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Connections Reform

Consultation Response Proforma

Your feedback is important to this process. Please take this opportunity to provide any feedback that you may have. To aid your response, each question is linked back to the relevant document for ease of reference.

Please provide your feedback using this Proforma and sending an electronic copy to **box.connectionsreform@nationalenergyso.com** by **5pm** on the closing date of **2nd December 2024**.

We encourage early submission ahead of the deadline where possible to aid the processing of responses.

Respondent Details	
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Phone Number	
Which category best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector <input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input checked="" type="checkbox"/> Other

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<p>Is this response confidential?</p>	<p><input type="checkbox"/> Yes – I do not wish for this response to be shared publicly; however I understand it will be shared with Ofgem</p> <p><input checked="" type="checkbox"/> No – I am happy for my response to be available publicly</p>
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Section 1 – Policy

You can find the relevant information in the **Great Britain's Connections Reform: Overview Document**

<p>1. Do you agree with our intention to align the connections process to Government's Clean Power 2030 Action Plan?</p>	<p>You can find the relevant information in Section 2 – Context</p> <p><i>We recognise the need for a strategic alignment with the overall electricity generation system, however, Crown Estate Scotland has concerns of how this will affect connection dates for Scottish energy projects:</i></p> <ul style="list-style-type: none"> <i>Offshore Wind: It is vital that ScotWind and INTOG projects are prioritised as they are well-advanced (having been awarded options to lease in 2022 and 2023, they have progressed significant development work and some are already in the planning system awaiting determination) and hence they should be an integral component of the Clean Power 2030 framework.</i> <i>Wave and Tidal: Crown Estate Scotland currently operates leasing for wave and tidal projects on an ad hoc basis. As such, many projects may not be known to Clean Power 2030 at the time of implementation. Although Connections Reform preferred design 2 ensures that "ready" projects that were not known at the time of Clean Power 2030 will still be equal in priority for the connections queue, we have concerns that wave and tidal projects are not specifically referenced in NESO's Clean Power 2030 report. Policy support for this reliable and renewable energy sector is essential in order to secure further private investment. These considerations should also be carried into the development of SSEP to ensure the long-term security of wave and tidal developments in Scotland.</i> <p><i>As UK Government's Clean Power 2030 Action Plan is not yet published, the implications of this for Scottish projects is still unclear. We would therefore welcome further reassurances that ScotWind and INTOG offshore wind projects are an integral part of Clean Power 2030 and that there is scope for 'ready' wave and tidal projects to be given priority in the connections queue despite them not being known at the time of Clean Power 2030.</i></p>
<p>2. Do you agree with our proposal for overall design 2 (that the reformed connections queue should be limited to and prioritised to only include ready projects that align with Government's Clean Power 2030 Action Plan, NESO Designated Projects, and directly connected demand projects outside the scope of Government Clean Power 2030 Action Plan)?</p>	

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You can find the relevant information in **Section 5 – Our overall preferred connections reform design**

Crown Estate Scotland agrees with design 2 given that “ready” projects (such as INTOG or e.g. new wave and tidal) which were not known at the time of Clean Power 2030 are not disadvantaged in the new connections queue. This will help provide certainty to the wave and tidal sector which operates on an ad loc leasing basis with Crown Estate Scotland, therefore there is potential future projects not being known currently to the Clean Power 2030 framework.

However, support for design 2 is on the basis that ScotWind and INTOG projects are an integral part of the Clean Power 2030 Framework given they are well-advanced (having been awarded options to lease in 2022 and 2023, they have progressed significant development work and some are already in the planning system awaiting determination).

3. Do you think all ‘ready’ projects should be included in the reformed connections queue (overall design 3)? If so, how would you propose that we mitigate risks to consumers or developers of material misalignment to the SSEP?

You can find the relevant information in **Section 6 – Assessment of alternative design for connections reform**

Crown Estate Scotland supports proposed design 2 over design 3 so that “ready” projects aligned with Clean Power 2030 can be given priority. This is on the basis that ScotWind and INTOG projects are an integral part of the Clean Power 2030 Framework for the reasons set out in our responses to questions 1 and 2 above.

To note for when Connections Reform eventually transitions to the SSEP. The SSEP should be based on a holistic view on which projects are the most “ready” to ensure alignment with the Connections Reform process beyond Clean Power 2030. We are concerned that there is potential for some ScotWind and INTOG projects being treated as having a similar baseline status to projects without option agreements within the SSEP methodology. This is an issue given option agreements, consenting, ports and supply chain are more developed across most ScotWind and INTOG projects therefore cannot be comparable to projects elsewhere with no option agreement. Crown Estate Scotland urges NESO to solve this misalignment in the SSEP’s development to ensure Connections Reform process’ transparency and effectiveness beyond 2035.

