

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:	Rob Smith	
Company name:	Enso Energy	
Email address:	Rob.smith@ensoenergy.co.uk	
Phone number:	Click or tap here to enter text.	
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:

- 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	<p>Do you believe that the Original Proposal better facilitates the Applicable Objectives?</p> <p>Mark the Objectives which you believe the Original solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D</p>
<p>Whilst overall this proposal better meets the applicable CUSC objectives, when compared to the current arrangements, we believe there are certain elements that detract from, rather than enhance, this proposal.</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>Click or tap here to enter text.</p>	
3	<p>Do you have any other comments?</p> <p>We recognise that reform of the connection queue is required if we are going to develop an energy system that allows us to meet our Net Zero targets. However, we are concerned that at number of elements included within this proposal are rather blunt in nature and have limited regard for the realities of energy project development. Developers need to complete a number of different elements in getting a project commissioned and they do not all follow a neat, linear plan. Land surveys can discover issues, TO's can change the arrangement's related to a connection, and global supply chain issues can emerge. This does not make a project non-viable but may require some remediation and parallel activity which developers will do to meet their prescribed completion date. Our concern with some of these elements are that they hamper this flexibility.</p> <p>It is important to distinguish between elements that do lead to the removal of speculative, or stalled, projects and those that simply place a greater burden on developers without either the benefit of viable projects advancing or improving the ability of the ESO/TO's to manage network development more efficiently.</p>
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p> <p><input type="checkbox"/>Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/>No</p>

Click or tap here to enter text.

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 CM095. Please provide rationale for your answer and any suggestions for improvement to each element?</p>	
	<p>Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>We have concerns that only the ESO can propose changes to the methodologies whereas the CUSC allows all parties to submit proposals which are tested on their merits and so drive better outcomes.</p> <p>In relation to the light touch approach to codification in the CUSC, it is unclear how much of a light touch this will be and so it is difficult to opine on whether this will be proportionate or lead to a very opaque governance structure.</p> <p>It is also of some concern that so much of the detail of this modification is not actually to be under the governance of the CUSC but under methodologies subservient to the licences of the ESO and TO's respectively. These documents have not yet been written and so this consultation asks the industry to put forward views on the merits of an important code modification proposal with a significant level of detail missing.</p> <p>Despite detail from these methodologies not being available it is proposed that they are approved by the Authority by the 1st of Jan 2025 or the timetable for the implementation of CMP434 and CMP435 will need to be amended. This gives rise to further concern that the time pressure will lead to these documents pushed forward for authority approval with very limited industry scrutiny.</p>	
	<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>Element 3: 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>No comment to add</p>	
	<p>Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>We agree it is important to define which proposed changes included in Modification Applications are significant and need to go through the primary process. Therefore, we welcome the intend to clarify this approach. However, the approach and timing of this element does raise some cause for concern.</p>	

<p>The proposal that this guidance will only be available after the Authority decision date means another important element in this proposal cannot be properly evaluated by the industry when considering if the CUSC modification better meets the applicable objectives.</p> <p>In relation to the work in progress Guidance information shared in Annex 5, We would encourage the ESO to clarify what constitutes “Potentially Significant” as this statement creates significant uncertainty to applicants when considering how best to develop their project.</p> <p>We are also unclear how a project location change could be considered significant unless this also leads to a change to the point of connection. We would welcome clarity from the proposer on how it would pass the bar for “<i>a material impact on the transmission system and/or other users on the transmission system</i>”.</p> <p>The proposal that the ESO has sole discretion in determining whether a Mod App must be submitted via Gate 1 or 2 opens the ESO to challenges of inconsistency. This reinforces, in our view, the need to clarify explicitly the principles which will be applied when considering applicant change requests.</p>	
<p>Element 5: 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>The reservation of location and connection date at Gate 1 for offshore projects is at odds with the risk that onshore projects would be subject to. Whilst this may support the more efficient development of Interconnectors, it shows that the ESO is able to allocate significant capacity firm within Gate 1 and so it begs the question of why Gate 1 is only indicative for onshore projects as all projects are subject to the risk of failure and the consequential impact on the effectiveness of network investment.</p>	
<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Notwithstanding our concern that the proposal makes Gate 1 a mandatory process, we agree with the Element 6 proposals.</p>	
<p>Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>No Comment</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

