

## 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)

Respondent details	Please enter your details	
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<b>Which best describes your organisation?</b>	<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:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- 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;
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*; and
- 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?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input checked="" type="checkbox"/>C <input checked="" type="checkbox"/>D</td> </tr> </table>	Original	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
Original	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D			
<p>ESB GT welcomes the opportunity to respond to this consultation. In general terms, the original proposal facilitates the applicable objectives (a) to (d) as set out on page 59 of the consultation, if the appropriate ESO and TO licence changes are approved. The full design and implementation of the reform will better facilitate these objectives if the concerns outlined below are sufficiently addressed.</p>				
2	Do you support the proposed implementation approach? (see pages 59-61)	<input type="checkbox"/> Yes <input type="checkbox"/> No		
<p>Implementation approach</p> <ol style="list-style-type: none"> <li>1. New applications for connection submitted after the go-live date should be submitted within a Gate 1 process. However, the go-live date should reflect a complete and robust consultation and decision process relative to CMP434, CMP435 and any related guidelines and methodologies. New applicants should have visibility of all final procedures and guidelines at least 1 month in advance of the window opening.</li> <li>2. Agree that any Significant Modification Applications submitted to the ESO on or after the go-live date will need to be submitted within a Gate 1 Process or a Gate 2 Process, as appropriate, notwithstanding point 1 above.</li> <li>3. Agree with the proposed cutover arrangements, notwithstanding point 1 above.</li> <li>4. Agree that existing projects that do not meet Gate 2 criteria should become Gate 1 projects. Any projects that meet Gate 2 criteria should be eligible to enter Gate 2, facilitating the ESO's model of "First Ready First Served" and expediting delivery of key projects required to obtain GB's climate ambitions at the pace required.</li> </ol>				
3	Do you have any other comments?			
No extra comments				
4	Do you wish to raise a Workgroup Consultation Alternative Request for	<input type="checkbox"/> Yes (the request form can be found in the <a href="#">Workgroup Consultation Section</a> ) <input checked="" type="checkbox"/> No		

the Workgroup to consider?	
No	

### 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 <a href="#">CM095</a>.          Please provide rationale for your answer and any suggestions for improvement to each element?</p>	
	<p><b>Element 1:</b> Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>ESB GT believes that the 3 proposed Methodologies should stay within the CUSC modification. There are serious concerns about the governance, transparency, consultation process and implementation of these Methodologies should they exist outside of the CUSC modification.</p> <p>In addition, the detail of these methodologies should be published and consulted upon within the code modification process sufficiently in advance of the go-live date. There must also be the opportunity for connecting parties to put forward alternative proposals to these Methodologies as allowed by the code process.</p> <p>Whilst ESB GT welcomes an expedited introduction of the new “Primary Process” a shorter timeline to go-live must not come at the expense of sound regulatory principles. To do so, jeopardises the effectiveness of the reform and leaves the whole process open to significant challenge.</p>	
	<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>ESB GT is generally supportive of the Primary Process in order to meet the objectives of the connection reform. We agree with the purpose of Gate 1 to support more strategic network planning and facilitate the potential for earlier connection dates being provided at Gate 2 for some projects than would otherwise have been the case. As discussed in our response the ESO connections reform consultation, ESB GT believes that the introduction of FSO led anticipatory investment through the Centralised Strategic Network Plan (CSNP), may result in positive outcomes such as an expedited rate of new connections approved, whilst providing value for consumers by reducing constraint costs. Further detail would be appreciated on how these proposals will feed into the decision making processes for new transmission investment within the emerging CSNP, enabling a more proactive form of network planning through an approach of anticipatory investment.</p> <p>We welcome that projects that have met the Gate 2 criteria will receive (i) a confirmed connection date, (ii) a confirmed connection point, (iii) confirmed capacity, (iv) the User Commitment/Final Sums, and (v) Queue Management Milestones.</p>	

