

**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 [cusc.team@nationalgrideso.com](mailto:cusc.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 [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Joe Colebrook	
<b>Company name:</b>	Innova Renewables	
<b>Email address:</b>	Joe@innova.co.uk	
<b>Phone number:</b>	020 3523 9560	
<b>Which best describes your organisation?</b>	<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 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:**

- a) *The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- b) *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;*
- c) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*; and*
- d) *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 checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
<p>Objective a) - Project developers are waiting too long to connect, and this is hindering progress to deliver Net Zero. Application windows allow a coordinated network design closely aligned with Electricity System Operators (ESO's) Centralised Strategic Network Plan (CSNP) and that facilitates anticipatory investment to ensure transmission works are delivered efficiently. The structured approach, proposed in the Original, helps the ESO and Transmission Owners (TOs) allocate resources more effectively and manage the connection queue efficiently, thereby fulfilling the obligations imposed by the Act and the Transmission Licence.</p> <p>Objective b) - CMP434 facilitates effective competition by establishing a clear and predictable framework for project connections. The "first ready, first served" model incentivises developers to prepare projects and compete based on their readiness and project viability. This approach ensures that the most viable and strategically aligned projects receive the earliest grid connections, promoting fair competition among developers. By reducing connection date uncertainties and streamlining the connection process, the proposal accelerates the connection of projects and enables a wider range of participants to compete effectively in the generation, supply, sale, distribution, and purchase of electricity.</p> <p>Innova are concerned that the introduction of Designated Projects and excessive use of Connection Point and Capacity Reservation, will reduce the competitiveness of the connections process. It is difficult to know the impact of these processes on competition because the rules are being defined outside of the CUSC.</p> <p>Objective c) – Within the Electricity Regulation, Chapter II – General Rules for the Electricity Market Article 3 clause (q) states ‘market participants shall have a right to obtain access to the transmission networks and distribution networks on objective, transparent and non-discriminatory terms.’ Innova is concerned that the introduction of Element 9 Project Designation, creates discriminatory terms and therefore may not comply with the Electricity Regulation. Innova recommends the Proposer seeks legal advice to confirm if Project Designation complies with the Electricity Regulation.</p> <p>Objective d) - CMP434 promotes efficiency in the implementation and administration of the Connections Use of Systems Codes (CUSC) arrangements</p>		

	<p>by introducing a more structured and predictable connection process. The annual application windows and formal gates allow for coordinated design work and provide clear milestones for project developers. This structured approach minimises administrative burdens and enables more effective planning and resource allocation. By aligning the connection process with strategic network planning, CMP434 enhances the overall efficiency of the CUSC arrangements, ensuring that projects are assessed, approved, and delivered in a timely and orderly manner.</p>	
2	<p>Do you support the proposed implementation approach?                  (see pages 59-61)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
	<p>Innova agrees with the implementation approach, although Innova believes it will be difficult for Ofgem to complete the Transmission Licence changes and then approve the three Methodologies required for implementation, especially as both will require at least 28-day consultation periods.</p> <p>The ESO should consider if it is possible to run the consultations for the Methodologies in parallel with the licence changes, so they are ready to be implemented as soon as the changes are completed. If this is not possible then a timeline for completing the consultations, and approval for the licence changes and Methodologies needs to be provided to understand if there is enough time to complete it all before the 1<sup>st</sup> January 2025 implementation date.</p>	
3	<p>Do you have any other comments?</p> <p><b>Against Introducing a New Governance Process and Methodologies</b></p> <p>Innova disagree with the proposed Element 1 due to the lack of clear criteria in the Project Designation and CNDM Methodology, the undermining of established CUSC governance processes, the redundancy given existing mechanisms for urgent modifications, the potentially detrimental impact on investment decisions and company strategies, the reduction in stakeholder engagement, and the increased risk of legal challenge. Innova believe the industry needs a process that provides transparency, clarity, and fairness which will be better achieved by using the CUSC governance process. The CUSC process is essential to ensure that any changes made support a stable and predictable regulatory environment that encourages investment and strategic planning.</p> <p>Innova emphasises the necessity of codifying the “capacity allocation mechanism” to ensure transparency and consistency. Codifying this mechanism is essential because it will provide investors with the clarity and predictability they need to make informed decisions and reduce the risk of the mechanism being discriminatory. A well-defined capacity allocation process will mitigate uncertainties and reinforce investor confidence by establishing clear rules and expectations</p>	

regarding how capacity is allocated and managed within the CNDM framework. By doing so, the industry can attract and retain the investment needed to drive forward the energy transition, ensuring that developers, investors, and TOs have a solid foundation for planning and executing their projects.

Innova would rather keep the Baseline we have today than support an unknown and unclear Methodology for the capacity allocation mechanism. Innova believe the baseline today is fair and non-discriminatory even if it is not ideal.

