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 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

Respondent details	Please enter your details	
Respondent name:	Brian Denvir	
Company name:	Google	
Email address:	bdenvir@google.com	
Phone number:	Click or tap here to enter text.	
Which best describes your organisation?	☐Consumer body ☒Demand ☐Distribution Network Operator ☐Generator ☐Industry body ☐Interconnector	☐Storage ☐Supplier ☐System Operator ☐Transmission Owner ☐Virtual Lead Party ☐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	☐A ☐B ☐C ☐D
2	Do you support the proposed implementation approach? (see pages 59-61)	☐Yes ☐No	
	Google supports the overarching intention to move towards a 'first ready first served' approach, as this guiding principle can support faster connection timelines for projects which make meaningful progress towards delivery. There are some elements of the implementation approach that are beneficial, such as the introduction of gating criteria, in particular the requirement to secure rights to lease or own the land for Gate 2 entry. However, there are other proposed elements that need to be amended in order to prevent delays in project timelines which could undermine the UK's ability to meet its decarbonisation and digitalisation objectives. Our views on the key elements of the proposal are set out in the response to question 5. To summarise: *Elements supported:* ● We support the general principle of 'first ready first served' - its success ultimately depends on a responsive planning system which can process planning applications in a timely manner ● We support the introduction of gates and gating criteria to allow projects that are ready to progress to secure connection more quickly ● We support the proposal to define the Gate 2 criteria methodology and project designation methodology in separate documents to the CUSC to allow these methodologies to be updated in a streamlined manner. The gate 2 criteria must be transparent and well-defined to ensure a level playing field ● We support the proposed criterion for entry into Gate 2 (securing rights to lease or own the land) ● We support the proposal to allow applicants that meet the Gate 2 criteria to apply for Gate 2 in parallel with their Gate 1 application to speed up the process of receiving an offer ● We support the proposal for the ESO to be given some flexibility to extend the lifetime of applications in Gate 1 if they determine that they are progressing		

Elements where amendments / clarifications are needed:

- We do not support the proposal for a single annual connection application window - we propose that four annual windows are introduced, but a minimum of 2 are needed (Jan-Feb and July-Aug) to avoid significant project delays. A single window could delay projects by up to 10 months
- The Gate 2 ongoing compliance requirements must take into consideration the special case of applications with phased project stages. Data centres have a unique development model whereby they grow into their power reservation over time as demand for IT services grows. Typically the operator will phase the submission of planning applications for a data centre over time, gradually growing into the total reservation to meet IT demand as it arises. Accommodating such cases is essential to ensure the UK can deliver the infrastructure it needs to meet demand for digital services such as cloud and AI. To accommodate such cases it is recommended that the Gate 2 process include the same mechanism set out under element 8, whereby the ESO has discretion to extend the longstop timeframe in Gate 2 if the developer can provide evidence to demonstrate that their project is progressing. A similar mechanism is being introduced in the Netherlands
- While we support the development of a methodology that would allow for the designation of specific projects which can be fast-tracked, this shouldn't be limited solely to projects that support security of supply / system operation - other key energy and economic objectives should also be included in the designation methodology. For instance, projects that contribute to goals including climate mitigation, economic development and digitalisation could be considered for designation. The project designation methodology should be guided by government's strategic policy priorities and ensure that the infrastructure needed to deliver these can receive a connection offer in a timely manner
- The timelines in the proposed connection offer process are not completely clear. The timeline within which a Gate 2 application must submit planning is not clear. The overall timeline for receiving a connection offer is also not clear

3	Do you have any other comments?
	Please note that due to the very short window for response given to market participants for this consultation, the responses set out here are not as detailed as they would have otherwise been, as we did not have sufficient time to digest the full proposal and consult with internal subject matter experts. We would be happy to share a more detailed perspective on each of the proposed elements later in August once we have had sufficient time to review and consult internally.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	☐Yes (the request form can be found in the Workgroup Consultation Section) ☒No

