

**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](mailto: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](mailto:cusc.team@nationalgrideso.com)

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<b>Which best describes your organisation?</b>	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input checked="" 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 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 checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
<p>With a current connections contracted background of over 700GW across GB’s transmission and distribution networks, SP Energy Networks (SPEN) is fully supportive of the need for connections reform. We aim to streamline the process and accelerate customer connection dates, where possible, providing a level-playing field for differing technologies and projects with direct or embedded connections.</p> <p>We are supportive of CMP434 as an initial step towards a connections process that addresses the significant over-capacity in the current connections queue and achieving Net Zero targets. The proposed TMO4+ model will move us from a ‘First Come, First Served’ to a ‘First Ready, First Connected’ approach. Whilst this is a welcome development, we are strongly of the view that the latest connections reform proposals, particularly those addressing the extent of the current connections queue, will not go far enough to facilitate the acceleration of connections and drive the make-up and development of the network needed to meet the Government’s Clean Power 2030 and Net Zero targets.</p> <p>SPEN is therefore calling for a technology specific cap to be applied to the revision of the connections queue, ensuring alignment with Government ambitions. To ensure that we can continue to provide the best service for our customers and to deliver these ambitious targets, the current Connection Reform implementation timelines must be considered immediately, in light of the accelerated Clean Power target. The ESO will need to work closely with the TO’s to prepare a clear, ambitious, and realistic plan on when improved connections offers will be provided for projects aimed at Clean Power 2030 and beyond.</p> <p>A significant amount of work remains to be undertaken regarding key methodologies, roles and responsibilities of key players including the ESO, TOs and DNOs, to drive the TM04+ model.</p> <p>Additionally, the accompanying licence changes and Guidance documents, which all have yet to be developed. Bearing in mind the enormous workload pressures the Connections Reform proposals have already placed on all players across industry, in particular the ESO and TOs, it is imperative that the implementation timelines be reviewed, evidence based, and updated accordingly, to ensure that the ESO and TOs alike have fair and realistic timelines to undertake the extent of work and analysis which still has to be undertaken to deliver the TM04+ model.</p>		

The TM04+ model will only deliver the much-needed reforms and outputs to the current connections model and associated connections queue if the ESO and TOs have adequate timelines to undertake the required network analysis to deliver the 'Gate 2 to Whole Queue' exercise and subsequently assess the applications under the proposed Gate 1 and Gate 2 windows, as part of the TM04+ model.

**Objective A** ('efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License') – **Positive**

The TM04+ proposals introduce a gated process prioritising projects based on readiness. This is welcome as it will facilitate the design of a more coordinated system and free up network capacity for projects proven to be progressing, helping us to deliver upon Clean Power 2030 and Net Zero ambitions.

However, whilst the current TM04+ proposals are an improvement on the current connections process, SPEN is strongly of the view that these proposals, particularly the proposed Gate 2 criteria, are not ambitious enough, to address the scale of the current connections queue in a way which better aligns with Clean Power 2030 and Net Zero ambitions. The outputs of internal analysis undertaken by SPT, is compounded by the outputs from the ESO's recent Request for Information (RFI) exercise on projects aligning with Gate 2, which we expect will further aggravate challenges already faced by the TOs:

- The Gate 2 criteria is too easy to achieve, particularly for smaller projects and some technologies (such as short-term Battery Energy Storage Systems (BESS) and solar). This will bring those projects to the front of the queue, only for the connections queue to continue to grow in the near term, removing only a minority of projects.
- The Gate 2 criteria promotes a rush for land amongst developers. Where for some technologies, land will be sought as close to TO strategic substations, as possible. This will hinder the TOs' ability to deliver future connections and the expansion of strategic substations to facilitate additional connection capacity.
- The proposed indicative timelines for the introduction and operation of TM04+ are in no way evidence based and fail to consider the extent of TO input and complex network analysis required for the 'Gate 2 to Whole Queue' exercise as well as the processing of applications during the Gate 1 and Gate 2 processes, which are currently proposed to overlap each other.