### **Enabling the Strategic Spatial Energy Plan (SSEP) Without Knowing the Impact**

The ESO should be more open on how this CUSC modification could enable the Strategic Spatial Energy Plan (SSEP) without any further changes to the CUSC and limited industry engagement. Innova understand the CMP434 should enable and not block SSEP in case it is something the industry want to develop in the future, but we have serious concerns the Methodologies mean the connections process will be further developed outside of the CUSC, and the SSEP, which will have impacts on all Users of the Transmission Network, could be introduced without changes to the CUSC and without using the robust CUSC governance process.

### **Removing Element 9 Project Designation from CMP434**

ESO Final Recommendations report in December 2023 (page 32) stated there was support for Government designation (TMA F1), NESO designation (TMA F2) and acceleration of projects ready to connect (TMA F3). The support from industry was caveated with the need for clearly defined, consistent, and transparent criteria. Innova understand the Government designation is no longer relevant as DESNZ decided not to pursue this.

Innova believe the Connection Point and Capacity Reservation powers in Element 10 provide a sufficient mechanism for NESO to meet the following criteria:

- a) are critical to Security of Supply; and/or
- b) are critical to system operation; and/or
- c) materially reduce system/network constraints.

Therefore, Innova does not believe NESO designation is required for the Minimum Viable Product (MVP).

Innova acknowledges the need to reform the Grid Connection process promptly, and therefore, if Element 9 is not removed, believes the criteria for Project Designation should be added to the CUSC and then the methodology can be designed around the criteria. This approach would provide the ESO with the flexibility to change the detailed methodology whilst providing confidence and certainty to the industry that the designation (Priority Projects) criteria can only be changed through the robust CUSC governance process. If the criteria needed to be amended to enable the final form of the Strategic Spatial Energy Plan, then the ESO could propose a new CUSC modification.

Project Designation does not have a process to ensure the project is economically viable and therefore the use of Project Designation could distort the market and send the wrong investment signals, reducing the competitiveness of the connections process. Where a project is designated, there needs to be a clear framework to ensure the project designated by NESO has the lowest cost for the consumer to meet the network requirement. Market participants should be able to compete to provide the lowest cost solution to access the designated connection point and connection capacity. This would be better achieved by the NESO reserving Connection Points and Capacity, as per Element 10, and then providing a market mechanism for users to meet the needs of the Transmission Network at the lowest cost to the consumer

Innova is concerned with the powers Element 9 gives the NESO and how they may favour specific projects or companies and therefore create a discriminatory connections process.

### **Six Monthly Windows**

Innova advocate for six-monthly windows for Gate 1 and Gate 2, effectively allowing for two submission periods per year. This increased frequency would provide developers with more flexibility to align their project timelines with application windows, reducing bottlenecks and accelerating the development of offshore projects. Aligning the Gate 1 and Gate 2 processes should allow for a more coordinated network design and allow projects to progress straight to Gate 2 if they have met the Gate 2 criteria. Innova also believes that two Gate 2 windows per year, reduced from three in the proposal, would be easier for the ESO and TOs to administer without having a significant impact on the speed at which projects progress.

### **Increasing the Period of the Forward-Looking Planning Submission Milestone (M1)**

By adopting the workgroup members' recommended timescales, for both TCPA and NSIP/ DCO planning submissions, Innova believes that the planning process will better reflect the real-world conditions of project development, reducing the risk of rushed or incomplete submissions and ultimately leading to more successful project outcomes. This approach would also help mitigate the risk of delays and rework, supporting a more efficient and streamlined development process that aligns with broader strategic energy goals.

NSIP/ DCO submissions require a significant upfront investment, before planning application submission, of more than £2m for land, environmental and legal workstreams, this is due to the enhanced complexity and size of these projects. It will be incredibly difficult for developers to justify this investment without having a Gate 2 offer which confirms the Point of Connection and connection capacity. Innova would recommend increasing the timescale for NSIP/ DCO submissions to three years, following Gate 2 acceptance, to allow time for projects to submit a complete and robust NSIP/ DCO submission.

<p><b>Hybrid Staged Offers</b></p> <p>Innova would like to highlight the importance of allowing hybrid staged connection offers where one or more stages of a project have progressed through Gate 2 and one or more stages of a project have only progressed through Gate 1. It is important that different stages of a project can be developed on different timelines, as this matches the reality of how projects are developed and improves the efficiency of the connection process.</p>	
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p> <p><input checked="" type="checkbox"/> Yes (the request form can be found in the <a href="#">Workgroup Consultation Section</a>)  <input type="checkbox"/> No</p>
<p>Innova wishes to raise three alternative requests for the workgroup to consider:</p> <ul style="list-style-type: none"> <li>(i) codifying the Gate 2 criteria and ongoing compliance within the CUSC;</li> <li>(ii) codifying the Capacity Allocation criteria; and</li> <li>(iii) removing the NESO designation from the CUSC.</li> </ul>	