We agree with the longstop date approach	
Element 9: Project Designation (see pages 17-18, 48-49)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>It is unclear why Project Designation has been included in the CMP434 modification as it does not meet the MVP criteria and it is not clear how it better facilitates the proposers stated aims of...</p> <ul style="list-style-type: none"> • Quicker connections for projects that are in a better position to progress to connection. • A more coordinated and efficient network design for connections that delivers benefits for customers and consumers, since allocating capacity more efficiently to projects that are most ready to proceed and studying connection applications in batches should lead to lower overall costs. • A process which helps to efficiently deliver Net Zero by delivering timely connections dates. <p>It appears that this element has been introduced into the CMP434 proposal to allow the ESO to future proof itself against any unforeseen system operations risk that, it is presumed, cannot be resolved via timely commercial or regulatory signals to the market.</p> <p>This element presents some real concerns in that the industry is being asked to provide views on something that has no firm detail, no clarity on oversight arrangements and no discernible examples of how, and how often, it might be used. With no examples of how this power might be utilised and how the consumer benefit of such actions would be evaluated, it is difficult to evaluate how it better meets the applicable objectives.</p> <p>What is clear is that, if it is utilised to bring forward projects at the expense of the ability of others to accelerate their connection dates, the ESO will effectively be bestowing a commercial advantage on certain applicants. This may be legitimate, but it will create a perception of opaque decision making, a challenge that it is unfair, and risk that it may be inefficient when compared against the value of effective price discovery from an open market approach.</p>	
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 checked="" 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
In principle we are comfortable with the general arrangements proposed in Element 12. However, we have significant concern with some of the detail being proposed within this element.	

The level of allowed change in siting of generation between Gate 1 and Gate 2 will be determined by the Significant Modification Application guidance. However, it is not clear what that guidance will be or the principles by which it will be developed.

Amending M1 to be a forward-looking QM milestone. In principle we agree that this would be an improvement to the arrangements. However, the timeframe allowed to submit planning has to be a reasonable, credible timeframe not just a perception of a historical average time taken. Otherwise, the proposal is condemning viable projects with more complex planning arrangements to failure.

It is not clear on what basis the proposer took the arbitrary decision to take the information asked for in the working group, relating to credible timeframes to submit planning, and reduce it. To our knowledge, the proposer is not active in energy project development, and has not yet received any expert advice on what an appropriate time frame for the activity is. This is of some concern as it gives the impression that the proposer is ignoring what little analysis had been undertaken in this area.

This revised approach to M1 also needs to take account of possible consequences.

- Planning permission is finite in length. If the connection date is significantly into the future, planning permission may lapse, and it is not guaranteed that it will be renewed. This could condemn a project to failure.
- A number of current transmission BCA's are allocated nodes rather than specific sub-station points of connection. If this persists under the new arrangements, it will make securing planning permission very difficult if not impossible. As such, projects, in this position will fail.

Post Gate 2 Construction limitations outside of Red Line boundaries

It is not clear to us why the change in location of a projects' generation assets needs to be restricted in any way for transmission connection agreements in England and Wales.

We understand that part of the rationale for the introduction of a red line boundary in the distribution network, from which this proposal appears to take its inspiration, was that distribution connections are located at the site of the generator. The DNO/IDNO are accountable for securing easements and effectively build and/or adopt the assets that connect that site to become part of the existing distribution network with all the obligations that entails. Therefore, the site of the generation and the network point of connection are inextricably linked.

However, in the NGET transmission geography this is not the case. The developer is offered a specific point of connection at an existing or proposed transmission substation or similar. It is the developer's responsibility to secure a cable route, and associated easements, to that point. If the developer were to move the siting of its generation, it would still need to connect it to that same point on the network, at the same date of connection, and would need to secure new easements of this revised route to the point of connection. Give the proposed time limit to submit planning

permission, this would be a considerable risk and so would only be done if unforeseen problems occurred.

It should also be noted that none of the technical, or date defined, obligations in a applicants BCA would change, and so it is not clear how this would impact the network assessment undertaken when the application was originally submitted. Therefore, we do not see how changing the siting of generation in the NGET geography would have any detrimental impact on the proposers stated aims for the proposal....