The proposals introduce an increasingly complicated package of reforms, with significant parts still to be agreed upon and implemented.

**Objective B** ('facilitates effect competition in the generation and supply of electricity') – **Neutral**

Whilst a move from a 'First Come, First Served' to 'First Ready, First Connected' process and a new mechanism for identifying anticipatory network investment could indeed provide earlier connection dates for those projects demonstrating

readiness, the proposals introduce several aspects which could reduce competition amongst connecting parties.

- SPEN's transmission and distribution networks are over capacity and severely constrained. Connections will still be part of a sizeable transmission connections queue and dependent on the delivery of significant network reinforcement, limiting the extent of acceleration to existing connection dates.
- Given the currently proposed low Gate 2 criteria, smaller, more agile projects will secure Gate 2 queue positions and capacity ahead of projects with longer development timelines.
- The revised barriers to entry associated with self-declaration and Gate 2 evidence checks along with forward facing Queue Management M1 milestone, add risk for the TO for projects being over-ambitious in their plans and therefore terminating at a later stage in their development.
- The Project Designation proposal does not explicitly include a role for the TO in developing the methodologies for supporting these projects nor in the scope of any ESO Pathfinder competition considered necessary to deliver network benefits or services. We feel this will lead to inefficient and suboptimum outcomes for the operation of the network.
- The Capacity/Bay Reservation proposals currently include CATOs, which SPEN does not consider to be a customer connection and should therefore be considered out of scope of TM04+. This risks the TOs ability to deliver actual customer connections where bays or capacity on the transmission network is reserved by or dependent on another party to deliver that capacity.
- The TM04+ proposals represent a complex package of reforms, which whilst are planned to be supported by extensive Guidance, will be a challenge for customers to understand within the proposed implementation timescales.

**Objective C** ('Compliance with the Electricity Regulation...') - **Neutral**

**Objective D** ('Promoting efficiency in the implementation and administration of the CUSC arrangements') - **Positive**

Higher barriers to entry, as per Gate 2 provisions, to receive a firm connection offer will help ensure the network is designed and built for those most ready to connect to it. Additionally, the development of the Methodologies and additional Guidance documents is welcome and will be important for developers to add clarity to the revised connections process.

However, due to the TM04+ timelines proposed, it is unclear how studying connections applications in batches will lead to lower overall costs. The proposed frequency of Gate 2 batches (3 per annum) provides limited opportunity for coordination, given that TOs will be assessing new applications against a background of outstanding customer offers awaiting acceptance, from the earlier Gate 2 network assessment exercise.

	<p>With respect to the coordinated network design at Gate 1, it is hard to comment on its cost effectiveness at this stage, as details of the Gate 1 Network Design Exercise are still to be discussed at a working level.</p>	
<p>2</p>	<p>Do you support the proposed implementation approach?                  (see pages 59-61)</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>We support the arrangements for submission of new applications and significant modification applications (subject to the point raised in Q5 Element 4). However, we cannot support the proposed implementation approach based on our current understanding of the proposed timelines.</p> <p>We no longer consider the ‘go-live’ date of the 1 January 2025 to be realistic, given the current delays to the Connections Reform code modification programme. Our understanding of the latest timelines suggests that, following an Ofgem decision on the proposals, there will be at best a small window over the festive period to implement and embed the new TM04+ processes within our organisation. The majority of these processes depend on outstanding Methodologies and Guidance which are still being developed and agreed.</p> <p>The proposed Indicative Process Timeline is highly ambitious and unfortunately precedes any discussion on the work to be carried out as part of the Batched Assessment Process and Gate 2 Design Process. At Gate 1, the periods for the application submission, competency, CPA creation and Gate 1 offer have been defined without reference to recent application numbers to ensure these are evidence based and realistic. The period for Gate 1 Customer Acceptances for directly connected customers is the current full offer acceptance period of 3 months, which seems excessive, given our current understanding of the output of Gate 1 being only an indicative offer with no commitment on the customer.</p> <p>At Gate 2, the timelines are based on current statutory STC offer timescales. The increasing number and complexity of applications, along with the growing complexity of the network has been putting increased pressure on our processes to deliver within the current statutory STC timescales. The proposal also transitions us from a continuous assessment to a batched assessment process, introducing several administrative bottlenecks and further pressuring the proposed timescales. Therefore, we regard the Gate 2 indicative process timeline to be unrealistic and advise that this is revised using an evidence-based approach, accounting for recent application numbers and our expectations of the initial Gate 2 windows.</p> <p>To ensure that we can continue to provide the best service for our customers and to deliver these ambitious targets, the current Connection Reform implementation timelines must be reviewed immediately in light of the accelerated Clean Power</p>		

