

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:	Alex Ikonic	
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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 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 type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
<p><u>Ørsted understands and appreciates the intention of the proposal and the need for connections reform. Continuing with the status quo approach is unlikely to be sustainable and could jeopardise targets for renewable delivery. However, a large number of unknowns remain with various elements of the proposal. Further detail is therefore needed in order to gauge whether it truly would facilitate the objectives better.</u></p> <p>In particular, we have concerns relating to Applicable Objective (b). Owing to a large number of interactions with other workstreams (for example Data Provision, Gate 2 Criteria Methodology, Allowable Changes and ENA-led work) and a reliance on those workstreams for successful implementation, there is a risk that the solution may be detrimental to the delivery of Nationally Significant Infrastructure Projects, when compared to the status quo. This could lead to greater distortions between distribution and transmission customers, as well as decrease investor confidence resulting in higher costs to projects, and ultimately higher costs to consumers.</p>		
2	Do you support the proposed implementation approach? (see pages 59-61)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Whilst we appreciate the need to move the reform work at pace, in Ørsted's view more time is needed to ensure that a reasonable and robust process is put in place. A 1st January 2025 go-live date may be too tight to implement a well-functioning process which would ensure equitable treatment between different types of users. The process, as it currently stands, is proposed to proceed based on numerous assumptions which are untested. It would therefore be helpful to consider potential remedial plans following go-live, in the event that practical implementation has unforeseen challenges.</p> <p>In addition, it is worth considering contingency options, including a potential alternative implementation approach of staged reform. In this case, the first exercise could be to restructure the existing queue (allowing the generation and demand background to be 'set') before implementing the new process.</p>		

	<p>We also have significant concern with regard to process, and opportunity to comment on several parallel areas of work that will underpin the reform proposal. Firstly, the scale and pace of the modification provides a very limited timeframe for the workgroup to debate responses, as well as raise and discuss WACMs. Given the compressed timelines for industry engagement (delays, and short time for consultation during summer holiday period), we do not believe this has allowed for sufficient industry engagement.</p> <p>Secondly, the proposal remains reliant on a number of other workstreams (including CNDM, DFTC, ENA work), whose details and programmes are all as yet unknown or where the parties have not committed to any set timeframes. An additional reliance on guidance documents for core elements of the proposal is also concerning. Many details remain to be confirmed and may not be complete when the report is sent to the Authority, leading to a challenge in terms of commenting as well as decision making in the absence of critical elements.</p> <p>Our final concerns relate to resourcing, including at the ESO, across TO's, DNOs and planning authorities. The proposals will lead to knock-on impacts outside of the grid connection queue and process, and it's therefore vital that they are considered holistically – and impact assessed – to determine their fully cost or benefit. In addition, we note the delays to implementation - with an Ofgem decision now due by 13 December 2024. This provides a very limited window for the reformed connections process to be formally implanted following the decision.</p>		
3	<p>Do you have any other comments? No.</p>		
4	<table border="1"> <tr> <td data-bbox="252 1220 614 1473"> <p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p> </td> <td data-bbox="614 1220 1455 1473"> <p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No</p> </td> </tr> </table>	<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>
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	<p>Ørsted does not intend to raise any Workgroup Alternatives, however, we would support Alternatives that would:</p> <ul style="list-style-type: none"> ▪ Codify Gate 2 criteria. ▪ Codify CNDM (in particular, capacity re/allocation methodology, setting of queue position including for small embedded customers) ▪ Codify Project Designation ▪ Change ongoing compliance post-Gate 2 in relation to Red Line Boundary (RLB) changes and forward-looking planning. To note, Ørsted would look to raise an Alternative if insufficient measures were put in place to mitigate against the risk of forward-looking milestones being applied earlier than required in the development cycle. 		