Specific Workgroup Consultation questions	
5	<p>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 <a href="#">CM095</a>.                  Please provide rationale for your answer and any suggestions for improvement to each element?</p>
<p><b>Element 1:</b> Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)</p> <p style="text-align: right;"><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>	
<p>Innova do not agree with the proposed solution in Element 1, which proposes Authority-approved methodologies and ESO guidance, due to several critical concerns:</p> <ol style="list-style-type: none"> <li>1. <b>Lack of Clarity in the Project Designation and the Connections Network Design Methodology (CNDM) Methodology:</b> <ul style="list-style-type: none"> <li>○ The criteria outlined in the two Methodologies lack sufficient clarity, leading to potential ambiguities in implementation. This lack of specificity can result in inconsistent application, making it difficult for developers and the Authority to accurately assess the impact of the methodologies and how it relates to their projects' eligibility and readiness. Such uncertainty poses significant challenges for project planning and decision-making.</li> </ul> </li> <li>2. <b>Undermining of CUSC Governance Process:</b> <ul style="list-style-type: none"> <li>○ Element 1 undermines the established governance processes within the Connection and Use of System Code (CUSC). The introduction of Authority-approved methodologies without adequate stakeholder consultation circumvents the collaborative and transparent mechanisms traditionally used to manage industry changes. This</li> </ul> </li> </ol>	

erosion of governance principles can diminish trust and cooperation among stakeholders.

### **3. Existing Mechanisms for Urgent Modifications:**

- The assertion that the proposed methodologies are necessary for swift action overlooks the current capacity of CUSC to manage urgent modifications. The existing process allows for modifications to be approved by the Authority within days if required, providing sufficient flexibility to address urgent issues. Therefore, the introduction of a new governance process to manage changes to the methodologies seems redundant and potentially disruptive.

### **4. Impact on Investment Decisions and Strategies:**

- The proposed changes could have a profound impact on users' investment decisions and company strategies. The uncertainty and potential for abrupt shifts in the regulatory framework may deter investment by creating a less predictable business environment. Companies rely on stable and transparent regulations to make informed decisions about capital investment and strategic planning.

### **5. Reduction in Stakeholder Engagement:**

- Innova are concerned the new governance process will reduce stakeholder engagement during the development of the Methodologies. The introduction of the Methodologies and new governance process creates an ESO driven process, rather than a stakeholder led process. An ESO led process will reduce transparency in decision making, create opportunities for abuse by interested and invested parties, and be more open to subjective decision making. The proposed changes in Element 1 necessitate more comprehensive stakeholder engagement to ensure that the methodologies reflect industry needs and realities. By involving a broader range of stakeholders, through the CUSC governance process, development of these methodologies can be improved to foster more effective and widely supported outcomes.

### **6. Increased Risk of Legal Challenge:**

- The new governance process for the Methodologies does not have a defined dispute process, which means industry may resort to legal challenges to resolve disputes. The reduction in transparency of decision making, increased uncertainty of the impact of this CUSC modification, and reduce stakeholder engagement means the rules contained within the Methodologies will be more open to legal challenge. A legal challenge that reverses the changes made by this CUSC modification would have a catastrophic impact on the connections process as these changes will be extremely difficult to reverse once implemented, and it would therefore create more connection delays and an increase in connection costs compared to the situation today.

<p>In summary, Innova disagree with the proposed Element 1 due to:</p> <ul style="list-style-type: none"> <li>• lack of clear criteria in the Project Designation and CNDM Methodology;</li> <li>• undermining of established CUSC governance processes;</li> <li>• redundancy given existing mechanisms for urgent modifications;</li> <li>• potentially detrimental impact on investment decisions and company strategies;</li> <li>• reduction in stakeholder engagement; and</li> <li>• increased risk of legal challenge.</li> </ul> <p>Innova believe the industry needs a process that provides transparency, clarity, and fairness which will be better achieved by using the CUSC governance process. The CUSC process is essential to ensure that any changes made support a stable and predictable regulatory environment that encourages investment and strategic planning.</p>	
<p><b>Element 2:</b> 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)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>The introduction of an annual application window and the two-gate system proposed in Element 2 enhances the connection process by prioritising project readiness, improving resource allocation, and aligning with strategic energy objectives. This structured approach will be instrumental in achieving efficient and timely project connections, thus supporting the broader goal of decarbonisation and energy security.</p> <p>Innova advocate for six-monthly windows for Gate 1 and Gate 2, effectively allowing for two submission periods per year. Aligning the Gate 1 and Gate 2 processes should allow for a more coordinated network design and allow projects to progress straight to Gate 2 if they have met the Gate 2 criteria. Innova also believes that two Gate 2 windows per year, reduced from three in the proposal, would be easier for the ESO and TOs to administer without having a significant impact on the speed at which projects progress.</p> <p>Innova is concerned the queue position is based on the time at which the Gate 2 criteria are met by each project within the respective Gate 2 batch. Innova believes the queue position should be based on the time at which the Gate 2 Criteria evidence is submitted to the ESO or relevant DNO, this would be a fairer approach that provides a level playing field between Users who own the land and Users who lease the land.</p>	
<p><b>Element 3:</b> Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Innova agrees with the proposed Element 3. The solution proposes all connected types for new applications and ‘significant modifications’ (subject to Element 4) for</p>	