	<p>2030 target. The ESO will need to work closely with the TOs to prepare a clear and ambitious, realistic plan on when improved connections offers will be provided for projects for Clean Power 2030 and beyond. A significant amount of work still needs to be undertaken in terms of the key methodologies and roles and responsibilities of key players including the ESO, TOs and DNOs to drive the TM04+ model. Not to mention the accompanying licence changes and Guidance documents, which all have yet to be developed. Bearing in mind the enormous workload pressures the Connections Reform proposals have already put on all players across industry, in particular the ESO and TOs, it is imperative that the implementation timelines are reviewed, evidence based and updated accordingly, to ensure that the ESO and TOs alike have fair and realistic timelines to undertake the extent of work and analysis still required to deliver the TM04+ model.</p> <p>We favour the removal of DFTC if it can be aligned with GC0139. However given the timescales for the implementation of GC0139, an interim solution is required, and this would need to be agreed prior to “go-live”.</p>
<p>3</p>	<p>Do you have any other comments?</p> <p>In Element 11, we set out our concerns with respect to the proposed Gate 2 criteria. Following the introduction of TMO4+ and the recent ESO RFI exercise (supported by our own T3 project data), SPEN continues to hold the view that the proposed Gate 2 criteria is too low a barrier for certain technologies (in particular BESS and solar) to receive a firm offer and queue position. In order to do this, SPEN is advocating for a technology-specific cap to be applied to the Gate 2 criteria, ensuring that the outputs of the ‘Gate 2 to Whole Queue’ assessment aligns with Government ambitions and that the revised connections queue has the required make-up of technologies, necessary to meet 2030 and Net Zero targets.</p> <p>The proposed criteria, when combined with CMP435, may initially reduce the connections queue but it will not have the intended impact of accelerating connection dates and will leave us with a continuing rapidly growing queue that will not align with Clean Power 2030 and Net Zero targets. The Gate 2 criteria must therefore be strengthened, prior to implementation of CMP435, to avoid a second exercise to further consolidate the queue at a later date that risks being damaging for customers and investors.</p>
<p>4</p> <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 <a href="#">Workgroup Consultation Section</a>)</p> <p><input checked="" type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>	

**Specific Workgroup Consultation questions**

5 Do you agree with the elements of the proposed solution?  
 Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification [CM095](#).  
 Please provide rationale for your answer and any suggestions for improvement to each element?

<b>Element 1:</b> Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Given the tight timelines that we are working to for connections reform, we accept the proposal in this instance that the three Methodologies: Gate 2 Criteria Methodology, Project Designation Methodology and Connections Network Design Methodology should sit outside of the CUSC and be approved by the Authority, at this point. This will provide an appropriate balance between flexibility and governance, allowing timely changes to the reformed connections process as it continues to develop, and the current working level discussions continue. The ESO’s Connections Reform proposals represent a Minimum Viable Product, it is uncertain what unintended consequences or behaviours the reformed process could drive, which may require further revisions to the Methodologies. Furthermore, with likely additional requirements to deliver Clean Power 2030, maintaining a higher degree of flexibility will be important.