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)	☒Yes ☐No
	Google supports defining the methodologies in a separate process outside of the CUSC Methodology, in order to allow the ESO to adapt quickly to future changes. However, it is essential that these methodologies are transparent, and that granular detail is provided to applicants so that they know exactly what is expected of them in order to progress their application. Specifically the Gate 2 Criteria Methodology must set out the criteria in detail, ensuring that they are transparent and unambiguous. This is essential to ensure a level playing field for all applicants. We support the proposal to include a formal consultation on changes to the methodologies. However the proposal to exclude any opportunity for industry to propose alternatives undermines the consultation process. Industry is a key stakeholder in ensuring the ESO operates an efficient connection process, and it must therefore have an opportunity to proactively inform that process.		
	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)	☐Yes ☒No
	While we understand the practical advantages for ESO of fixing windows within which connection applications can be submitted, the proposal to limit to just one annual 6-week window is not practical for applicants, and could result in significant delays in the delivery of infrastructure projects that are crucial to the UK's decarbonisation and digitalisation needs. For many industrial customers, including data centre developers, the timeline from investment decision to project delivery cannot afford to suffer delays, or there is a risk that demand cannot be served. Taking the example of data centres - new data centre developments are often triggered in response to a signal for future demand for IT services, therefore the timeline for energising a data centre is critical to ensure this demand can be met when it materialises. **If the connection process only accommodates a single application window, it's possible that projects could be delayed by up to 10 months** in cases where investment decisions are taken just after the application window. **We therefore recommend adopting four annual application windows, but at least two** (January-Feb and July-Aug)**,** in order to avoid a situation where projects face significant delays simply because they were not in a position to submit an application at the beginning of a given year.		

A gate system could be a helpful method for ensuring that projects that are ready are served first. It is essential that the gate 2 criteria are transparent, well-defined and set in consultation with industry.

Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)	☒Yes ☐No

Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)	☐Yes ☐No

Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)	☐Yes ☐No
N/A	

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)	☐Yes ☒No
As noted above under Element 2, we recommend adopting four annual windows, but at a minimum two are needed (January-Feb and July-Aug) in order to avoid a situation where projects face delays of up to 10 months simply because they were not in a position to submit an application at the beginning of a given year. The explanation of element 6 suggests that applicants that meet the Gate 2 criteria at the point of application to Gate 1 can receive a Gate 2 offer within the same application window. This approach is welcomed, and will ensure that projects that are ready can progress more rapidly. It is essential that this element is included in the final proposal. The overall timeline of the proposed connection application process is not completely clear from the consultation document and should be clarified. Maximum timelines for offer and connection should be included to ensure clarity for developers. The ultimate goal of the update should be to shorten the connection timeline, and provide as much certainty as possible regarding the timeline to energisation.	

Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	☐Yes ☐No

Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	☒Yes ☐No
Longstop dates can be a helpful tool to ensure that applications are progressing. Google supports the proposal to give the ESO discretion to extend the longstop timeframe where the developer can provide evidence to demonstrate that their project is progressing. Maintaining some level of flexibility in this way is important to ensure that genuine projects that face unexpected delays are not penalised.	
Element 9: Project Designation (see pages 17-18, 48-49)	☒Yes ☐No
We support the development of a methodology that would allow for the designation of specific projects which can be fast-tracked. As well as generation and storage projects, the methodology should allow for the inclusion of demand-side projects that meet certain strategic goals, including supporting security of supply / system operation as proposed. The project designation should not however be limited solely to those projects that support security of supply / system operation - other key energy and economic objectives should also be included in the designation methodology. For instance, projects that contribute to goals including climate mitigation, economic development and digitalisation could be considered for designation. The project designation methodology should be guided by government's strategic policy priorities, and ensure that the infrastructure needed to deliver these can be built in a timely manner. We recommend including additional criteria which cover these other strategic policy objectives to ensure that there remains flexibility to fast track strategically important projects. In particular we recommend including climate mitigation as one of the criteria for project designation. This should extend to both generation and demand customers - demand customers that commit to matching their electricity consumption with generation sourced from additional/new carbon free electricity generation should also be prioritised.	
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)	☐Yes ☐No
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

Google supports the proposal to maintain Gate 2 criteria in a separate methodology to the CUSC. As noted above, it is essential that these criteria are transparent and well-defined.

The timelines for submitting a planning application to remain in Gate 2 are not clear in the proposal. The timescales proposed by Workgroup members in the table on page 24 of the consultation document are more consistent with the actual timelines than those in the middle column. However it is not clear if these timelines are aligned with the M1 milestone timing that applicants must meet in order to remain within Gate 2. Note as well that planning approval timelines vary significantly across the UK and depending on the size of the project. Some clarification is needed here.