<p>contracted and connected Users are to go through the Primary Process. Innova believes this is a fair and practical proposal.</p>	
<p><b>Element 4:</b> Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Innova generally agrees with the solution proposed in Element 4 although we would propose changing the wording of the principles which determine if a change would require a ‘Significant Modification Application’. Innova proposes changing the word considerable to ‘detrimental’ in all three of the principles in place of ‘considerable’.</p> <p>The ESO should not unnecessarily create barriers to changes to connection offers that can positively impact the connection date or cost of other Users on the network, this will ensure an efficient connection process that allows investment decisions to be taken as early as possible and therefore encourage the timely build out of projects that are ready to connect.</p> <p>Regarding the proposed ‘Significant Changes Guidance’ Innova would recommend the following change is considered by the ESO:</p> <ul style="list-style-type: none"> <li>• Reduction in TEC, CEC, and Demand Capacity are allowed to be made at the time of a Gate 2 application, and;</li> <li>• Change the frequency and duration or the windows so there are two windows per year for Gate 1 and two windows per year for Gate 2. This would create a less rigid process allowing projects to move through the process at speed whilst retaining the ability to appropriately model and plan for changes to projects.</li> </ul>	
<p><b>Element 5:</b> Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Innova supports the proposed introduction of the Distributed Forecasted Transmission Capacity (DFTC) submission.</p> <p>Innova understand that Offshore generation, will need a Letter of Authority (LoA) offshore equivalent from The Crown Estate or Crown Estate Scotland (as relevant), and otherwise will not be treated differently to Onshore generation (except where it is connecting to a Hybrid Asset). Innova is supportive of the proposal for Offshore generation.</p> <p>Innova agree, subject to our comments on Element 9 and Element 10, that Interconnectors and Hybrid Assets will need to be offered a confirmed connection date and connection point at Gate 1, to maintain the integrity of co-ordinated offshore network design i.e. Holistic Network Design (HND) and Holistic Network Design Follow Up Exercise (HNDFUE) and understand this will require NESO to temporarily reserve connection points and Transmission Entry Capacity (TEC). Innova believes it is critical to Element 5 that the Connection Point and TEC are only formally allocated to the Interconnector or Hybrid Offshore user if they meet</p>	

<p>the Gate 2 criteria within a set period i.e. by the proposed longstop date as set out in Element 8.</p>	
<p><b>Element 6:</b> 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)</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Innova disagrees with Element 6 regarding the proposed process and criteria for Application Windows and Gate 1 because it restricts opportunities for Gate 1 applications to an annual cycle, which could lead to inefficiencies and delays in project progression.</p> <p>Innova agree with the proposed structure of the Gate 1 and Gate 2 offers and the introduction of Letters of Authority (LoAs) as a requirement for entry into the Gate 1 application window.</p> <p>Innova would like to highlight the importance of allowing hybrid staged connection offers where one or more stages of a project have progressed through Gate 2 and one or more stages of a project have only progressed through Gate 1. It is important that different stages of a project can be developed on different timelines, as this matches the reality of how projects are developed and improves the efficiency of the connection process.</p>	
<p><b>Element 7:</b> Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Innova agrees this can be implemented outside the CUSC. The CUSC dispute process can be used for issues not resolved by the User and ESO using the Fast Track Disagreement Resolution as determined by the ESO.</p>	
<p><b>Element 8:</b> Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Innova agrees with Element 8's proposal for a longstop date as it ensures that renewable energy and infrastructure projects are developed efficiently, with clear timelines and sufficient flexibility to address potential challenges. This approach balances the need for progress with the realities of project development. There is no incentive for Users to terminate Gate 1 offers and therefore it is appropriate for ESO to have a mechanism to remove Gate 1 offers after a predetermined period.</p>	
<p><b>Element 9:</b> Project Designation (see pages 17-18, 48-49)</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>ESO Final Recommendations report in December 2023 (page 32) stated there was support for Government designation (TMA F1), NESO designation (TMA F2) and acceleration of projects ready to connect (TMA F3). The support from industry was caveated with the need for clearly defined, consistent, and transparent criteria. Government designation is no longer relevant as DESNZ decided not to pursue this.</p>	

Innova believe the Connection Point and Capacity Reservation powers in Element 10 provide a sufficient mechanism for NESO to meet the following criteria:

- a. are critical to Security of Supply; and/or
- b. are critical to system operation; and/or
- c. materially reduce system/network constraints.