The proposed consultation and approvals process will mitigate concerns around the ESO pushing through changes without proper industry scrutiny. The proposed consultation and approvals process for the Methodologies will have to account for an appropriate period of feedback to inform changes to the Methodologies. Ideally, the proposer should ensure this process is completed prior to the annual pre-application window to ensure all parties involved are clear of the changes.

While broadly supportive of the Governance around the Methodologies, we have concerns when and how the ESO will engage with the TOs on all three Methodologies. We feel there are very strong arguments for the ESO to actively engage with the TOs and we set out the reasons for this in our response to Elements 9, 11 and 16.

We agree that the proposed connections process is dependent on the Gate 2 Criteria Methodology and the CNDM, not Project Designation. If these are not approved by the Authority by the ‘go-live’ date of the new connections process, and the relevant ESO licence changes introduced, then the ‘go-live’ date would need to be delayed.

We do not believe it should be possible that the pre-application and application windows of the new connections process can proceed before the approval of the CNDM. The CNDM will largely drive the timelines and resource requirements for the TOs, for the new connections process and on that basis the TOs, and DNOs, should have advanced notice of their obligations under all the Methodologies prior to the ‘go-live’ date, and any Guidance provided should be of sufficient detail to ensure consistency.

<p><b>Element 2:</b> 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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We are supportive of the annual application window provided it can be aligned with the Centralised Strategic Network Plan and Strategic Spatial Energy Plan processes in future, to ensure consistency and alignment across network planning processes and Government ambitions.</p>	
<p><b>Element 3:</b> Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We are comfortable with the groups of customers to go through the Primary Process.</p>	
<p><b>Element 4:</b> Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We support the introduction of Guidance on Significant Modification Applications to ensure consistency across the ESO and TO's in relation to the definition and treatment of Significant Modification Applications. However, we recognise it will be challenging to define exhaustive guidance and we believe the proposal should state the intention that the TO will be the party that will ultimately determine whether a modification application has a 'significant' impact or not on the transmission network, given that TO's are responsible for designing and operating the transmission system.</p>	
<p><b>Element 5:</b> Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We favour the removal of DFTC if it can be aligned with GC0139. However given the timescales for the implementation of GC0139, an interim solution is required, and this would need to be agreed prior to "go-live". See our response to Element 17 and 18 for further details.</p> <p>We are in agreement that The Crown Estate and Crown Estate Scotland will play an important role in acknowledging the progression of offshore projects progressing through the connections process.</p>	
<p><b>Element 6:</b> 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</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<p>window entry requirement for offshore projects (see pages 15-16, 39-40)</p>	
<p>We cannot support the proposal based on the proposed timelines which have been included in the consultation document, although we appreciate that these are still to be confirmed. We set out our concerns as follows:</p> <ul style="list-style-type: none"> <li>- Recent years have seen a growing number Transmission connection applications and the proposals do not limit the number of applications that can be processed per application window. ESO and TO resources and timelines will be dependent on the number of applications, so the proposals must be modelled, and stress tested based on recent applications numbers.</li> <li>- Application submission and competency checks will create an administrative burden on both the ESO and TOs. With a limited implementation period and limited pre-application window for developers to understand the process, we may be placed under considerable strain in the first year, particularly as the extensive ‘Gate 2 to whole queue’ exercise will also be undertaken during Year 1.</li> <li>- The proposal has not made clear where the Methodologies (Element 1) will be reviewed and consulted on. This process must run in parallel with the annual Gate 1 application window and ongoing Gate 2 processes, and it must be clear what version of the Methodologies will apply in each process. Ideally, review consultation and agreement will be completed prior to the next application window.</li> <li>- The period for Gate 1 Customer Acceptances for directly connected customers is the current full offer acceptance period of 3 months, which seems excessive, given our current understanding of the output of Gate 1 being only an indicative offer with no commitment on the customer.</li> </ul> <p>We look forward to working with the ESO on reviewing the proposed timescales, ensuring they have been stress-tested against forecasted application numbers and in line with the responsibilities and requirements of the ESO and TOs, following the agreement of the CNDM.</p>	
<p><b>Element 7:</b> Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>We note that Element 7 Fast Tracks Dispute Process has been removed from this proposal. However, we are concerned that the expectation is that the TO will be asked to process an application that has not been found competent or is subject to a dispute over the application fee, in the absence of a Dispute Process. We would therefore propose that a Disputes Process is developed at the earliest opportunity as there will undoubtedly be disputes raised by developers as part of the Gate 1 process.</p>	

