

Workgroup Consultation Response Proforma

CMP434: Implementing Connections Reform

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 usc.team@nationalgrideso.com by **5pm on 06 August 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 usc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Andy Willis	
Company name:	Kona Energy Limited	
Email address:	Andy.willis@konaenergy.co.uk	
Phone number:	+447826104640	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input checked="" type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input 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 CUSC (non-charging) Objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
- Promoting efficiency in the implementation and administration of the CUSC arrangements.

*The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

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 facilitates the Applicable Objectives?	Mark the Objectives which you believe the Original solution better facilitates: Original <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D Click or tap here to enter text.
2	Do you support the proposed implementation approach? (see pages 59-61)	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
3	Do you have any other comments? Click or tap here to enter text.	
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input type="checkbox"/> No Click or tap here to enter text.

Specific Workgroup Consultation questions		
5	Do you agree with the elements of the proposed solution? Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification CM095 . Please provide rationale for your answer and any suggestions for improvement to each element?	
	Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
	Element 2: Introducing an annual application window and two formal gates, which are known as Gate 1 and Gate 2 (i.e. the Primary Process) (see pages 11, 35-36)	<input type="checkbox"/> Yes <input type="checkbox"/> No

Click or tap here to enter text.	
Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Why are you consulting on something that this is still unclear? You say that that</p> <ol style="list-style-type: none"> 1. ESO guidance on what types of changes would require Significant Modification Applications and whether the Gate 1 or Gate 2 process should be followed is expected to be documented and this is beyond the scope of this code change. 2. A work-in-progress overview of the contents of such guidance, setting out where there are emerging views and remaining uncertainties, can be found within Annex 511. This guidance will be published by the ESO after the Authority Decision Date and prior to the go-live date. <p>So what are you proposing?</p>	
Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 6: Setting out the process and criteria in relation to Application Windows and Gate 1, including introducing an offshore Letter of Authority equivalent as a Gate 1 application window entry requirement for offshore projects (see pages 15-16, 39-40)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>It is concerning that you state ‘the appropriate level of codification related to frequency and duration of such processes 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. The Proposer therefore plans to keep the frequency and duration of the process, as well as the process steps, under review based on stakeholder feedback to this consultation’.</p> <p>This process may change in the future based on Stakeholder consultation however it does not make connecting to the NETS simple if you keep changing the process and these complications may mean developers go elsewhere and this is a risk for GB.</p>	
Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 9: Project Designation (see pages 17-18, 48-49)	<input type="checkbox"/> Yes <input type="checkbox"/> No

Click or tap here to enter text.	
Element 10: Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification CM095 – see pages 18-20 and the CM095 Workgroup Consultation , pages 6-10)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 11: Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (see pages 20-24, 42-46)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>The process outlined with Gate 1 and Gate 2, at regular intervals, which is planned to be three tranches per year limits the ability to connect to the NETS. From an ESO and TO point of view we understand the argument they have made to batch applications.</p> <p>Unfortunately, this feels like a retrograde step and does not deal with the root cause of the issue which is a lack of engineering capability to make these assessments in a timely manner.</p> <p>Balancing the NETS is more complicated with renewables and perhaps the systems need to be updated so they have the ability to update studies faster in order to manage these complications instead of limiting demand to gates.</p>	
Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>We understand this to mean that the date that land rights were secured will determine the Gate 2 position. This means all developer's land rights dates will be aligned in chronological order and those that meet the Energy Land Density Table will be allocated bays if available.</p> <p>Applying this retrospectively means that the old 1st come 1st served queue system is finished and from the 1st January 2025 the queue is based on land rights etc. This determines the new queue position and not the old clock start position.</p> <p>All developers should be considered at their 'first-choice'* substation where they may have applied in the first place.</p> <p>We support the ability to request advancement.</p> <p>*'First choice' substation being the substation that a developer applied for in the first place and not the nodal or indicative point that may have been issued in the past year</p>	
Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Element 14 only considers developers moving the development site within a year to one near the new connection point.	