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 checked="" type="checkbox"/> No</p>
	<p>We believe there should be a higher level of codification for the three proposed methodologies. Although we understand that ESO intend for these methodologies to go through an approval process with Ofgem in line with a new transmission license obligation, we note this process (and this obligation) does not currently exist. It is unknown whether it would be in place in time for the go-live date, as well as:</p> <ul style="list-style-type: none"> ▪ Associated timelines; ▪ How it would function; and ▪ to which extent it would take on board feedback from industry following a consultation - both in the first instance, and on an enduring basis. <p>The detail these methodologies hold can fundamentally change project development risk levels, and there remains an outstanding risk that the ESO could modify these relatively easily/unilaterally. We are very concerned that this could damage investor confidence, leading to higher project costs which would be borne by consumers. In Ørsted's view it is not suitable to hold these elements in methodology documents and would strongly urge the ESO to codify these elements.</p> <p>At an absolute minimum, a requirement on the network operator should be codified, requiring them to consult – and fully account for industry feedback – before <i>any</i> change to methodologies is carried out.</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>Although Ørsted supports the concept of a window / gated process in principle, we have the following reservations with the following details of this element:</p> <ul style="list-style-type: none"> ▪ We would prefer a higher frequency of Gate 1 windows – for example, bi-annual. We recommend that the ESO looks to the example of CRU – responsible for the connections process in the Irish market – who are minded to move to a 6-month window shortly. We can see value in looking to and learning from other markets when bringing forward a significant process change. We also understand that the frequency and duration of windows is expected to be set out in ESO license conditions and would encourage the ESO to codify it to some level; for example, that a window process would happen at least once a year. ▪ We continue to have concerns over Gate 1 being a bottleneck in terms of resource required (from ESO and TO) as there may be a large number of 	

<p>submitted applications. This issue would likely be exacerbated if pre-application data tool(s) are not in place or contained outdated/incorrect data.</p> <ul style="list-style-type: none"> ▪ We strongly urge the ESO to consider what can be done to firm up Gate 1 offers e.g. by providing earliest/latest date boundaries or limiting the circumstances where a point of connection could change between Gates 1&2. While Gate 1 offers are purely indicative, we believe this represents an asymmetry of risk balance between developer and the ESO compared to the status quo, as well as what was proposed for TMO4. Instead, TMO4+ increases barriers to entry while simultaneously reducing certainty of grid. 	
<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>We agree, but strongly urge that further consideration be given to additional provisions for large embedded generators (see answer to Q5, Element 9) and small/medium embedded generators (linked to Q5, Element 18). The Primary process could otherwise be far worse than the status quo for these types of users.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>In principle Ørsted agrees with the concept of a "Significant Change" and that it would determine when an application or Modification Application (ModApp) would be processed. However, we think this is an area which needs more work. The concept of a Significant Change will be impactful on projects as it could result in changes to queue position, or potentially being removed from the queue. This concept does not exist in today's world so it is important this is fully understood and assessed by the industry prior to implementation.</p> <p>In our view, the proposed definition is far too broad and will lead to differences in treatment between users, as it will be open to interpretation. The details of what would and wouldn't constitute a significant change therefore need to be made much clearer – along with the interactions between this definition and "material technology changes" guidance.</p> <p>By way of solution, the ESO should hold a consultation with the wider industry and develop this thinking earlier than is proposed in the consultation. The guidance document should also hold an extensive list of examples to ensure clarity and transparency in process.</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>We agree that there should be deviations for small / medium embedded power stations but we believe that further visibility on Distribution Forecasted Transmission Capacity (DFTC), and setting of queue position for such projects is required to determine whether the proposal is sufficient.</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> ▪ While Ørsted would prefer a higher frequency of Gate 1 windows, we also understand that the frequency and duration is expected to be set out in ESO license conditions. We would instead encourage the ESO to codify it to some level; for example, that a window process would happen at least once a year to provide assurances to the industry. ▪ We would suggest there be duplicate checks at Gate 1, and for ESO not to allow projects which are known duplicates to be included in the batch assessment, as this may lead to inefficient modelling and may not be able to be picked up by Construction Planning Assumptions (CPAs) /attrition rates. During workgroup discussions, it was noted this process could be automated. ▪ We strongly urge the ESO to consider what can be done to firm up Gate 1 offers. For example, by providing earliest or latest date boundaries, or limiting the circumstances where a point of connection could change between Gates 1 and 2. ▪ It is noted that for BEGA and BELLA applications, the LOA would need to be checked by the DNO rather than the ESO. However, DNO's do not have the concept of Energy Density Table, and have different rules for allowable changes to redline boundaries – both of which could create a distortion amongst types of users. ▪ For offshore projects and the LOA requirements, we believe further work needs to be done by the ESO and TCE/CES to clarify how this will work in practice. For example, whether a formal letter or a reference to an announcement by TCE/CES would be sufficient, and whether it would be issued to preferred bidders only or all interested parties ahead of a leasing round. If the latter, this may re-create today's world where the ESO must process multiple speculative offshore applications ahead of the conclusion of a leasing round. ▪ For any Gate 1 window assessment, we believe ESO and TO's must work closely with TCE/CES to ensure that the capacity studied aligns with what is being offered in the leasing round, rather than the cumulative capacity requested by applicants; like has been done in the Celtic Sea HND FUE. 	
<p>Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>No comment.</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>Ørsted is currently supportive of this approach over the Capacity Holding Charge, which was previously proposed. We understand that the ESO has proposed this to discourage projects holding in Gate 1 for a prolonged period. However, we believe further consideration needs to be given to why this is perceived to be such a concern.</p> <p>In terms of the longstop duration, we question the decision to proceed with a three-year period, and believe further justification is required. If the intention of Gate 1 is to enable ESO and TO's to identify opportunities for AI, projects at Gate 1 must be allowed to provide a meaningful signal such that it allows the network companies to act. As an example; a project which has been in Gate 1 for <1 year would not be considered to meaningfully provide a signal to the TO for a new 400kV line when taking into account design, procurement and build timelines.</p> <p>If ESO wish to proceed with a longstop date – and noting that we remain concerned with the suggested duration – we believe it should apply to a factor that falls within the developer's control. For example, the time between accepting a Gate 1 offer to submitting a Gate 2 application, or the date that the Gate 2 criteria were met.</p> <p>Under the proposal, linking the longstop date to Gate 2 offer acceptance creates the risk that the ESO will have to rely on exemptions. For example, offers are commonly extended at present while Technical Queries (TQs) are dealt with, and with no mandatory timescales for network companies to respond. This can be a lengthy process and falls out of the developers' control. We anticipate that this could continue to be the case, given that the proposal lacks any changes that would introduce mandatory responses to TQs.</p>	
<p>Element 9: Project Designation (see pages 17-18, 48-49)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>We have concerns that the proposed criteria are too broad, and that they, and the instances in which the ESO could use these powers, would need to be much more tightly defined. It is imperative that this process is transparent, open and fair. If this cannot be done within the timeframes required for CMP434, we would suggest a separate modification is raised on this issue.</p> <p>We believe the ESO should further clarify why they deem existing powers (e.g. those used for Pathfinder projects and commercial ancillary services) to be insufficient for these purposes.</p> <p>In line with our responses to Q5 Element 1, and Q12, we do not believe it is appropriate to hold these in a Methodology document, and that these should be codified.</p>	
<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 https://www.nationalgrideso.com/document/322801/download)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

