

Workgroup Consultation Response Proforma

CM095: 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 stcteam@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 stcteam@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Greg Stevenson	
Company name:	Scottish Hydro Electric Transmission plc	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input 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 checked="" 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 STC Objectives are:

- efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act
- development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission
- facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity
- protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees

- e) *promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.*
- f) *facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;*
- g) *compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.*

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 checked="" type="checkbox"/> C <input type="checkbox"/> D <input checked="" type="checkbox"/> E <input checked="" type="checkbox"/> F <input type="checkbox"/> G
<p>A – Positive</p> <p>This proposal is a positive step in reforming the connections process and better facilitates Objective A compared to the Baseline. The introduction of a gated process will allow more viable projects to connect to the NETS and better support achievement of Net Zero targets.</p> <p>This proposal aims to implement the changes proposed through CMP434 and as such should allow Transmission Owners (TOs) to effectively manage their obligations in line with an improved connections process.</p> <p>There are several proposed licence and obligation changes that have not yet been fully discussed or raised by Ofgem and we are mindful that CM095 cannot be implemented effectively if these are not introduced in line with implementation. We welcome ongoing engagement with Ofgem and are keen to start discussions on these specific points as soon as practicable.</p> <p>B – Positive</p> <p>This change should allow TOs to implement a more coordinated approach to the network design and development and allow for greater certainty in investment planning. With the introduction of the Centralised Strategic Network Plan(CSNP) and industry standardised Construction Planning Assumptions (CPAs), this proposal should allow TOs to align with the move to greater strategic planning.</p> <p>C – Positive</p> <p>Once embedded, the new process aims to enhance competition by allowing earlier connection of viable projects.</p> <p>D – Neutral</p> <p>E – Positive</p>			

	<p>Yes, we believe that this will promote and improve industry practice under STC arrangements, as the proposed changes will enhance coordination of connection applications and assessments.</p> <p>F – Positive We believe the move away from first come first served will enable more viable projects that are readier to connect to do so, potentially with an earlier date.</p> <p>G – Neutral</p>	
2	<p>Do you support the proposed implementation approach? (see page 12)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>Yes, in general we support the proposed implementation approach. We appreciate that much of the detailed design of the process is still being discussed and welcome the ongoing engagement with ESO on this. As indicated in our CMP434 response, all relevant Methodologies, Guidance Documents and processes must be in place and communicated to industry prior to implementation.</p>	
3	<p>Do you have any other comments?</p> <p>We recognise the benefit of not codifying the detail of the Methodologies outlined, to allow these to be adapted as required. However, there should be a limit to the frequency of change and an assessment of the impact of any changes on TO licence obligations, to ensure that these changes (or their cumulative impact) do not impact TOs ability to meet our obligations.</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>
	<p>Click or tap here to enter text.</p>	

Specific Workgroup Consultation questions

5	<p>Do you agree with the components of the proposed solution? Please provide rationale for your answer and any suggestions for improvement to each component.</p>	
	<p>Component A: Proposed Reformed Connections Process and Timescales, including ESO/TO obligations (see pages 5-6)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>We agree that the timescales associated with applications and offers will have to be reviewed in the light of the new process, where applications will be received within Gate 1 and Gate 2 'windows' and assessed in batches. The review will also need to consider the uncertainty of application volumes at each 'window'. We appreciate that the process timeline shared is indicative only and would stress the importance of ensuring that timescales associated with each element of the new connections process is realistic and allows all parties to deliver their responsibilities</p>	