Therefore, Innova does not believe NESO designation is required for the Minimum Viable Product (MVP).

Innova acknowledges the need to reform the Grid Connection process promptly, and therefore, if Element 9 is not removed, believes the criteria for Project Designation should be added to the CUSC and then the methodology can be designed around the criteria. This approach would provide the ESO with the flexibility to change the detailed methodology whilst providing confidence and certainty to the industry that the designation (Priority Projects) criteria can only be changed through the robust CUSC governance process. If the criteria needed to be amended to enable the final form of the Strategic Spatial Energy Plan, then the ESO could propose a new CUSC modification.

Project Designation does not have a process to ensure the project is economically viable and therefore the use of Project Designation could distort the market and send the wrong investment signals, reducing the competitiveness of the connections process. Where a project is designated, there needs to be a clear framework to ensure the project designated by NESO has the lowest cost to the consumer to meet the network requirement. Market participants should be able to compete to provide the most value for money solution to access the designated connection point and connection capacity. This would be better achieved by the NESO reserving Connection Points and Capacity, as per Element 10, and then providing a market mechanism for users to meet the needs of the Transmission Network at the lowest cost to the consumer.

Innova is concerned with the powers Element 9 gives the ESO and how they may favour specific projects or companies and therefore create a discriminatory connections process.

**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 <https://www.nationalgrideso.com/document/322801/download>)

Yes  
 No

Innova agrees with the proposals in Element 10 but believes the Proposer needs to codify the use cases for Connection Point and Capacity Reservation.

Without the Use Cases being clearly defined in the CUSC, the ESO may start to use this process for a higher and higher proportion of connections which could fundamentally change the connections’ process without any changes to the CUSC. A high proportion of connection points and connection capacity being reserved will provide more control to the ESO and reduce the competition in connections.

Innova propose defining a limit on the proportion of connections that can be reserved the Connection Point and Capacity Reservation Powers.

The use cases identified by the Proposer and therefore the one that Innova believes should be codified are:

1. Competitively Appointed Transmission Owners (CATOs);
2. ESO Network Services Procurement; and
3. To protect the integrity of the coordinated network design (as and where required) associated with offshore projects.

Innova are concerned the ESO will subjectively favour specific technologies and effectively choose the winners, this may be due to unconscious bias and incorrect assumptions made about the ability for specific technologies or companies to deliver. Allowing the ESO to favour specific technologies will reduce competition in connections and potentially impact GBs ability to meet Net Zero.

In the future, if the ESO wants to change the use cases, they will need to propose a CUSC modification and go through the relevant CUSC governance process.

**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)

Yes  
 No

Innova supports the key proposals in Element 11, which establish criteria for demonstrating that Gate 2 has been achieved and outline the obligations imposed thereafter. This structured approach ensures that only projects with adequate preparation and progress move forward, promoting efficiency and resource optimisation in the connections process.

**Queue Management for Distribution Projects**

Innova agrees Queue Management milestones for Distribution connecting projects will need to sit outside the CUSC code modification. Innova believes the ENA should progress with a DCUSA modification to implement distribution queue management milestones, and the proposer should recommend this DCUSA modification within the CMP434 Workgroup Report.

**Land Requirements to be based on Generating Unit Capacity**

Innova believes that ongoing compliance with Land Requirements should be based on the generating unit capacity (registered or installed capacity) rather than Transmission Entry Capacity (TEC), TEC is an abstract concept that may not accurately reflect the practicalities of site layouts. This adjustment would allow for a more realistic and applicable assessment of project readiness and viability, facilitating smoother project development while ensuring alignment with strategic network planning objectives.

**Increase the Time Allowed to Submit Planning**

Innova advocates for increasing the planning timescales to align with those proposed by workgroup members, recognising that the current timelines may not

adequately accommodate the complexities and challenges inherent in large-scale energy projects.

Innova's development portfolio is largely made up of solar and energy storage projects. Depending on scale, planning permission will be secured either under the Town and Country Planning Act 1990 (TCPA) or the Planning Act 2008 (PA2008). Solar farms below 50MW are determined under TCPA and those of 50MW and above under the PA2008. This threshold is under review by UK Government, with a proposal to increase it to 150MW. Energy storage projects at all scales are determined under TCPA, having been removed from the DCO regime in December 2020 (prior to that date energy storage projects above 50MW were classed as DCO projects).

Innova believes the forward-looking milestones proposed are too onerous and may lead to projects going into planning which are carrying unnecessary risk to consent, and may lead to negative outcomes, or the need to amend projects post planning that may create additional risk to deliverability of projects.