No comment.	
<p>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)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Ørsted is supportive of the proposed Gate 2 criteria, contingent on significant improvements in quality and availability of pre-application data (allowing developers to undertake feasibility assessments with a reasonable degree of confidence).</p> <p>However, we strongly believe that the Gate 2 definition should be codified. Retaining the definition in a methodology document could undermine investor confidence as it could lead to the situation of the ESO unilaterally changing the definition so projects will fall in or out of Gate 2 (even after investment decisions have been made).</p> <p>We do not support the proposed ongoing obligations post-Gate 2, in their current form, for the following reasons:</p> <p>Forward-looking planning</p> <ul style="list-style-type: none"> ▪ We do not feel that the ESO has sufficiently evidenced the benefits of applying forward looking planning submission criteria to all projects. Unless a connection date within a certain timeframe can be guaranteed, it is our view this could lead to projects with planning consents being ‘stranded’ for years before they are able to connect or commence construction, or for their planning consents to expire. ▪ We are also aware that the original ENA 2016 Best Practice guide indicated that milestones should "work forwards where reasonable to do so", and where "appropriate for the connection date". It is unclear why this principle should not be applied here. ▪ We believe there must be explicit provisions to mitigate these risks for projects with lengthy connection waits – please see our answer to Question 10. For example, smaller-scale projects which could go down the Town and Country Planning (TCPA) route may have three years to commence construction works. With a 2039 connection date, this would run out far before the connection date. Although there may be ‘workarounds’ to vary planning conditions which would extend these timeframes, we feel this adds unnecessary risk and do not feel they should be relied on as a way to circumvent the risk for projects with longer connection dates. ▪ We note that DNO milestones, which should be forward-calculated, have been found in practice to not work in the context of lengthy connection dates and there has been a level of pragmatism from the DNOs when calculating these in practice. Applying forward looking milestones does not appear suitable in this case. ▪ We disagree with further milestones being made forward looking for all projects; again, in the context of lengthy connection waits, in our view this 	

would add unnecessary risk for developers with no clear benefit for consumers.