- *Quicker connections for projects that are in a better position to progress to connection.*
- *A more coordinated and efficient network design for connections that delivers benefits for customers and consumers, since allocating capacity more efficiently to projects that are most ready to proceed and studying connection applications in batches should lead to lower overall costs.*
- *A process which helps to efficiently deliver Net Zero by delivering timely connections dates.*

We understand that part of the rationale for limiting this change of a red line boundary, has been concern that applicants could somehow secure connections with the intent to speculate and trade them as a commodity. We agree that if there was a credible opportunity to speculate on connection agreements for commercial gain, this should be stopped. However, before imposing extra obligations and limitations on developers, it should be demonstrated that this is a credible scenario. No real evidence has been shared that would seem to support this.

Current connection speculation is achievable due to the low commercial barrier to entry, and the ability to ModApp connection dates backwards and retain the same relative position in the queue and to postpone the point at which liabilities are incurred. This was previously a low-risk high reward endeavour. Introduction of CMP434 would mean this was no longer the case.

Applicants would need to secure land and immediately upon receiving a Gate 2 offer begin development of a planning application. All of which would incur cost. It is also likely that the applicant would then start to incur liabilities and need to post securities for that connection.

A speculator would only have a limited amount of time to change the siting of generation to land owned by another party and then negotiate the sale of the project to that party. The new party would then have even less time to secure the easements required to get a connection route to the transmission connection point and submit planning.

It is unclear to us why any buyer would enter into an agreement in this way. If they already had a project in gate 1, which is a relatively low barrier to entry, and they had the land they required, they could simply apply for a Gate 2 connection themselves. It is not clear what premium they would be prepared to pay to a speculator for something they could secure themselves in a relatively quick timeframe (The next Gate 2 window). In doing so they might very well displace the speculative application which would very quickly be terminated for failure to meet its QM milestones. Meanwhile the speculator would be taking on more and more

<p>commercial risk for limited reward and could very well turn into a distressed seller. We do not see this as being credible or prevalent in this new regime. Therefore, we are unconvinced by this argument.</p> <p>In relation to the methodology employed in the calculation of capacity that can be built outside the Red Line boundary, it would be beneficial if the proposer could clarify the proposal.</p> <p>We have interpreted “total contracted capacity” as the amount of generation in MW that the developer intends to install on the site as described in its BCA, irrespective of the value of TEC secured. As such we assume that, if that contracted value is not breached, developers can build up to 50% of the value built inside the red line boundary, outside of the original red line boundary. Although we do not believe a limitation on changes to generation siting has been justified, the use of total contracted capacity to determine the value would be appropriate and reflect that inverter based renewable technologies and co-located sites are very likely to install greater generation capacity than TEC to, more efficiently, utilise limited network infrastructure.</p> <p>If, however, we have misinterpreted this proposal and, as implied in footnote 24, TEC becomes a limiting factor in capacity construction outside of the red line boundary, we don't believe this methodology is appropriate.</p>	
<p>Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Notwithstanding our concern that Gate 1 is mandatory, we agree with the general arrangements described in Element 12</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>We agree with the general arrangements described in Element 12</p>	
<p>Element 14: 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>In principle we agree with the proposal contained within Element 14 as it is no fault of the applicant that, despite meeting all the required criteria at gate 2, the relevant network organisation is not able to accommodate their connection request. However, in practice 12 months is a very short period in which to secure new land options, easements etc and undertake all the necessary activity to progress through gate 2. Given that the new location could be anywhere on the network, this activity could very easily take 2 years and beyond. However, we recognise that leaving this offer open for such a period is problematic in relation to the overall CMP434 proposal. Although outside the boundaries of this consultation, the CNDM methodology could mitigate some of this risk. The CNDM could allow applicants to tailor their connection request. Applicants would benefit from being able to specify whether they would prefer a new location or a connection date delay. It would also be useful to explore whether applicants could express a preferred and second option connection point so that if a location change is forced upon them, they will have been able to undertake some limited assessment in advance of the eventuality. We would also encourage the drafting of the CNDM to commit TO's to work with applicants to find</p>	

