

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:	Tobias Burke	
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Phone number:	+44 20 7747 2953	
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 checked="" 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 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?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>A</td> <td><input checked="" type="checkbox"/>B</td> <td><input checked="" type="checkbox"/>C</td> <td><input checked="" type="checkbox"/>D</td> <td><input checked="" type="checkbox"/>E</td> <td><input checked="" type="checkbox"/>F</td> <td><input checked="" type="checkbox"/>G</td> </tr> </table>	Original	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input checked="" type="checkbox"/> C	<input checked="" type="checkbox"/> D	<input checked="" type="checkbox"/> E	<input checked="" type="checkbox"/> F	<input checked="" type="checkbox"/> G
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<p>Given these proposals are principally implementation modifications within the System Owner Transmission Code (STC) to supplement the Connections Use of System Code (CUSC) modification for CMP 434, they do facilitate the Applicable Objectives.</p>										
2	Do you support the proposed implementation approach? (see page 12)	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p>								
<p>Energy UK supports the proposed implementation as proposed but stress that it requires careful management. There is particular uncertainty from members regarding potential legal challenges from connecting projects having their existing connection date offers changed after the 1st of January 2025 as well as concerns regarding the amount of time for input from relevant stakeholder between the modifications being submitted to Ofgem, their approval, assumedly by the 13th of December and the 'go live date' in January 2025.</p> <p>The overarching timeline for the current approach is set back by 6 weeks based on the impacts of the general election and other delays. Timelines were removed from details in the Connections Delivery Board (CDB) slide pack following initial dates being set out to the Connections Process Advisory Group (CPAG).</p> <p>The timeline is not confirmed to have changed, but there is a decision for the authority to decide that any proposed timeline delay is acceptable.</p> <p>As timelines are getting pushed out, smaller firms especially need notice and sufficient time to know when to submit evidence by. Industry needs these timescales to be appropriate.</p> <p>This uncertainty persists at a time when the methodologies for the Gate 2 criteria and Connections Network Design Methodology (CNDM) are not yet produced. Energy UK recognises the tight timescales the ESO are working to produce this</p>										

	and so we urge transparency with the design and the degree of codification this approach will entail.	
3	<p>Do you have any other comments?</p> <p>As in response to the CMP 434 and CMP 435 consultations, our members note the following:</p> <ul style="list-style-type: none"> • Firstly, some of our members question whether, in the long run, if land rights would be a sufficient determining factor in managing the connection queue. While there is some concern from those currently in the connection queue of pursuing the implementation of such requirements in time for the 'go live' date, we would cautiously support the use of some financial commitments, such as a Contracts for Difference (CfD) or Capacity Market (CM) contract, to show intention to connect. However, this must not be used as a stand-in for land rights as qualifying criteria. • Some members question whether, in the long run, land rights should be the primary determining factor in managing the connection queue. While there is some concern from those currently in the connection queue of pursuing the implementation of such requirements in time for the 'go live' date, we would cautiously support the use of some financial commitments, such as a Contracts for Difference (CfD) or Capacity Market (CM) contract, to show intention to connect. However, this should not be used as a stand-in for land rights. • The connections queue is now over 700GW and there is some concern that 335 GW of that queue is made up of projects that are confident they could get land rights and other Gate 2 requirements in place by the end of year according to the latest Call for Information. If elements to further restrict or refine the queue come in later on, that would impact investment and could have unintended consequences. There is a need to take further measures to speed up connection times after the 'go live date' given the sheer scale of projects willing and able to meet the Gate 2 criteria. • There is concern that there is too great a reliance on guidance over codification in the CMP 434 and CMP 435 proposals, principally with respect to the Gate 2 criteria, CNDM, Significant Modification Application, Project Designation and Capacity Reallocation. We understand the instinct of the ESO to rely on guidance in order to allow a degree of flexibility for further reform after January 2025 as the system moves towards strategic planning. However, connecting new projects to meet the UK's decarbonisation goals also requires investor certainty and relying on guidance over codification dilutes this much needed confidence to invest in the UK's low carbon energy sector at a time when other countries are also seeking to attract investment. 	
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)</p> <p><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>Energy UK broadly agrees with the 2 Gate proposal.</p> <p>As much of the process for the two gates and the obligations on Transmission Operators (TOs) and the ESO should be codified in the interest of enabling business certainty at this critical juncture where there is a need to encourage investment.</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>Energy UK broadly supports this mechanism overall as a system to better coordinate network design going forward.</p> <p>There will remain significant uncertainty on investment decisions until the CNDM (in addition to the Gate 2 Criteria Methodology) is created and approved given its importance to information developers of what information they must submit.</p> <p>This mechanism could take various forms as the network moves towards strategic planning and so, if the ESO intends to use this mechanism to better strategically manage connections, there must be clear communication, signalling, and involvement of industry.</p> <p>The ESO should provide certainty by codifying as much of the CNDM process as possible given there is some potential legal grounds for Ofgem to reject the modification and delay connections reform.</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>Energy UK recognises the principal need for the ESO to extend the System Operator Transmission Owner Code Procedures (STCPs) to ensure capacity in the network needed for areas needed for holistic network design or the CATO process.</p> <p>Clarification is welcome regarding projects connecting as part of co-ordinated</p>	

	<p>network design, or a developer in respect of Network Services Procurement still being required to go through the same gate process as others.</p> <p>While System Operator Transmission Owner Code Procedures (STCPs) would have to be approved by the STC panel and the governing framework approved by Ofgem, further transparency on the overall governance regime is needed. Specifically, concerns relating to 1) competition, 2) transparency, 3) equity of process, 4) efficiency for the consumer and 5) a level playing field for investment.</p> <p>The longer longstop date for offshore projects under this process could be seen as discriminatory against the connection of onshore projects. Consideration of levelising the Gate 1 longstop dates for STCP projects and non-STCP projects should be considered.</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><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>		
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><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>The primary significant risk is that insufficient elements of the proposed elements are codified and changes are made regularly, adding to business uncertainty and discouraging investment in low carbon energy at a time when the UK must rapidly meet its decarbonisation goals.</p>		