<p>We note the intention that a specific queue position for a developer will be based upon the time at which the Gate 2 criteria is met by each project within the respective Gate 2 batch. ESB GT welcomes the possibility for exceptions to this process in order to facilitate specific projects, for example: projects that are required to obtain key government targets such as 60GW of offshore wind by 2035. However, there are concerns around the Project Designation, the Connection Point and Capacity Reservation, the Gate 2 Criteria Methodology and the Connections Network Design Methodology which are detailed in the relevant sections below.</p>	
<p><b>Element 3:</b> Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>ESB GT agrees with the projects identified to go through the Primary Process. Excluding certain technologies from the process could result in inefficient use of the ESO and Transmission Owner's (TOs) resources, and reduced developer certainty as they would not experience the benefits emerging from these proposals (e.g. expedited connection dates). It could also result in suboptimal network planning outcomes, resulting in insufficient levels of capacity, creating wider delays to decarbonisation efforts.</p> <p>Given the incentive for some projects to submit applications through the DFTC process rather than to the ESO, this should be considered by the ESO and DNOs in terms of resource capacity to manage an increased level of applications at this level. This should also be taken into consideration in the determination of GC0117 that is potentially changing the project size threshold levels.</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 type="checkbox"/> Yes <input type="checkbox"/> No
<p>ESB GT agrees with the Working Group concerns about the lack of clarity in what is being proposed across the various modifications and their impact on queue position of the application (as we understand these will be set out in the Gate 2 Methodology and/or proposed CNDM which have not been detailed yet). Clarity is also required on the interaction of the Significant Modification Applications and the Material Technology Changes in respect of Gate position and queue position.</p> <p>It is noted that the ESO proposes to use its sole discretion to progress a Significant Modification Application in Gate 1 or Gate 2. Given the importance and potential impact of Significant Modification Applications to a project, developers need the ability to challenge the ESO decision. The ESO have committed to publishing guidance on this subject after the Authority Decision Date and before go-live. However, given its importance to this process, ESB GT agrees with the Working Group in that this needs wider industry engagement to form views on the complete proposals.</p>	
<p><b>Element 5:</b> Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>ESB GT calls for further clarity and detail on what the Letter of Authority (LoA) offshore equivalent is from The Crown Estate or Crown Estate Scotland for Gate 1</p>	

<p>and what are the “relevant land rights” associated with Gate 2 to be provided by The Crown Estate or Crown Estate Scotland. These should be clarified during the course of this CMP434 modification process.</p> <p>ESB GT supports proposals for approving non-GB connecting assets, with the requirement to provide evidence of land/seabed leasing acting as appropriate criteria to showcase progress. Currently the ESO only identifies projects such as interconnectors or OHAs. There would be benefit in expanding this and retaining flexibility when defining non-GB connecting assets, including existing and emerging technologies that support UK wide climate ambitions, for example transmission cables between NI and GB. This flexibility will mitigate challenges to cross-border trading and support timely delivery of low carbon energy required to obtain the UK’s net zero targets.</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 window entry requirement for offshore projects (see pages 15-16, 39-40)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>In ESB GT’s response to the ESO’s consultation on reform to the connection process we called for more frequent batches, aligned to Crown Leasing timetables (for offshore), and thus welcomes that the ESO will keep the frequency and duration of the process under regular review. There is a risk that by moving to one annual batch, rather than a more frequent process such as bi-annual batches, there are delays to the progression of key projects required to meet climate targets. For example, due to external challenges (i.e. gaining a Letter of Authority), developers will be forced to wait a year to apply for a connection, resulting in a two year wait to get indicative information on their connection. By increasing the number of batches, this will improve wider outcomes such as increasing competition and participation in capacity auctions; supporting climate ambitions at the pace required.</p> <p>It is noted that the purpose of Gate 1 has now been questioned, given that it yields only an indicative connection date, connection point and no queue position. However, ESB GT agrees that Gate 1 is both important for co-ordinated network design (enabling a greater degree of anticipatory investment and supporting lower cost system balancing through reduced constraints), and separating out projects that have not progressed as quickly (having not met Gate 2 criteria). For these reasons, an incentive to participate in Gate 1 (for projects that have not met Gate 2 criteria upon first application) such as offering additional information/clinics to projects, would be a progressive step. However, for projects that have met Gate 1 and Gate 2 criteria before applying for either, should be allowed to apply to the Gate 2 straight away as they have evidenced that they are progressing at pace.</p>	
<p><b>Element 7:</b> Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