We have provided more detail below on Innova's experience of the two processes (TCPA and PA2008).

#### TCPA Projects

To prepare a robust planning application, taking account of the potential for longer duration environmental survey's, Innova considers an 18-month period is an appropriate timeframe.

We believe developers should work proactively to secure planning consent as quickly as is possible, once an application is determined. However, there will sometimes be matters outside their control which will influence that.

This includes securing pre-application advice and Environmental Impact Assessment (EIA) screening from Local Planning Authorities. Innova engages with Authorities early to agree on the assessment scope, Authorities stance, and requirement for EIA through these processes.

Pre-application advice, though not always available, can take several months to receive and may necessitate project changes and reassessment once it is received. This can directly cause delay, but can also improve outcomes by gaining the support of the Planning Authority and local community. This process typically takes three months to a year.

EIA screening determines if a project needs an EIA. If this is confirmed mid planning application preparation, it can delay the submission of planning by six months or more. Screening responses from the planning authority usually take one to six months, sometimes longer.

An 18-month planning period also allows for the completion of long-lead environmental surveys, like two-year bird surveys, which can significantly impact the timeline.

As a further example, it may be necessary in some locations to carry out archaeology surveys, including intrusive site work. The point at which this work is carried out is project and location specific, and further influenced by the views of the County Archaeologist in each area. In the worst case, should an intrusive archaeology campaign be required prior to submitting planning, this will be seasonally dependant and subject to contractor availability. These processes, and subsequent reporting requirements, may sit on the project critical path and could add as much as a year to a programme before planning submission.

Finally, should the UK Government proposal to increase the DCO threshold for solar projects to 150MW be confirmed, it is highly likely that significantly larger solar projects will be determined under TCPA in the future. These will introduce additional complexity in terms of land and planning/environmental assessment activities, which in turn will increase the likelihood of unforeseen issues arising, coupled with the need to prepare larger and more complex planning applications – many of which could trigger the need for EIA. Local Authorities do not have the resources to deal with larger and more complex projects which may create further delays.

Extending the period between Gate 2 acceptance and planning submission will ensure that there is sufficient time to allow potential project risks (and project defining matters) to be fully identified, assessed, and factored in, prior to the point of planning submission. And give planning applications, once submitted, the greatest chance of success, first time.

#### NSIP / DCO Projects

NSIP/DCO submissions require over £2m upfront for land, environmental, and legal work due to their complexity. Innova believes Developers need a Gate 2 offer confirming the Point of Connection and connection capacity before justifying this significant investment. Innova recommends extending the NSIP/DCO submission timescale to three years post-Gate 2, allowing more time for thorough risk assessment and mitigation. This extension would lead to more robust applications, resolving major issues before application submission, avoiding significant objections, and resulting in a more efficient DCO Examination process.

The DCO process is predicted on the aim of applicants 'front loading' consultation and having resolved as many pertinent issues as possible and having reached common ground with as many relevant stakeholders as possible, prior to an application being submitted for examination. Making the Examination process itself as efficient as possible.

This additional time is crucial for ensuring that projects are not only technically, environmentally, and financially viable but, also socially and environmentally

<p>responsible, and fully deliverable. Doing this will ultimately speed up DCO scale project delivery.</p> <p>By adopting the workgroup members' recommended timescales, for both TCPA and NSIP/ DCO planning submissions, Innova believes that the planning process will better reflect the real-world conditions of project development, reducing the risk of rushed or incomplete submissions and ultimately leading to more successful project outcomes. This approach would also help mitigate the risk of delays and rework, supporting a more efficient and streamlined development process that aligns with broader strategic energy goals.</p> <p>However, if the ESO is not willing to increase the allowed time to complete Milestone M1, then Innova suggests providing a clear framework for exemptions. Milestones M1 to M3 should be forward-looking to provide developers with a clear framework for submitting planning consent, and exemptions should be provided by the ESO to allow flexibility in timelines to accommodate project-specific challenges that could not have been foreseen by the project developer. For example, the need to carry out multi-season ecology surveys, intrusive site survey work (such as archaeology) and other matters that emerge during the planning determination process which could not have been foreseen and could affect overall programme.</p>	
<p><b>Element 12:</b> Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Please see the response to Element 6 for Innova's view on the frequency and duration of Gate 2 windows.</p> <p>The proposal in Element 12 ensures a coordinated approach to integrating projects into the grid, promoting efficiency and reducing delays in the connection process. However, Innova recommends raising a Distribution Connection and Use of System Agreement (DCUSA) modification to mandate that DNOs and IDNOs apply to the next available Gate 2 window once they receive evidence from the distribution customer that the Gate 2 criteria have been satisfied.</p> <p>This modification would create a more standardised and predictable process, ensuring that projects meeting the required criteria can advance without unnecessary delays. By aligning the submission of applications with established windows, DNOs and IDNOs can better coordinate their efforts, leading to a more efficient allocation of resources and streamlined project integration. Such a measure would also provide developers with greater certainty and confidence in the connection process, facilitating smoother project timelines and contributing to the achievement of broader energy transition objectives.</p>	
<p><b>Element 13:</b> Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Innova agrees with the proposals set out in Element 13.</p>	
<p><b>Element 14:</b> Gate 2 Offer and Project Site Location Change (see pages 28, 46)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>