- Forward looking planning (under the assumption that some survey and planning works will be done in parallel) poses an issue where the connection location changes from Gate 1 to Gate 2, or is unknown (e.g. a new substation). Once the location is confirmed, a new connection route would need to be created, and surveys and such works would need to commence again. In such instances, it would be extremely difficult to meet the timelines proposed in the table – noting that is more so a problem in England. In such instance, we would suggest adding 2 years to the values proposed in the table.
- For offshore wind projects, we would suggest 4-5 years would be appropriate for forward-looking planning timelines for offshore. We feel that the link between Gate 2 (having signed the seabed lease) and submitting planning leaves out an important part of the equation – that these large-scale projects need to fully consult stakeholders and carry out an environmental assessment with surveys upfront.
- The issue therefore links back to the Gate 1 offer being indicative – although a project could undertake some works in parallel based on an assumed connection point, should the connection point change when the Gate 2 offer is issued, any such surveys or other work done would be null and void and the process would need to start again.
- If appropriate and useful, we can provide examples of Ørsted offshore wind projects – that have been successfully built and commissioned in recent years and are key to achieving Net Zero targets – that would have had their grid connection agreement terminated if the suggested approach to forward-looking planning submission were applied.

RLB change restrictions

- We understand the principle behind this element of the proposal as a “materiality test” for a project, but our view is that the 50% limit as proposed is too stringent, and potentially the incorrect metric to use for a materiality change. We are also concerned that that arbitrary restrictions could lead to land banking.
- In addition, placing heavy restrictions early in the project development cycle may lead to sub-optimal outcomes such as projects not being able to achieve suitable sizing for the planning and landscape they are in, due to restrictions on very early red line boundaries submitted to ESO.
- We believe a more sensible approach could be:
 - Geographic loci of the project must not change more than 3 - 4km; or
 - Any RLB changes must be within Xkm of existing boundary; or
 - Any RLB changes must be contiguous to the original RLB; or
 - 50% of capacity must still be built within the original RLB

- RLB changes should also be considered allowable in the frame of “evidencable” changes such as:
 - Using land in the existing RLB for compensation (community amenity, biodiversity improvements or set back from sensitive receptors too i.e., noise, protected species, etc)
 - As a result of surveys / planning outcome
 - Optimisation of the site e.g. moving locations of turbines to higher resource area next door of the original RLB.
- It’s important to note that changes to RLB could be beneficial to the network – particularly where the connection point has been moved between Gate 1 and Gate 2, or has not yet been formalised (e.g. a connection “node”).
- There may also be a risk of the proposed obligations leading to stranded assets or uneconomic investment on the network. For example, if a project has its TEC reduced because of the 50% limit, but the TO has made investments based on certain sizes of Super Grid Transformers or Over-head Lines.
- We also have concerns the restrictions, as proposed, could impact different technologies and regions more than others. For example, due to the structure of land ownership in England, large scale solar projects will often require multiple smaller land parcels across different landowners; compared to wind projects in Scotland where land parcels are typically larger and so a project would require fewer of them. Applying a "one size fits all" solution may therefore not be appropriate.

Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)

Yes
 No

We understand the intent is for the frequency and duration of Gate 2 tranches to be set out in license conditions, but we would encourage the ESO to codify it to some level; for example, that tranches would happen at least two to three times per year.

Our view is that overlapping Gate 2 tranches will create complexities in determining the contracted background as assessments will always be based on assumptions of accepted offers from the preceding tranche. This could lead to uneconomic modelling or rely on frequent use of capacity re-allocation where 'gaps' are created from over/underestimating contracted background.