As this process has now been de-scoped it is essential that its replacement is engaged on with wider industry to reach an acceptable solution.	
<b>Element 8:</b> Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>ESB GT agrees with the purpose of the longstop date for Gate 1 agreements to reduce speculative applications and remove projects from the process that are not progressing, resulting in more efficient network development planning. Given the relatively low barrier for entry to Gate 2 (versus what we requested at the previous consultation stage), stricter compliance for Gate 1 offers is appropriate. Depending on the conditions applied to accepting a Gate 1 connection offer the appropriateness of the timeframe of 3 years Long Stop Date should be considered.</p>	
<b>Element 9:</b> Project Designation (see pages 17-18, 48-49)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>ESB GT is generally supportive of the concept that the ESO can accelerate certain projects for the criteria provided. However, developers have no sight of what this may mean in practice with ESO proposing that projects will be designated by 1) critical to security of supply, 2) critical to system operation and/or 3) materially reduce system / network constraints. Clarity is required on this project designation as soon as practicable. ESB GT believes that these should be defined by project critical to not only system operation but attainment of climate targets. It is vital that the ESO, as it transitions to National Electricity System Operator, supports the Government to meet key targets (e.g. 60GW offshore wind by 2035 and 30GW onshore wind by 2030).</p> <p>In our response to the ESO's previous consultation, ESB GT called for designation of priority projects to include large-scale UK Government subsidised projects through Contracts for Difference (e.g., offshore wind) or innovative projects such as the co-location of wind generation with hydrogen production. We are still of this opinion whether it comes through Element 9, 10, 11 or a combination of them.</p> <p>As stated in response to Element 1, this process should as far as possible be codified in the CUSC and the existing derogation process used as appropriate. This should ensure added transparency, developer input and Authority input, and limit the impact on other applicants. This will ensure that a model is developed which supports developers in meeting the UK governments decarbonisation ambitions.</p> <p>On page 49 it states that the project specification methodology for determining a designated project would likely be locational. This could be understood to reference the introduction of Strategic Spatial Energy Plan. Clarity is required on how the SSEP will inform the future connections framework. Without this, it is not possible to assess and provide feedback on current proposals. This should be provided during this code modification process.</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> ,	<input type="checkbox"/> Yes <input type="checkbox"/> No

<p>pages 6-10 <a href="https://www.nationalgrideso.com/document/322801/download">https://www.nationalgrideso.com/document/322801/download</a>)</p>	
<p>ESB GT agrees that this element should protect (through the Gate 1 process) the integrity of any ESO co-ordinated offshore network design such as in relation to the Holistic Network Design Follow-up Exercise. However, reserving capacity via the Connection Point and Capacity Reservation methodology should only be for projects that have met a specific hurdle and not unnecessarily disadvantage more advanced projects.</p> <p>ESB GT also agrees with the working group concern that the Competitively Appointed Transmission Owners (CATOs) are not a customer connection and should therefore be out of scope of this proposal.</p>	
<p><b>Element 11:</b> 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>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>As discussed in Element 1, the Gate 2 criteria should as far as possible be codified in the CUSC.</p> <p>In general, ESB GTs supports a more stringent criteria for Gate 2 than is proposed in TMO4+. In the previous consultation, we called for requiring planning consent submission within Gate 1, and the requirement to secure access or a scoping report for planning permission within Gate 2. Therefore, in general, ESB GT supports stringent compliance for land requirements and the application of planning consent within Gate 2.</p>	
<p><b>Element 12:</b> Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>ESB GT supports the quarterly frequency of Gate 2 batch application processing so that projects that are ready to proceed can do so at pace and prior to projects reaching the Gate 2 criteria later.</p> <p>ESB GT supports, as part of that Gate 2 application, that a developer could also request an earlier non-firm access with a set date of firmness to be applied in the future (and/or a design variation), per existing arrangements. We also support that Developers who confirm that they have met the Gate 2 criteria at the point of their Gate 1 application, will be provided with a Gate 2 offer.</p>	
<p><b>Element 13:</b> Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Given the importance of the proving of the Gate 2 criteria to the speed of the connections process and the overall purpose of this reform, self-declaration process needs be very robust in order to avoid gaming or speculative applications holding up more legitimate projects. To this end, ESB GT does not believe that sampling of self-declarations is sufficient in preventing speculative applications and there is a substantial risk that projects are missed, diluting the effectiveness of the new connections model. Regardless of which body is responsible for this, it is vital that all applications are reviewed for compliance with the ESO's requirements.</p>	

