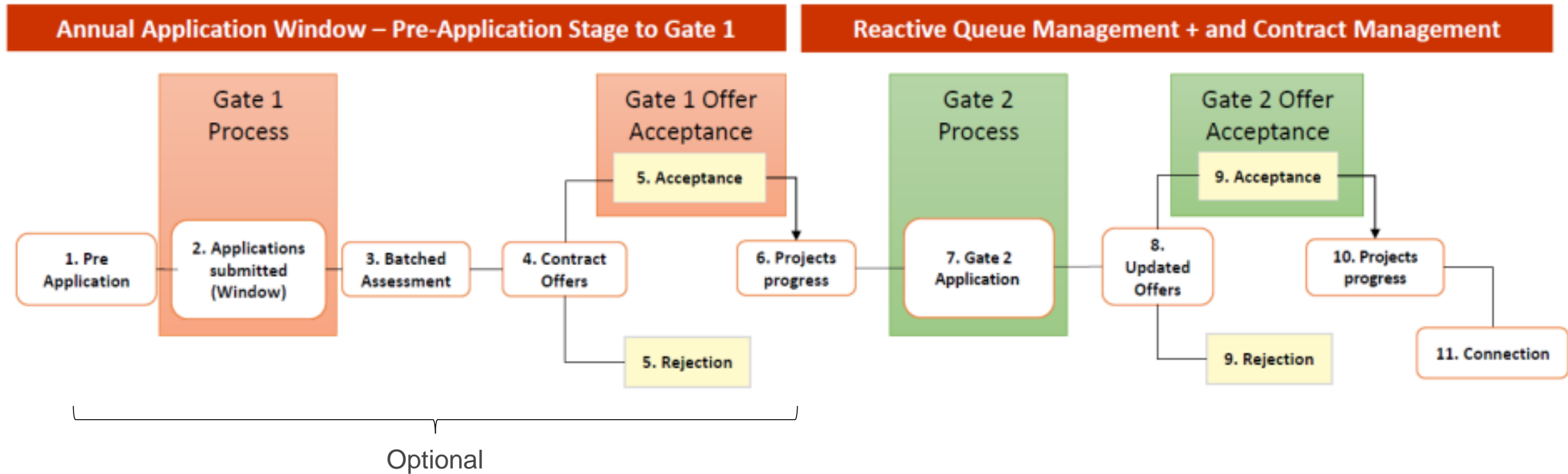


What has changed?

- Code modification consultation responses
- Clean Power 2030



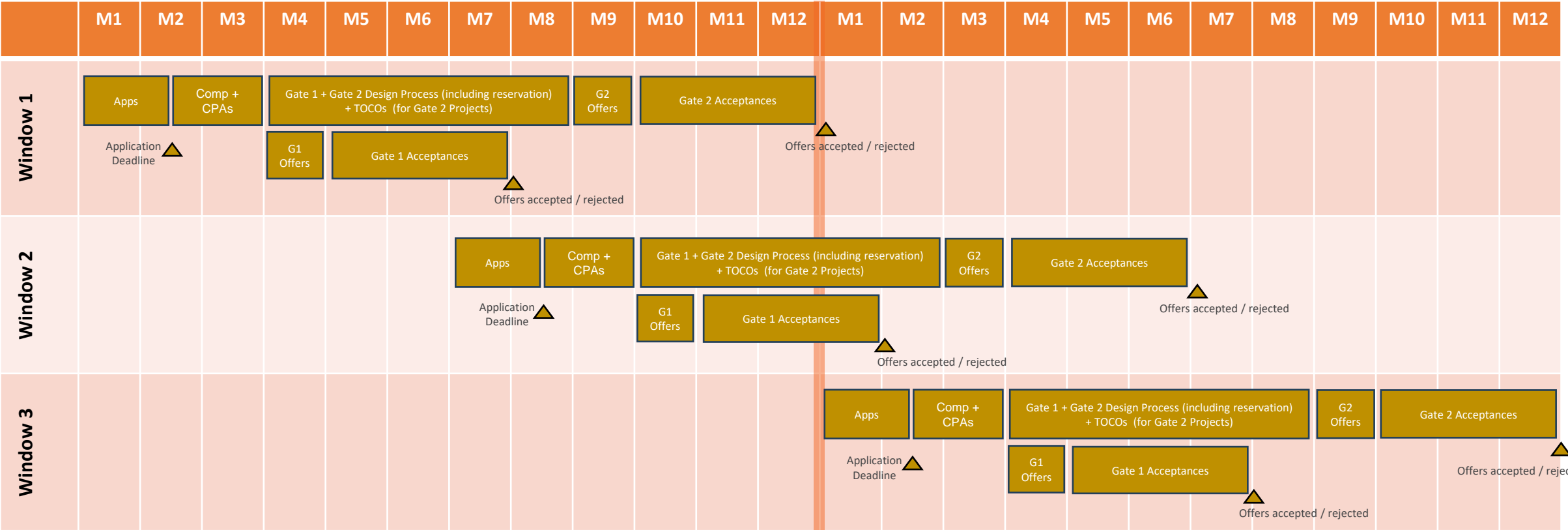
Overview of ESO proposed revised TMO4+ Process