<p><b>Element 8:</b> Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We recognise there is a need to balance encouraging projects to enter Gate 1, whilst ensuring they do not remain in Gate 1 indefinitely. The balance must be guided by the signal that we wish them to send for strategic network design activities and future anticipatory network investment purposes. Therefore, we support the introduction of a long stop date to remove projects which are clearly not progressing. However, the proposed 3-year limit places emphasis on projects progressing quickly to Gate 2 which may have unintended consequences:</p> <ul style="list-style-type: none"> <li>• It risks placing an administrative burden on the ESO, where they exercise discretion to extend this timeframe.</li> <li>• It risks forcing projects through Gate 2 and on to QM M1 before network reinforcements are ready. It risks forcing projects through Gate 2 and onto QM M1 in advance of network reinforcements being available.</li> </ul> <p>The combined timeline of Gate 1 to connection date should be considered. We would recommend a review following any initial anticipatory investment and the timelines identified in annual window 1.</p> <p>Any long-stop date therefore needs to recognise the reinforcements required and the indicative connection date, three years may not be appropriate given connection dates of 2037 have recently been given for some embedded connections. Mitigation for this could be the M1 Milestone remains backward looking from the completion date.</p>	
<p><b>Element 9:</b> Project Designation (see pages 17-18, 48-49)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We are supportive of the introduction of the Project Designation Methodology based on our experience of previous Pathfinder competitions. The proposed criteria for Project Designation being those projects critical to Security of Supply, and/or critical to system operation, and/or materially reducing system/network constraints are all obligations where the TOs play a central role. Therefore, we would expect the TOs' expertise in designing the Transmission Network to be incorporated into the Project Designation Methodology, ensuring that the TOs have a role to play in the development of the scope of any future network competitions to ensure efficient, cost-effective, and optimal network outcomes.</p>	
<p><b>Element 10:</b> Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification <a href="#">CM095</a> – see pages 18-20 and the <a href="#">CM095 Workgroup Consultation</a>, pages 6-10 <a href="https://www.nationalgrideso.com/document/322801/download">https://www.nationalgrideso.com/document/322801/download</a>)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

We are in agreement that for the Stability Pathfinder 3 exercise, the Connection Point and Capacity Reservation principle has been helpful to avoid an influx of connection applications as SPT experienced during the Stability Pathfinder 2 exercise, for network competitions. We are therefore supportive of this principle being used in future network competitions involving customer connections, such as facilitating the connection of offshore projects.

However, we do not support the inclusion of CATOs as part of this code modification as they are not a customer connection and thus we consider this out of scope of this code modification.

In contrast, co-ordinated offshore network design for offshore projects are specifically to facilitate the connection of offshore projects, therefore we would support this.