In addition, the end-to-end process is proposed to be set at 13 months, which is significantly longer than the status quo. We would encourage the network companies to commit to providing updates to users during the Design Process / TOCO phase of the likely outcome of the offer (e.g. "working together" calls or even a summary via the Connections Portal). We note this is already done by some TO's and DNO's. As an example, these updates could: indicate likely connection point and date which would be in the offer, highlight risk of change in point of connection between Gates 1 & 2. This would provide assurances for

developers to carry on any survey or design works on their side while they await the offer.

We continue to have significant concerns regarding the treatment of embedded generators in this process. These users depend on the DNO's to submit applications or corresponding data on their behalf to the ESO before they can be assessed in a Gate 2 tranche. The proposal assumes DNOs will submit these in the next available Gate 2 window, but due to DNO resource constraints, there is a risk this may not be done for quite some time. We understand work is being done in the ENA and that this may be partly addressed by the CNDM, but until this is clarified, we believe this process could be much worse than the status quo for these users.

Element 13: Gate 2 Criteria Evidence Assessment
(see pages 26-27, 47-48)

Yes
 No

We agree with the self-certification approach but believe the network companies should check 100% of the underlying evidence and that such checks should apply for projects at Gates 1 and 2; otherwise it's unclear how duplicates would be identified. During workgroup discussions, it was noted that this process could be automated. In addition:

- Land status information would need to be heavily caveated such that the Developer can withhold any information it deems commercially sensitive.
- Parameters of the length of the lease may be considered to be commercially sensitive and we would suggest it is more appropriate to allow the developer to confirm that the lease (including extensions) would cover the operational lifetime and say it is between a period of years e.g. 0-10, 10-20, 20-40.
- With regards to the Director's best knowledge statement: we would note this would require a full review of the underlying land title rather than the information disclosed as a course of due diligence. Additionally, any statement should not be given by the Director; but by the Landowner. As written, the Director is placed as the obligor. "Best knowledge" is a high bar – we would suggest this is caveated with "acting reasonably". In our view, the point over mutual exclusive usage is too constrictive as land can be shared with agricultural; there can be core paths, there can be BNG land – these will all lie in the original red line boundary.
- In terms of the checks, this does not align with signing and binding rules under the Companies Act 2006 (differences apply between Scotland and England). We would suggest for the ESO to align with rules of execution and would be happy to discuss these in detail with the ESO if required.
- We believe a timeframe for these checks needs to be set e.g. 10 working days.
- We believe further work needs to be done to define the threshold and treatment of overlaps.

<ul style="list-style-type: none"> It is unclear how duplicates between distribution and transmission would be identified if the checks are undertaken by different parties (i.e. the ESO or DNOs). There also seems to be a discrepancy for large embedded generators between the checks at Gate 1 and 2. Footnote 16 (p15) of the workgroup report suggests Gate 1 LOA's will be checked by the DNO, while p26 indicates Gate 2 evidence will be checked by the ESO. The reasoning or benefits of this approach are unclear. Along with the Gate 2 criteria definition, we believe these criteria should be codified rather than held in a methodology document. 	
<p>Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> We understand the logic behind this element but believe this risk could be mitigated through better Gate 1 offers (either with firmer offers, or providing more information where such a situation is likely to arise) and improving publicly available data. If the ESO commits to these, we do not see the need for a separate process for this. We believe 12 months wouldn't provide sufficient time to find new land and have it secured (particularly for large-scale projects which would need multiple landholdings). If ESO do wish to pursue this option, rather than the proposal where the ESO must re-issue the offer, we believe this could be done with an early warning notice (similar to how the interactivity process it set up today), and the developer could confirm whether they wish to proceed with this or not – noting that not all changes to the point of connection are negative; for example, a newly identified shared collector substation could be beneficial to the project as could reduce connection costs. 	
<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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We understand that the frequency and duration of Gate 1 windows and Gate 2 tranches is expected to be set out in ESO license conditions following Ofgem consultation, but we would strongly encourage the ESO to codify it to some level; for example, that a Gate 1 window process would happen at least once a year.</p>	
<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Although we agree with the principle of having a CNDM, in line with our answer to Q5 Element 1, and Q12, we do not feel it is appropriate for the CNDM to be in a methodology document.</p>	