<p>the next best option rather than unilaterally deciding where the connection would be placed.</p> <p>If applicants are not offered the connection location as indicated in the offer at Gate1, we believe it is highly unlikely that they will be able to remedy the project as per the proposal above and so will need to write off a considerable amount of Dev Ex. Therefore, it is important that when making their initial connection application they have access to the fullest amount of information possible to better predict their likely success rate at Gate 2. This would include a more detailed TEC register, including technology capacities, whether they are in Gate 1 or Gate 2, their duration in Gate 1 etc. We would also propose that how the completion of network development projects relate to the incremental release of connection capacity should be made public to allow applicants to understand how their connection date and location would be impacted by transmission development.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>We agree with the arrangements being proposed in element 15</p>	
<p>Element 16: 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>Given the pivotal impact that the CNDM methodology will have on determining the benefit of TMO4+, both in terms of determining Gate 1 and Gate 2 offers and the way in which projects can be advanced in their connection date, we are concerned that it is being captured under a different regulatory regime and that it is not available for assessment and comment by the industry as part of this consultation.</p> <p>Given its importance, it is unclear why the proposer is so adamant that it should not be further discussed in the working group. Even if it was not included in the CUSC solution, understanding of how the CNDM would work in tandem with the other elements of the overall TMO4+ solution could only enhance understanding of how connection reform was going to work and enable a more holistic assessment of the benefits of this proposal.</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 <input type="checkbox"/> No</p>
<p>Any information sharing between network bodies that can better improve the network development and connection process is welcome.</p> <p>However, what has become evident is the significant differences in the proposed processes for transmission connected and small and medium distribution connected</p>	

	<p>applicants. Whilst the proposal is very firm on the point that, transmission connected parties securing TEC will have to make that declaration at the Gate 1 submission point. It is not clear that distribution connected parties included within the DFTC submission will have that same limitation. DNO's are not limited to the MW value declared in the DFTC when submitting Gate 2 requests from distribution connected applicants.</p> <p>The level of information provided into how the distribution element of TMO4+ will work is somewhat limited.</p>	
	<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>		
<p>6</p>	<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>It is unclear why Project Designation has been included in the CMP434 modification as it does not meet the MVP criteria and it is not clear how it better facilitates the proposers stated aims of...</p> <ul style="list-style-type: none"> • <i>Quicker connections for projects that are in a better position to progress to connection.</i> • <i>A more coordinated and efficient network design for connections that delivers benefits for customers and consumers, since allocating capacity more efficiently to projects that are most ready to proceed and studying connection applications in batches should lead to lower overall costs.</i> • <i>A process which helps to efficiently deliver Net Zero by delivering timely connections dates.</i> <p>It appears that this element has been introduced into the CMP434 proposal to allow the ESO to future proof itself against any unforeseen system operations risk that, it is presumed, cannot be resolved via timely commercial or regulatory signals to the market.</p>		

	<p>This element presents some real concerns in that the industry is being asked to provide views on something that has no firm detail, no clarity on oversight arrangements and no discernible examples of how, and how often, it might be used. With no examples of how this power might be utilised and how the consumer benefit of such actions would be evaluated, it is difficult to understand how it better meets the applicable objectives.</p> <p>What is clear is that, if it is utilised to bring forward projects at the expense of the ability of others to accelerate their connection dates, the ESO will effectively be bestowing a commercial advantage on certain applicants. This may be legitimate, but it will create a perception of opaque decision making, a challenge that it is unfair, and risk that it may be inefficient when compared against the value of effective price discovery from an open market approach.</p> <p>Given this element is not essential to delivering the TMO4+ reform but is more related to the services that the ESO might require to better operate the network going forward, it is not clear why it is associated with this modification. We suggest this would be better explored in REMA or the Strategic Spatial Energy Plan that we understand is being developed by the ESO.</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>Click or tap here to enter text.</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>The rationale offered by the proposer for the need to make Gate 1 a mandatory process. Is <i>“that it was to allow developers to provide sight of their project (to the ESO and TOs) and therefore for the potential for early design work to be undertaken.”</i></p> <p>However, <i>“It was noted that the Transmission Owners would not be providing or be expected to provide any substantive analysis of the applications / submission received at Gate 1.”</i></p>	