The Gate 2 compliance requirements must take into consideration the special case of applications with phased project stages. Data centres have a unique development model whereby they grow into their power reservation over time as demand for IT services grows. Typically the operator will phase the submission of planning applications for a data centre over time, gradually growing into the total reservation to meet IT demand as it arises. Having a power reservation in place is essential in order to commit to subsequent tranches of investment in the site. This phasing is also for practical reasons, as there are typically constraints on elements such as road access, labour, materials etc. that mean that the development of individual buildings at large data centre sites must be phased. **It is essential that the process for ongoing Gate 2 compliance takes this into account for applications with phased project stages**. To accommodate such cases it is recommended that the Gate 2 process include the same mechanism set out under element 8, whereby the ESO has discretion to extend the longstop timeframe in Gate 2 if the developer can provide evidence to demonstrate that their project is progressing, even if they have not applied for planning for the entire reservation. Such an approach has recently been adopted in the Netherlands in an update to article 7.18 of its grid code. This amendment recognises that there are specific types of projects with long lead times that grow into their reservation over time, naming data centres as an example. In these cases the power reservation can be retained by the applicant provided they can make the case to the TSO that a longer period is needed. We recommend adopting a similar approach here to ensure that such projects can grow in a phased way.

Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)	☒Yes ☐No
For accepting Gate 2 applications, a minimum of 3 tranches per year should be adopted, ideally more, to ensure that project timelines are not unduly delayed.	
Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	☐Yes ☐No

Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)	☐Yes ☐No	
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)	☐Yes ☐No	
Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)	☐Yes ☐No	
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)	☐Yes ☐No	
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)	☐Yes ☐No	
6	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)	☒Yes ☐No

		● We do not support the proposal for a single annual connection application window - we propose that four annual windows should be introduced, and at the very least two (Jan-Feb and July-Aug). A single window could delay projects by up to 10 months ● The timelines in the proposed connection offer process are not completely clear. The timeline within which a Gate 2 application must submit planning is not clear. The overall timeline for receiving a connection offer is also not clear
7	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?	☒ Yes ☐No
		● The Gate 2 compliance requirements must take into consideration the special case of applications with phased project stages. Data centres have a unique development model whereby they grow into their power reservation over time as demand for IT services grows. Typically the operator will phase the submission of planning applications for a data centre over time, gradually growing into the total reservation to meet IT demand as it arises. Having a power reservation in place is essential in order to commit to subsequent tranches of investment in the site. This phasing is also for practical reasons, as there are typically constraints on elements such as road access, labour, materials etc. that mean that the development of individual buildings at large data centre sites must be phased. To accommodate such cases it is recommended that the Gate 2 process include the same mechanism set out under element 8, whereby the ESO has discretion to extend the longstop timeframe in Gate 2 if the developer can provide evidence to demonstrate that their project is progressing. Data centres are essential infrastructure that enable demand for cloud services, AI and other digital services to be met, as well as delivering significant economic benefits both locally and nationally. Therefore it is important that the connection process can accommodate their growth. ● While we support the development of a methodology that would allow for the designation of specific projects which can be fast-tracked this shouldn't be limited solely to projects that support security of supply / system operation - other key energy and economic objectives should also be included in the designation methodology. For instance, projects that contribute to goals including climate mitigation, economic development and digitalisation could be considered for designation.
8	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	☐Yes ☒ No

	being able to apply straight into the Gate 2 process if the project meets both the relevant Gate 2 and Gate 1 criteria?	
	Applications should be allowed to progress straight to Gate 2 if they meet the Gate 1 & 2 criteria	
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?	☒ Yes ☐ No
	The Gate 2 compliance requirements must take into consideration the special case of applications with phased project stages. Data centres have a unique development model whereby they grow into their power reservation over time as demand for IT services grows. Typically the operator will phase the submission of planning applications for a data centre over time, gradually growing into the total reservation to meet IT demand as it arises. This phasing is for practical reasons, as there are typically constraints on elements such as road access, labour, materials etc. that mean that the development of individual buildings at large data centre sites must be phased. To accommodate such cases it is recommended that the Gate 2 process include the same mechanism set out under element 8, whereby the ESO has discretion to extend the longstop timeframe in Gate 2 if the developer can provide evidence to demonstrate that their project is progressing.	
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).	☐ Yes ☐ No
11	Do you agree that DFTC should be included as part of CMP434? If not, do you believe that the reformed connections process can	☐ Yes ☐ No

	function without DFTC? Please justify your answer. (see pages 30-34, 51-53)	
	.	
1 2	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)	☐Yes ☐No
	Click or tap here to enter text.	