<p>There seems to be no provision to allocate interested developers to their ‘first-choice’* substation.</p> <p>The process should be that developers at their ‘first choice’ substation make their case by providing the evidence of land rights and based on this evidence then spare bays fill up accordingly as Gate 2 offers.</p> <p>It does feel like the ESO is missing a Policy decision to allocate interested developers to their first-choice substation and then developers make their case providing the evidence of land rights etc and based on this evidence then spare bays fill up accordingly as Gate 2 offers. In our opinion if you do it this way you apply and enact 1st Ready 1st Connected.</p> <p>*‘First choice’ substation being the substation that a developer applied for in the first place and not the nodal or indicative point that may have been issued in the past year.</p>	
<p>Element 15: Changing the offer and acceptance timescales to align with the Primary Process timescales (e.g. a move away from three months for making licenced offers) (see pages 29, 42-46)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>See comments on Element 12 and our belief that the increased time for an Offer is a retrograde step and disincentives applicants to the NETS.</p> <p>Connection offers in the last 18-months plus are extremely high-level, they provide little to no concrete information. Any future Gate 1 applications will be reviewed on the back of this contracted background, I’m confused to why the ESO/ETs need many months to review gate 1 submissions and to issue offers etc when the likely gate 1 offers will not have much information. We know it is gate 2 where they will be studied in detail and further information can be provided.</p> <p>We suggest gate 1 is accelerated. I see no reason why a machine learning approach can be taken and new applications are simply given identical offers to the last party that applied. These are in effect holding offers and it will be Gate 2 where they are refined.</p>	
<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Page 42 of the Consultation indicates that the approach to the CNDM is not clear and there appear to be disagreements. If the ESO does not have a clear process for Network Design then it is likely that Connections Reform will fail.</p> <p>The requirements should be codified. The CNDM must not be governed by a guidance document.</p> <p>This is critical to get right and the rules of the game and how each TO complies should not be left open to interpretation. The ESO must have:</p> <ol style="list-style-type: none"> 1. A CNDM 2. Publish the CNDM on a regular basis 	

<p>3. Work with Industry on the content of the CNDM</p> <p>4. State how it allocates capacity and reallocates capacity which is a licence condition</p> <p>5. Incorporate Spatial Planning / CATO / Commercial Service (Pathfinder) opportunities</p>	
<p>Element 17: Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission process for Distribution Network Operators (DNOs) and transmission connected Independent Distribution Network Operators (iDNOs) to forecast capacity on an anticipatory basis for Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations aligned to the Gate 1 Application Window (see pages 30-33, 51-53)</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
Click or tap here to enter text.	
<p>Element 18: Set out the process for how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria (see pages 33-34, 51-53)</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
Click or tap here to enter text.	
6	<p>Are there any elements of the proposal which you believe should not be included as part of this proposed solution, which the Proposer believes represents the 'Minimum Viable Product' reforms required to the connections process? If not, why not? (Please note the element number in each of your responses if applicable)</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
Click or tap here to enter text.	
7	<p>As per question 6, are there any additional features which you believe should be included as part of Minimum Viable Product reform to the connections process?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
Click or tap here to enter text.	
8	<p>Do you agree that the Gate 1 process should be a mandatory process step, or do you think Gate 1</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

	should be an optional process step with projects being able to apply straight into the Gate 2 process if the project meets both the relevant Gate 2 and Gate 1 criteria?	
Click or tap here to enter text.		
9	Do you believe that the proposed Gate 1 and Gate 2 process could duly or unduly discriminate against any types of projects? If so, do you believe this is justified?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.		
10	Please provide your views on the proposed options ((a) to (e) on page 45) to mitigate the risk of requiring a developer to submit their application for planning consent earlier than they would in their development cycle (with the risk this consent could expire and any extension from the Planning Authority is not automatic).	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.		
11	Do you agree that DFTC should be included as part of CMP434? If not, do you believe that the reformed connections process can function without DFTC? Please justify your answer. (see pages 30-34, 51-53)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.		
12	The Proposer intends to set out supporting arrangements for TMO4+ via a combination of guidance and methodologies (e.g. DFTC, CNDM, Project Designation, Gate 2	<input type="checkbox"/> Yes <input type="checkbox"/> No

	Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55)	
Click or tap here to enter text.		