<p>Innova agrees with the proposals set out in Element 14. The Transmission Network requires significant investment to make it suitable for net zero, and it is commonplace for new connections to trigger the requirement for TOs to build new substations. Users cannot know the location of new substations before making a connection application and therefore the mechanism detailed in Element 14 will allow Users to provide the most efficient and low-cost connection for the substation they are connecting to. It would be unfair for developers to automatically lose their queue position if they wish to find land closer to the new substation, and if this was the case it would likely create a lot of uncertainty for the TOs when planning investment for new substations. Innova agree it is appropriate for developers to not be allowed to go back to their original land if they choose to find alternative land, this provides a good incentive to not take advantage of this mechanism.</p>	
<p><b>Element 15:</b> 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 checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Innova agrees with Element 15 and has no additional comments.</p>	
<p><b>Element 16:</b> Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Innova supports the introduction of the Centralised Network Development Model (CNDM) as it promises to enhance the efficiency and coordination of network development across the energy sector. However, Innova emphasises the necessity of codifying the “capacity allocation mechanism” within this model to ensure transparency and consistency. Codifying this mechanism is essential because it will provide investors with the clarity and predictability, they need to make informed decisions and reduce the risk of the mechanism being discriminatory. A well-defined capacity allocation process will mitigate uncertainties and reinforce investor confidence by establishing clear rules and expectations regarding how capacity is allocated and managed within the CNDM framework. By doing so, the industry can attract and retain the investment needed to drive forward the energy transition, ensuring that developers, investors, and TOs have a solid foundation for planning and executing their projects.</p> <p>Innova accepts that capacity may need to be reallocated differently to today, but Innova would want the criteria to be codified and for the criteria to be fair and create a level playing field that everyone in the industry has visibility of and can design their project to meet the criteria.</p> <p>Innova would rather keep the baseline we have today than support an unknown and unclear Methodology for the capacity allocation mechanism. Innova believe the baseline today is fair and non-discriminatory even if it is not perfect.</p>	
<p><b>Element 17:</b> Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission process for Distribution Network Operators (DNOs) and</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>

<p>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>Innova agree with the proposals to introduce Distribution Forecasted Transmission Capacity (DFTC) as detailed in Element 17.</p> <p>Innova would like the proposer to clarify the action the DNO/ iDNO will need to take when a User applies for a BEGA or BELLA at Gate 1. In the existing connections process, the DNO/ iDNO is required to submit a Modification Application for each BEGA and BELLA and this must be submitted before the ESO will clock start a BEGA or BELLA application. The proposer must clarify if the DNO/ iDNO will still be required to submit a Gate 1 Modification Application when a User applies for a BEGA or BELLA.</p>	
<p><b>Element 18:</b> 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 checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Innova agrees with the proposals set out in Element 18.</p> <p>Innova is concerned the Gate 2 process will create additional administration complexity and potential delays for BEGA and BELLA applications. When a User submits a BEGA or BELLA, the relevant DNO/ iDNO will need to submit a corresponding Gate 2 Modification Application. As part of the existing connections process it can take several months to get a BEGA or BELLA application clock started as the following actions need to be completed:</p> <ol style="list-style-type: none"> <li>1. User submits a BEGA/ BELLA,</li> <li>2. User pays application fee,</li> <li>3. TO completes competency checks and liaises with the User to correct any information,</li> <li>4. DNO/ iDNO is requested to submit a Modification Application,</li> <li>5. DNO/ iDNO prepares and submits Modification Application,</li> <li>6. DNO/ iDNO pays application fee,</li> <li>7. TO completes competency checks and liaises with DNO/ iDNO to correct any information,</li> <li>8. ESO clock start BEGA/ BELLA application and Modification application together.</li> </ol> <p>The DNO/ iDNO and ESO have little incentive to complete their actions quickly and the entire process can require a significant amount of chasing from the User. Innova is concerned all these steps will not be completed within the 4 months allowed in the new Primary Process.</p>	