<p>Without this assurance, there is an open risk that windows and tranches could happen less frequently than is proposed. We therefore strongly oppose this proposal, and believe the CNDM methodology should be codified.</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>We strongly support small and medium embedded generators having earlier visibility of potential transmission impacts than they do today. However, we believe there needs to be further work done on DFTC – please see our response to Q11 for further details.</p> <p>In addition, we have serious concerns with the methodology for DFTC being developed separately to this modification proposal, notably in terms of aligning timescales with CMP434. It is unclear how progressed this work is and whether it will be ready for the planned go-live date.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Ørsted is happy for the existing Project Progression and Transmission Impact Assessment mechanisms to be used to submit technical data for Gate 2 applications, but strongly discourage proceeding on the assumption that DNOs will submit these in the next available Gate 2 window (if this is how queue position will be set). Due to DNO resource constraints, there is a very real risk this may not be done for quite some time. We note that this situation occurs frequently already, despite DNO best efforts.</p> <p>We understand that the ENA are working on potential solutions to this, and that this may be partly addressed by the CNDM. However, until this is clarified, we believe this process could be much worse than the status quo for small and medium embedded users.</p>	
<p>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</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

	<p>process? If not, why not? (Please note the element number in each of your responses if applicable)</p>	
<p>Click or tap here to enter text.</p>		
<p>7</p>	<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>The timely publication (and significantly improved quality, consistency and granularity) of pre-application data tools – for example, through the Connections 360 tool – is critical to the success of Connections Reform. Without this, many grid applications are likely to continue to be highly speculative (particularly at Gate 1). This will reduce the usefulness of the signal Gate 1 can provide to TO's for anticipatory investment.</p> <p>We are also concerned that most users making connection applications (either Gate 1 or 2) during 2025 would not have access to pre-application data to help inform their applications.</p> <p>We understand it is impractical for these tool(s) to be fully functional by the planned go-live date as there will still be significant uncertainty as to the generation background. However, we would urge the ESO to commit to a date to develop these tools and publish them. This could then be delivered via a straw man version of these prior to go-live, an update in Q1 2025 when the new queue has been formed, and updates at other points of 2025 as relevant.</p>		
<p>8</p>	<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>We understand that the purpose of Gate 1 is to partly be used to identify opportunities for anticipatory investment. However, given its perceived low value to developers – with the offer being indicative only – along with the limited time for which it's valid (due to the 3-year longstop date), we don't believe it provides a sufficient incentive for developers to apply for the gates sequentially. Its usefulness as an investment signal may therefore be limited.</p> <p>As a result, on principle, we believe projects should be allowed to go to Gate 2 directly if criteria are met. We accept that these projects would need to be more certain (i.e. have demonstrated an additional "readiness" criteria compared to those at Gate 1, which is the underlying principle of reform).</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>In general, we have concerns that these proposals will unduly discriminate against embedded projects. With the descopeing of elements like DFTC, CNDM (setting of queue position at Gate 2), potential DCUSA changes (of unknown scope, number and timeframes), it is our view that these projects are at real risk and could be disadvantaged compared to current arrangements. We do not believe that this has been fully justified, and see that issues could be resolved if methodologies and processes were created in a fair and robust manner.</p> <p>With regards to large embedded projects: while we understand the logic of excluding BEGA and BELLA's from the DFTC, we do have reservations with these projects going through the Primary Process in the same way as directly connected projects, due to their reliance on another party (the respective DNO) to enter the process. We believe that these projects should only go through the Primary Process if additional, strong, measures are introduced and formalised in order to not negatively impact BEGA and BELLA projects under any incoming arrangements.</p> <p>Under the status quo, these projects can often face delays in Clock Start for reasons outside of the developers' hands – notably due to delays with the DNO providing the corresponding data for the application despite their best endeavours. This could be done by ensuring Clock Start is linked to developer-provided information only, introducing obligations for DNOs to respond within a certain time period, and creating more transparency in the process to identify with whom actions lie.</p> <p>The ESO should confirm if there is a requirement for projects to secure a DOCO prior to applying for a BEGA. Any response should be made clear and applied consistently across DNO areas, particularly in terms of timelines for DNOs to submit their corresponding application data.</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>We believe that it is crucial for project "readiness" to be considered in the context of network readiness. If a project is delayed significantly due to planned reinforcement works on the transmission network, our view is that there is limited</p>		