<p>There would be benefit in highlighting the need for full assessment of applications, over an approach of sampling, to Ofgem (i.e. cost effectiveness to consumers through quicker access to cheaper low carbon energy), ensuring that the delivery body is appropriately funded (e.g. if it is the ESO, through Ofgem's price controls). To ensure this is delivered effectively, this should be included within ESO's incentives framework. We agree with the Working Group proposal that 100% of the red line boundaries should be checked.</p>	
<p><b>Element 14:</b> Gate 2 Offer and Project Site Location Change (see pages 28, 46)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>ESB GT does not agree with this proposal that developers would be required to move projects within 12 months to an alternative location that is closer to a connection point offered. Whilst network capacity is a key consideration, locations of renewable projects are decided through a wide range of decision making processes including, for example, wind speed or solar capabilities. These types of projects cannot be relocated without materially impacting the economic viability of projects, whilst also reducing consumers getting value for money (i.e. if there was reduced generation capabilities in new proposed locations). If this policy is implemented, it creates substantial and unnecessary uncertainty for developers and may result in the ESO creating challenges to GB meeting a wide array of climate targets. This proposal appears to have been assessed solely through the lens of ESO as network planner and system operator and does not consider the commercial or political implications. ESB GT believes that if, post Gate 1, the ESO wants to move a project site location it should be at the cost of the ESO not the project.</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>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Whether in relation to licence changes or this codification modification, sufficient time should be allowed to come to a robust completion of all necessary items before the go-live date, even if that means moving the go-live back.</p>	
<p><b>Element 16:</b> Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>As discussed in Element 1, the Gate 2 criteria should as far as possible be codified in the CUSC. In relation to the Connections Network Design Methodology in particular, the significance of capacity allocation and re-allocation is of such material importance to many existing projects that inappropriate governance structures could lead to challenge that may ultimately delay the connections reform that is needed urgently by a period much longer than the delay to ensure appropriate governance.</p> <p>Wide industry engagement is needed on the proposals for capacity allocation and re-allocation as soon as possible to ensure a robust and optimised set of proposals.</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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	ESB GT generally agrees with the DFTC concept in order to assist with future network design and anticipatory investment, and also that applications from small and medium generators continue to be processed through the DSO. As discussed in response to Element 3, the incentive for some projects to submit applications through the DFTC process rather than to the ESO should be considered by the ESO and DNOs in terms of resource capacity to manage an increased level of applications at this level, and also in relation to the ongoing GC0117 on project thresholds.	
	<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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	ESB GT agrees with the process set out by the ESO.	
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 process? If not, why not? (Please note the element number in each of your responses if applicable)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	ESB GT does not support the introduction of Element 14	
7	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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	There would be benefit in further consideration of a bi-annual batch process, associated with a higher bar to grant entry into the connection queue (e.g. planning permission).	
8	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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	process if the project meets both the relevant Gate 2 and Gate 1 criteria?	
	Please refer to our response to Element 6.	
9	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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Please refer to our answer to Element 9 and 10.	
10	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).	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Please refer to our answer to Element 11	
11	Do you agree that DFTC should be included as part of CMP434? If not, do you believe that the reformed connections process can function without DFTC? Please justify your answer. (see pages 30-34, 51-53)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Please refer to our answer to Element 17.	
12	The Proposer intends to set out supporting arrangements for TMO4+ via a combination of guidance and methodologies (e.g. DFTC, CNDM, Project Designation, Gate 2 Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	ESB GT strongly supports these elements of the solution being codified where possible. Please refer to our response to Element 1.	