Other key ESO proposed changes

- Twice a year combined Gate 1 and Gate 2
- Descoping of DFTC from these code mods
- Greater potential for ESO to reserve connection point/capacity for long-lead time projects submitting Gate 1 Applications
- Timescales from Gate 2 Offer acceptance to forward looking Queue Management milestone M1 (submit planning) extended
- BEGA / BELLA Process – Generators apply outside application windows with the DNO/IDNO mod apps being submitted in a Gate 2 window.
- Calls for a financial instrument – we will be raising a separate code modification
- Scope of methodologies to be reviewed in light of potential alignment with CP2030
- Timetable extended to accommodate potential alignment with CP2030

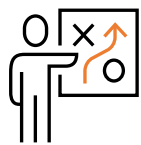
ESO proposed combined Gate 1 and Gate 2 processes



The Month of M1 Remains TBC

The appropriate level of codification related to frequency and duration remains to be confirmed, but as the current codified process timescales are derived from the ESO and TO transmission licences this will in part depend upon changes to licence

Potential Clean Power 2030 alignment



Clean Power 2030 has potential to set out a plan for what generation mix can best help us deliver clean power by 2030

The plan may extend beyond 2030, to be followed by a Strategic Spatial Energy Plan



We are considering whether and how TMO4+ could operationalise Clean Power 2030
- 'first ready and needed, first connected'?

Will make recommendations to Connections Delivery Board at end September

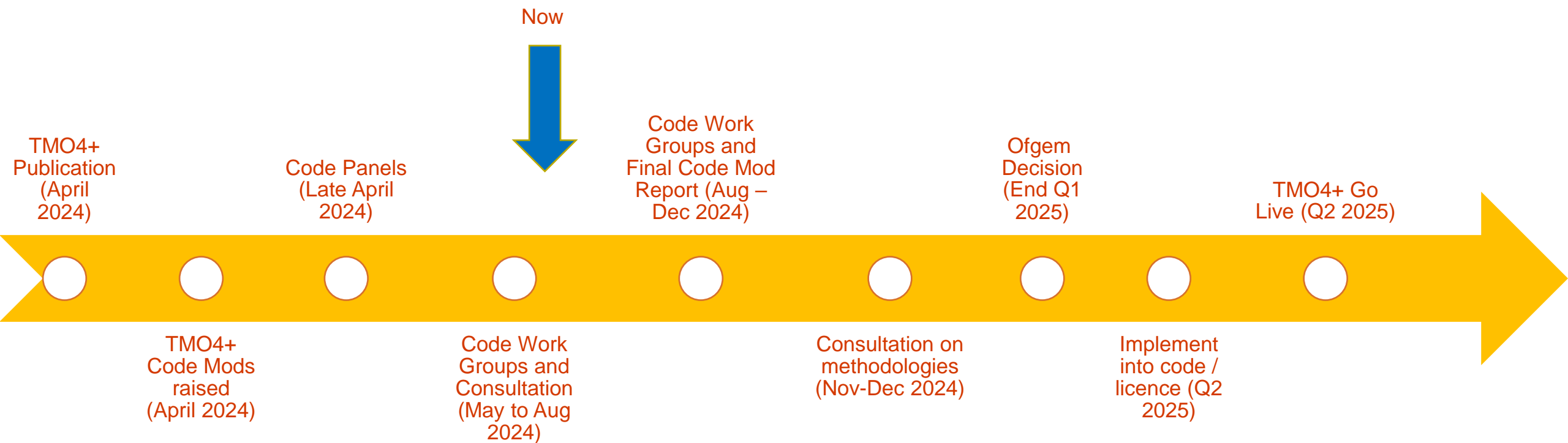


ESO will be working with Government, Ofgem and industry on Clean Power 2030

Consultation on methodologies to operationalise Clean Power 2030 in connections would follow

Next steps





Timeline for distribution customers is subject to approval of distribution code changes

Industry will have the opportunity to respond to the consultations on the methodologies