**Element 11:** Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (see pages 20-24, 42-46)

Yes  
 No

SPT’s own RIIO-T3 project data, along with the ESO’s RFI (including submissions by SPM and SPD to embedded generators), indicates that the number and capacity of projects expected to meet Gate 2 by the ‘go-live’ date will be significant, with high volumes of smaller projects and in particular BESS and solar projects, likely to meet this Gate 2 criteria by the end of 2024. Consequently, we feel the Gate 2 criteria (11.1) is currently set too low, potentially leading to the following issues:

- The Gate 2 criteria is too easy to achieve, particularly for smaller projects and certain technologies (such as short-term Battery Energy Storage Systems (BESS) and solar). This will bring those projects to the front of the queue, only for the connections queue to continue to grow in the near term, removing only a minority of projects.
- The Gate 2 criteria, being solely based on obtaining land, could promote a rush for land amongst developers. Where for some technologies, land will be sought as close to TO strategic substations, as possible. This will hinder the TOs’ ability to deliver future connections and the expansion of strategic substations to facilitate additional connection capacity.
- Based on our analysis, we expect the capacity of solar and BESS projects meeting Gate 2 will significantly exceed the requirement to meet current FES2024 scenarios for Net Zero. The technology mix in SPT’s area, based on our existing contracted queue, will continue to have significant volumes of short-term duration BESS projects.

Furthermore, there is a risk that forward-looking milestones (11.2/11.4) for planning permission could result in the expiration of a project’s planning permission, increasing the likelihood of a project termination. Our concerns are further detailed

in Question 10, where we highlight a risk of projects terminating, which could negatively impact on the TOs' network delivery programmes.

Ongoing Gate 2 compliance must also account for the possibility that some, or all, of a project's site could encroach upon a TO substation. The site boundary may block cable routes or hinder future expansion of that substation. This could delay future connection timescales. Since developers will have acquired this land prior to Gate 2, and therefore in advance of TO studies and a full connection offer, it is unclear how the TO can pro-actively manage such situations.

Potential options to enhance the proposed Gate 2 criteria include:

- TOs could refuse connections terms based on the need to develop efficient and coordinated system, as set out in our licence.
- Identify such developments at Gate 1 and flag the risk, working with the developers to resolve. Therefore, it is mandatory all projects go through Gate 1.
- Enhance the Gate 2 criteria to have a strategic element to align with decarbonisation targets.
- SPEN is therefore advocating for a technology-specific cap to be applied to the Gate 2 criteria, ensuring that the outputs of the 'Gate 2 to whole queue' assessment aligns with Government ambitions and that the revised connections queue has the required make-up of technologies, necessary to meet 2030 and Net Zero targets.
- A technology-specific cap could be aligned with a 'stacking' approach to enhance the Gate 2 criteria, where projects are assessed based on 'network need', relative to decarbonisation targets. Those projects which at present are surplus to requirements would be placed in a 'stack', prior to receiving a full Gate 2 offer. Where a contracted project terminates, those projects within a regional 'stack' would be offered the available capacity.

To ensure certainty for customers and investors, it is imperative that an exercise to reduce the connections queue is performed only once. Therefore, SPEN is strongly of the view that the Gate 2 criteria should be revised prior to the implementation of CMP434 and CMP435.

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

Yes  
 No

SPEN have no issues with the agreed process, which remains largely the same as today, with the addition of Gate 2 criteria and evidence checking. However, we strongly disagree with the proposed timelines:

- The proposed timelines are based on current STC license timescales, which are out-dated and no longer fit for purposes due to the volume of connection applications received, and in turn, the number of and complexity of connections offers being processed.