	<p>The proposer should consider if there are any amendments to the proposal which could streamline the process for BEGAs and BELLAs and ensure they can be clock-started within the 4 months allowed by the new process.</p>	
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 checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Element 9. Project Designation should not be included within CMP434 and should be raised as a separate code modification. Please see the comments in question 5 Element 9 for a detailed response.</p> <p>The Project Designation process is required for SSEP, in whatever form it takes, but it is unclear why it is needed as part of the MVP. Once the implementation approach and process for the SSEP is clear the ESO should raise a new modification to facilitate it, rather than make speculative assumptions and design the connections process based on these assumptions. This goes against the precedent set by previous CUSC modifications which have tried not to speculate on future changes to the connections processes.</p>		
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  <input checked="" type="checkbox"/> No</p>
<p>No additional comments.</p>		
8	<p>Do you agree that the Gate 1 process should be a mandatory process step, or do you think Gate 1 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?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Innova believes Gate 1 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.</p> <p>Innova views Gate 1 as an enhanced pre-application process that offers limited benefits in the context of accelerating project timelines. By requiring projects to</p>		

	<p>pass through Gate 1, the proposed process introduces an additional layer of complexity and delay without significantly enhancing project readiness or quality. Instead, allowing Users to proceed directly to Gate 2 (if required) would streamline the approval process and reduce the time needed to bring projects from conception to construction. This approach would eliminate unnecessary administration steps, enabling developers to focus on meeting the more substantive requirements of Gate 2, which truly assess a project's readiness and alignment with strategic goals.</p>
<p>9</p>	<p>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?</p> <p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
	<p>Offshore wind and interconnectors are given an advantage within the connections process. As detailed in Element 5, the ESO will reserve a connection point and connection capacity for Interconnectors and Offshore Hybrid Users at Gate 1, which will discriminate against other technologies competing for the same Connection Point and network capacity, although Innova believes this is justified to protect the offshore network coordinated design.</p>
<p>10</p>	<p>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).</p> <p><input type="checkbox"/> Yes  <input type="checkbox"/> No</p>
	<p>Innova agrees there is a risk of planning applications expiring if connection dates continue to be long dated (2030+) and M2 (planning submission) becomes a forward-looking milestone. Project Developers may be put under pressure to submit planning applications just to meet the milestone even though the project is still many years from construction. This could encourage many poorer quality planning applications to be submitted and reduce the trust project developers have with local communities and local authorities.</p> <p>Innova are unsure if this should be a concern for the proposer, provided the Grid Connection Reforms accelerate the connections that are deliverable, developers will be able to begin construction within three years of the planning permission being granted.</p> <p>Innova believes that if Grid Connection Reforms accelerate deliverable connections, developers can start construction within three years of planning approval. Typically, the standard implementation period for TCPA permission is three years, with the possibility of extending to five years at the discretion of Local Planning Authorities.</p>

	<p>Once planning permission expires, developers must submit a new application, incurring additional time, costs, and risks, especially if planning policies or site conditions have changed, which might lead to the consent being rejected. To avoid this, developers must discharge pre-commencement conditions and start work before permission lapses, then obtain a Certificate of Lawfulness, which also involves time and costs.</p> <p>Innova supports a backward-facing milestone requiring planning submission five years before the connection date, ensuring timely secured permissions. This allows for technological advances, potentially reducing environmental impacts, reducing land take, and improving planning approval chances. Innova also recommends a rectification period for developers to resubmit expired planning applications, providing flexibility for unforeseen delays and encouraging continuous progress.</p>	
11	<p>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)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Innova believes DFTC should be included as part of CMP434. See the response to question 5 Element 17 for a more detailed response.</p>		
12	<p>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 Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Please see a detailed response to this question in Question 5 Element 1.</p> <p>In addition, Innova believes the ESO should be open on how this CUSC modification and the Methodologies could enable the SSEP without any further changes to the CUSC and therefore limited industry engagement. Innova understands that CMP434 should enable and not block SSEP if it is something the industry wants to develop in the future. Still, we have serious concerns that the use of Methodologies means the connections process will be further developed outside of the CUSC, and the SSEP, which will have impacts on all Users of the Transmission Network, could be introduced without changes to the CUSC and without using the robust CUSC governance process.</p>		

From the Final Recommendations

(<https://www.nationalgrideso.com/document/298496/download>, pages 61-64) the ESO have stated they have made assumptions on how the SSEP will be implemented including the assumption the SSEP would require the ESO to 'Stack projects by technology type OR one-off capacity auction'.

The assumed changes for the SSEP will have huge consequences for CUSC users and Innova does not think the Proposer has clearly articulated the assumptions being made when designing the solution in CMP434 within the CMP434 workgroup report. In addition, the final SSEP solution is still unclear and therefore it is very difficult for the Industry and the Authority to understand the impact the proposed Methodologies will have at this time.

Codifying the Capacity Re-allocation Process now will provide the industry with confidence that it has been created for the needs of the transmission network at this point in time, and any amendments needed to facilitate the final solution of the SSEP will go through the robust CUSC governance process and allow an appropriate level of industry consultation.