	<p>We note that the proposer expects that some projects in Gate 1 will not progress to Gate 2 and that some firm offers made a Gate 2 could differ in both connection date and location from those indicated in the gate 1 offer.</p> <p>We understand that this will necessitate some application of a project attrition factor that will have to be bluntly applied across all the projects in Gate 1 if early design work is done at that time.</p> <p>It is not clear if this early design work will be related to connection local works, or wider future network investment requirements. (The detail relating to this approach is to be included in the CNDM which the proposer has stated it will not discuss further at the working group). Given the uncertainty of the information utilised in this early design work it is not clear how valuable this analysis would be.</p> <p>It seems unclear why the proposer thinks this approach would be more beneficial to the quality, and timeliness of network design than if applicants were able to provide earlier, greater commitment, via gate 2 criteria of their intension to proceed with the project.</p> <p>The faster an applicant can get to gate 2 with a firm connection offer, demonstration of secured land, and a deadline to submit planning, the more accurate the information the ESO would be relying on in its investment analysis. This would seem to be more beneficial in meeting one of the key objectives raised in the modification.</p> <p><i>“A more coordinated and efficient network design for connections that delivers benefits for customers and consumers, since allocating capacity more efficiently to projects that are most ready to proceed and studying connection applications in batches should lead to lower overall costs.”</i></p> <p>Rather than making applicants transverse through 12 months of Gate 1 we would assume that the ESO would be encouraging the earlier development of credible, tangible projects upon which they can more reliably base their investment analysis.</p>	
9	<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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>		
10	<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</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

from the Planning Authority is not automatic).

a) Forward Looking M1 Milestone takes into account expected decision timelines and validity of such planning consent with the idea that planning does not expire before planning conditions are discharged.

This option may have merit, but it is quite vague and so a little difficult to comment on

b) Consider using the 10% developer spend route that the Low Carbon Contracts Company use for CFD Contracts.

This option has some merit. However, in practice, each CFD round requires all projects to be operational within a very narrow window so the timeframe for 10% of spend can be well anticipated. In this situation the portfolio of projects under consideration can have connection dates years apart and so this approach might be quite difficult to develop and administer in a fair and equitable way without disadvantaging projects with a long lead time. This option might work if the 10% deadline was a date calculated backwards from the connection date/completion date.

c) Forward Looking M1 Milestone time period only starts from when the TO have confirmed the location of their substation, where this is reasonably required for the developer to prepare and submit their planning application. Note this only applies in England and Wales as in Scotland typically, the Transmission Owner consents the cable route.

We would welcome this option as part of a solution. We would suggest that this option is expanded so that the planning timeframe starts when the Point of Connection, and location of connection assets, in the case of tertiary connections, is defined by the relevant TO. These sub-stations can cover a considerable acreage, and without clarity of the PoC, it can be problematic to secure easements and any associated planning requirements.

However, this element does not address the risk that planning permission could have lapsed significantly in advance of the connection date.

d) The M1 Milestone remains backwards looking from the Completion Date if a project's Completion Date is more than X years away.

Whilst it may be considered discriminatory in some regard, we believe this option would be the simplest solution to resolve the issues highlighted in the question. We appreciate that it could be difficult to gain consensus for the value, but believe it is overall the most pragmatic approach.

e) Include a rectification period for a developer to resubmit their application for planning (M1) if the permission expires before the Completion Date.

In practice this would appear to deliver the same outcome as option D. However, it would incur greater costs for the applicant as they would have to submit planning twice. This would seem to financially penalise applicants with long lead time connection dates.

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 checked="" 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 Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>The detail proposed to be in the various methodologies described above hold a large proportion of the detail of the TMO4+ proposal. It is notable that none of these documents have yet been drafted. Therefore, the industry is being asked to provide feedback on the suitability of the proposal without all the information, it would ideally require, to make an informed judgment.</p> <p>The fragmented regulatory arrangements for TMO4+ are of some concern. The revised connection process will be encapsulated in the CUSC, possibly the Grid Code, the STC, methodologies subservient to the ESO licence, methodologies subservient to the TO licences and obligations managed by the DNO's via the ENA trade body.</p> <p>It is not clear how this fragmented approach will satisfy the aspiration of faster more agile governance.</p> <p>There is also concern in the level of transparency and oversight that will be in evidence if changes in these areas are initiated. This is compounded by the fact that change in certain of these areas can only be formally proposed by the holders of the licence where the methodology is located.</p>		