<p>efficiently and effectively. It is also vital that this is done in a rigorous manner if it is to effectively support development of any new or updated TO obligations.</p> <p>In doing so, the ESO should work with the TOs to fully assess the duration of each step of the process. In particular, the duration of the Gate 1 and Gate 2 stages need to be carefully considered in order to determine appropriate timeframes, as we believe that this will also be key in setting out the obligations within any proposed licence changes, noting that TOs may see a high volume of applications in each window.</p> <p>The indicative timeline diagram shows crossovers between Gate 2 assessment periods and Gate 2 offer periods, meaning that Gate 2 assessments are undertaken whilst previous Gate 2 offers are still open for acceptance. There are two key risks from this:</p> <ul style="list-style-type: none"> • System planning assessments are being made without a confirmed contracted background, meaning that the assessments are based on less robust information. • An increased risk of interactivity which causes uncertainty for customers and increases workload on TOs. <p>These issues could be avoided if the frequency and duration of the Gate 2 process were amended to avoid any crossover between assessment and offer periods.</p>	
<p>Component B: Connections Network Design Methodology (see pages 6, 8-9)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Yes, we agree with the concept of the Connections Network Design Methodology (CNDM) as it will be vital to the success of the process. We support the inclusion of a capacity reallocation mechanism within the CNDM, ensuring clarity and transparency. We will continue to engage with the CNDM workshops to develop the methodology and discussions regarding the level and detail of codification around CNDM.</p>	
<p>Component C: Connection Point and Capacity Reservation (see pages 6-10)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>We understand the rationale for the ESO proposing to extend this power, but we believe this merits further discussions with the TOs as to how this would work in practice, including what the process for the ESO exercising this power would be.</p> <p>Where the ESO are planning to reserve a connection point and capacity on a TO's network, there needs to be early and consistent communication to assist in the development of the reservation. Processes must be robust to avoid any unintended consequences, ensuring that customers going through the BAU Gate 2 process are not detrimentally impacted through this reservation process.</p> <p>Further clarification is needed on what is meant by reserving capacity for interconnectors and OHAs and how this will be determined. There would be benefit</p>	

	<p>in establishing a clear interconnector policy, which would also ensure this power, if expanded, works effectively. We would also welcome discussion to understand the capacity methodology that will be used for interconnectors and to ensure that the process followed for these projects works and projects following the new TMO4+ process.</p> <p>We agree with the Longstop Date being applied for Interconnectors and OHAs that have had a connection point reserved but are conscious that the proposal does not specify using the Longstop Date for other projects that this power will be used for.</p> <p>We have concerns around CATOs being included as part of the proposal to extend these powers. CM095 is a proposal to reform customer connections and CATOs are not customer connections. We would appreciate clarity over the ESO's intentions in relation to this.</p>	
6	<p>Do you agree that the Proposer has fully identified the high-level impacts (subject to legal text drafting) on the STC and STCPs as a result of the CMP434 Proposal? If you do not agree, what else do you think is impacted and/or needs to change? (see page 3)</p> <p>We note that Project Designation has not been included in the proposal for CM095. At this point, we envisage the need for a codified process between ESO and TOs to successfully operate this process. However, noting that Project Designation has only been covered in CMP434, we welcome discussion with ESO to understand if they have a different view of how this process will operate and be governed.</p> <p>As mentioned in our response to Question 6 of our response to the consultation on CM096, we welcome further discussions on STCPs 18-1 and 18-2. We believe that the process for providing CPAs should be codified as it is integral to TOs ability to produce offers and any issues with the provision of CPAs could impact a TOs ability to meet their licence obligations, with the potential to result in a financial penalty.</p> <p>At noted in our response to question 7, more widely a review of STCPs 18-1 to 18-6 should be reviewed (and potentially updated) as the details of the new processes between ESO and TOs are developed.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7	<p>In your consideration of the CM095 proposal, are there any potential risks for implementation which might also impact the CMP434 or CMP435/CM096 proposals?</p> <p>We believe that, where there have not been any required changes to STCPs 18-1 to 18-6 (the Connection and Modification application procedures) by the time of implementation, there is a risk that the detailed process between the TOs and ESO would lead to confusion in implementing the new process.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

In terms of other potential risks, we believe that continuous review and active management of any existing or new risks identified, is vital as we progress through detailed design, development and implementation of the new process.