	<p>(if any) value to developers, the network, nor consumers, in progressing at a faster pace.</p> <p>We believe it's imperative to introduce explicit mitigation measure(s), and formalise them, to deal with such situations. While the intent of reform is to reduce typical connection timescales, we believe it is inevitable that a number of projects will still remain subject to lengthy reinforcements.</p> <p>In addition:</p> <ul style="list-style-type: none"> ▪ We would support either mitigation measures (a) or (d). In the case of (d), milestones could be the earlier of: being paused or remaining backwards until the connection date is within e.g. 7 years. ▪ For option (b) we believe this may be difficult to verify, and again may not be an appropriate metric for those with long connection dates. ▪ We would support (c) as this could significantly impact projects in England where planning is linked to the connection point. In general, we believe there needs to be an incentive or obligation for TO's to confirm location or indicative locations earlier in the process than present. Project viability is heavily linked to the location of connection point and so should be confirmed (or an indication with caveats provided) as soon as practicable. However, we don't believe (c) alone would be sufficient to mitigate against the risk identified above. ▪ We disagree with option (e) as we feel this purposefully creates more work for surveyors and planning authorities, while it is still unclear what (if any) benefit it would create to consumers. We note that in the example we provided in Q5 Element 11: a TCPA project with a 2039 connection date could in theory have its planning expire twice before connection.
<p>11</p>	<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 type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>We are unable to provide a yes or no against this based on the proposal in its current form. Although we see some benefits including DFTC, a number of areas need to be addressed further.</p> <ul style="list-style-type: none"> ▪ In our view, the perceived "usefulness" of DFTC has been watered down since the original Connections Reform proposals. It is therefore difficult to gauge whether the process could function without DFTC, because it's unclear how much projects can rely on DFTC. ▪ We strongly believe that small and medium embedded generators must have earlier visibility of transmission impacts (which are an ever-growing concern across the network). Therefore, something needs to be in place to provide this – otherwise these types of users would be at a significant disadvantage in the new world. ▪ However, with the methodology for forecasting DFTC being developed separately, and the accuracy of the forecasts (or any ramifications if these

	<p>are wildly incorrect) being unknown, its usefulness may end up being limited.</p> <ul style="list-style-type: none"> ▪ It should be noted that some DNO's already provide an indication of transmission connection point and date in DOCO's based on latest Appendix G outcomes and known transmission constraints. If this were done consistently across the board, along with publication of higher quality and granularity of data at the pre-application stage, it may be that this would provide a sufficient alternative to DFTC. We believe further discussions are needed within the workgroup, including an update from ENA representatives to discuss latest status and current thinking for DFTC to determine the best way forward. ▪ It should be noted that connection point and date are only one piece of the puzzle for small and medium embedded generators. Transmission pass-through costs or curtailment will have a big impact on project viability (neither of which would be identified through DFTC). Particularly in the case of new GSP substations being identified, siting studies may not commence for some time, with DNOs only able to confirm additional distribution works (and costs) needed after the fact.
<p>12</p>	<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>As noted in our response to Q5 Element 1, Ørsted strongly disagrees with the level of reliance placed on guidance documents within the proposal.</p> <p>We believe it is important for the methodologies to either be codified, or for there to be a very clear governance process in place from Day 1. Although a governance process is suggested by the ESO, it is unknown if these changes would be adopted by Ofgem as license conditions, or whether this can be done prior to go-live. In absence of these assurances, we would prefer to see these methodologies codified where a clear governance and escalation route exists.</p> <p>These methodologies will house detail which can fundamentally change project development risk levels, both for greenfield development and further along in the development process. Of greatest concern is the Gate 2 definition, which could theoretically be changed and applied retrospectively, leading to projects dropping in and out of the queue at ESO's discretion.</p> <p>We note that in the past, ESO have made unilateral changes and added obligations to Users. Examples of this include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ BCA Appendices F / OF templates ▪ GC 0141 guidance (particularly in relation to PC.A.9 which was interpreted in a way such that it was over and above that of WG discussions). 	

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| | <ul style="list-style-type: none">▪ Updates to charging methodologies have been completed without industry consultation, leading to a lack of transparency given unilateral changes to terminology and calculations at the discretion of network companies. |
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