<ul style="list-style-type: none"> <li>• A transition from a continuous assessment to batched assessment process, which will introduce bottlenecks in both the ESO and TO’s processes.</li> <li>• The timeline for the ‘Gate 2 to Whole Queue’ exercise is not evidence-based and in no way reflects the complexity of the task at hand to re-assess the queue based on those parties securing their Gate 2 criteria.</li> <li>• Overlapping Gate 2 windows will lead to an inefficient process, possibly necessitating the need for excessive capacity reallocation, as customer offers from the previous Gate 2 exercise will be outstanding as work begins on the next Gate 2 exercise.</li> </ul> <p>Revised timelines need to be evidence based and clearly defined. In light of the current work being undertaken on developing the CNDM, we would expect both Gate 1 and Gate 2 timelines to be reviewed once the CNDM has been finalised.</p>	
<p><b>Element 13:</b> Gate 2 Criteria Evidence Assessment                  (see pages 26-27, 47-48)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>With the Gate 2 Criteria to sit outside of the CUSC it must be ensured that obligations on all parties can be enforced so that it is in fact only projects which are progressing, which are securing Gate 2 offers.</p> <p>A further concern is the sample size used to verify the evidence, which needs to be agreed prior to the “go-live” date. It must be sufficient to minimise the risk of projects later in their development cycle, if found non-compliant. In such cases, the TO would be exposed with respect to their programme and potentially result in stranded assets.</p>	
<p><b>Element 14:</b> Gate 2 Offer and Project Site Location Change                  (see pages 28, 46)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Flexibility regarding project site location will be crucial for optimal network utilisation, particularly following the Gate 2 to the Whole queue exercise.</p> <p>This flexibility will also be important to help align with potential future reforms, where strategic planning is based on regions as opposed to specific connection locations.</p> <p>However, it needs to be recognised that capacity will be held whilst this process is completed, not necessarily reflecting the “First Ready, First Connected” approach.</p>	
<p><b>Element 15:</b> 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 are strongly supportive of revised license timescales as the current STC timelines do not reflect the volume and complexity of connection applications received. This is putting significant stress and pressure on both the ESO’s and TOs’ connection teams. Any revised licensed timescales will need to account for:</p>	

<ul style="list-style-type: none"> <li>- A transition from a continuous assessment to a batched assessment process, which will introduce administrative bottlenecks.</li> <li>- The current challenges associated with existing license timescales are compounded by a growing number of connection applications and the increasing complexity of those applications and the network. The timelines for developers to accept connection offers which will have an impact on the ongoing Gate 2 window assessments, where existing offers from a previous Gate 2 window are still open for acceptance, whilst a new Gate 2 window assessment is already underway.</li> <li>- Any new timelines must avoid the issues with ‘interactivity’ across projects which has been a significant issue for the current connections process.</li> </ul>	
<p><b>Element 16:</b> Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>With respect to the Connections Network Design Methodology, at present this is not formally documented and there is no opportunity for industry to propose or raise Alternatives to what is an ESO and TO process. Therefore, we believe the proposed governance route is adequate, providing more transparency on how their applications are studied. SPEN is supportive of the development of the CNDM. We are comfortable with the governance arrangements proposed. We agree that the ESO’s licence would be amended to include the CNDM, however, we would not expect the TOs’ licenses to be updated accordingly too. In line with the current provisions around the Network Options Assessment (NOA) methodology, we would instead expect the TOs’ obligation to use the CNDM to be set out in the STC, as opposed to the licence.</p>	
<p><b>Element 17:</b> 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>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>SPEN would support the removal of the DFTC submission from this modification in favour of clarifying the DNO’s generation forecast requirements as part of GC0139. As GC0139 would not come into effect until January 2026, the removal of DFTC would necessitate further consideration of the treatment of embedded applications in the interim. However, DFTC would need to remain if it cannot be part of GC0139.</p> <p>With regards Embedded Large Power Station Projects applying at Gate 1, it is not yet clear on how this will align with their application to the DNO. Further discussions and clarity are required.</p>	

	<p><b>Element 18:</b> 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>We support the process as described, which is largely BAU.</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><b>DFTC (Element 17)</b>                  Should be aligned with GC0139, as outlined in Element 17.</p> <p><b>Capacity and Bay Reservation, specifically CATOs (Element 10)</b>                  CATOs do not constitute a customer connection and should be removed from the scope of this code modification.</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>As mentioned under Element 11, further refinement is required of the Gate 2 criteria.</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 checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Gate 1 should be a mandatory process step for directly connected Transmission applications, rather than optional. If it is not mandatory, then it risks diminishing the value of Gate 1 as a network planning tool for TOs, as there would be little to no incentive for applicants to pass through it. Furthermore, the use of the Gate 1 project backgrounds to inform anticipatory investment seems questionable.</p>		

	<p>If Gate 1 is not mandatory, we would question the value of the Batched Assessment currently included in the Gate 1 offer process as it should be eliminated. A coordinated design exercise for connections could still be carried out, but not as part of an annual application window and no 'indicative offer' will not be providing the full holistic network planning approach, which TMO4 previously envisaged.</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>We see this leading to several issues that, if not addressed as part of this proposal, will necessitate future modifications.</p> <ol style="list-style-type: none"> <li>1. Gate 1 introduces differences between large projects and smaller more agile projects. Larger projects, with long development times, will trigger anticipatory investment in capacity which could then be taken by the smaller, more agile projects who are able to reach Gate 2 quicker. We therefore support making Gate 1 mandatory as a mitigation measure.</li> <li>2. The Gate 2 criteria is too easy to achieve, particularly for smaller projects and certain technologies (such as short-term Battery Energy Storage Systems (BESS) and solar). This will bring those projects to the front of the queue, only for the connections queue to continue to grow in the near term, removing only a minority of projects.</li> <li>3. The Gate 2 criteria, being solely based on obtaining land, could promote a rush for land amongst developers. Where for some technologies, land will be sought as close to TO strategic substations, as possible. This will hinder the TOs' ability to deliver future connections and the expansion of strategic substations to facilitate additional connection capacity.</li> <li>4. Based on our analysis, we expect the capacity of solar and BESS projects meeting Gate 2 will significantly exceed the requirement to meet current FES2024 scenarios for Net Zero.</li> <li>5. The technology mix in SPT's area, based on our existing contracted queue, will continue to have significant volumes of short-term duration BESS projects.</li> <li>6. SPT's own T3 project data and the ESO's RFI data indicate that smaller, more agile projects like Solar and BESS will meet the Gate 2 criteria ahead of other technologies. Consequently, larger projects which offer economies of scale and are necessary for the path to Net Zero will find themselves stuck behind these other technologies.</li> <li>7. Moreover, SPT have an example of BESS projects securing two substation bays for redundancy, however this compromises the TOs capacity to offer additional connections at that site.</li> </ol>

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 from the Planning Authority is not automatic).</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>SPEN view the achievement of planning permission as a major milestone in a project’s development lifecycle. SPEN views the achievement of planning permission as a major milestone in a project’s development lifecycle. It informs our load planning work by providing an enhanced degree of certainty that a project is progressing to connection. Therefore, we would encourage planning permission to be secured as soon as possible within a project’s development cycle. However, we must recognise those projects currently with later connection dates and would support the mitigation option (d), where the QM M1 is backward looking where the connection date is significantly far in the future.</p> <p>Furthermore, we are supportive of a ‘stacking’ approach to enhance the Gate 2 criteria, where projects are assessed based on need relative to decarbonisation targets. Those projects which at present are surplus to requirements would be placed in a ‘stack’ prior to receiving a full Gate 2 offer. This would be an additional mitigation option to reduce the need for projects to proceed to planning submission.</p>		
11	<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 checked="" type="checkbox"/> No</p>
<p>SPEN would support the removal of the DFTC submission from this modification in favour of clarifying the DNOs generation forecast requirements as part of GC0139. As GC0139 would not come into effect until January 2026, the removal of DFTC would require further consideration of the treatment of small and medium power station applications in the interim. However, DFTC would need to remain if it cannot be part of GC0139.</p>		
12	<p>The Proposer intends to set out supporting arrangements for TMO4+ via a combination of guidance and methodologies (e.g.</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>

<p>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>It must be ensured that no additional obligations are introduced that are not adequately backed by changes to the Codes or Licence.</p>	