4. Do you agree that the reformed connections queue should initially focus on the 2035 time horizon?

You can find the relevant information in **Section 4 – Key building blocks for aligning connections to strategic energy plans**

Crown Estate Scotland agrees with the initial focus on the 2035 pipeline given the majority of both ScotWind and INTOG projects are expected to be delivered by 2035.

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Implementation Questions

You can find the relevant information in the **Great Britain's Connections Reform: Overview Document**

5. Do NESO's preferred options against each of the variables discussed in the Overview Document best deliver efficient alignment to Government CP30 Plan?

You can find the relevant information in **Section 5 – Our overall preferred connections reform design** and **Section 7 – Further variables and options to align connections reform with strategic energy planning**

Crown Estate Scotland questions why the connections queue is unable to replace stalled 2035 pathway projects immediately with upcoming 2035 pathway projects which are "ready"? In doing so this prevents gaps in the connections queue which could easily be filled by more ready 2035 pathway projects.

6. Do the methodologies deliver our preferred options against each of the variables?

You can find the relevant information in **Section 3 – Overview of framework of codes and methodologies for connections reform**

Please insert your answer here

7. Are there key policy areas that are not covered by our preferred options against each of the variables or that would not be delivered by the methodologies?

You can find the relevant information in **Section 5 – Our overall preferred connections reform design** and **Section 7 – Further variables and options to align connections reform with strategic energy planning**

Please insert your answer here

8. Do you agree with our approach to managing project attrition between 2025–2030, and 2031–2035, whilst ensuring that the SSEP can deliver maximum benefits to GB consumers?

You can find the relevant information at **Section 7 – Further variables and options to align connections reform with strategic energy planning**

Please insert your answer here

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Connections Network Design Methodology

You can find the relevant information in the **Connections Network Design Methodology - Detailed Document**

9. Do you agree with the approach to applying the Gate 2 Readiness Criteria and the Gate 2 Strategic Alignment Criteria to the existing queue and future Gate 2 Tranches?

Crown Estate Scotland understands that NESO are proposing to apply a "first come first served" approach when it comes to prioritising in the Gate 2 queue ordering (i.e. the order of Gate 2 applications submissions). We believe that a consideration should be made to the project "readiness" here, e.g. planning stage whereby projects like ScotWind should be prioritised over any new projects.

10. Do you agree with the approach to managing advancement requests?

Please insert your answer here

11. Do you agree with the approach to reserving Connection Points and Capacity at Gate 1?

Please insert your answer here

12. Do you agree with the approaches to reallocating capacity when 2030 pathway projects and 2035 pathway projects exit the queue?

Please insert your answer here

Gate 2 Criteria Methodology

You can find the relevant information in the **Gate 2 Criteria Methodology- Detailed Document**

13. Do you agree with the following elements of this Gate 2 Criteria Methodology?

- Gate 2 Readiness Criteria – Land (Chapter 4)
- Gate 2 Readiness Criteria – Planning (Chapter 5)
- Gate 2 Criteria Evidence assessment (Chapter 8)
- Self-Declaration Templates (Chapter 9)

a). Crown Estate Scotland agrees with the criteria for offshore projects including interconnectors/OHAs but would note that it should state option/exclusivity agreement and not "award for lease" (since e.g. INTOG projects hold an exclusivity agreement and not a full option at present time).

The density tables need to be provided for CES to work out if these are applicable to our projects. This is pertinent in relation to Wave and Tidal Energy whereby the modular configuration of tidal and wave energy constituting the cumulative generation capacity of multiple small scale, 3MW projects should be factored into the density tables. This ensures a more accurate comparison between Wave and Tidal Energy and other types of generation.

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It states on page 18 that the option agreement must be for a minimum of 3 years, does this include for offshore projects? It should be noted that Crown Estate Scotland issue Option Periods of less than 5 years (may be as little as 1 year) for certain projects (typically smaller scale) although we can agree to time-limited discretionary extensions.

Please insert your answer here for b).

Please insert your answer here for c).

Please insert your answer here for d).

14. Do you agree that the alternative route of meeting the Gate 2 Readiness Criteria should be only limited to projects that seek planning consent through the Development Consent Order route?

Crown Estate Scotland would advise caution on limiting readiness criteria to projects with DCO consent. To date, the Scottish consenting process doesn't operate on a "Nationally Significant Infrastructure Project" (NSIP) basis therefore DCO consenting does not apply in Scotland. Therefore, there is the risk that large capacity, "ready" projects in Scotland are automatically excluded if the criteria is not changed. It is important that the different planning regimes in devolved administrations are considered and included.

Project Designation Methodology

You can find the relevant information in the **Project Designation Methodology - Detailed Document**

15. Do you agree that the categories of projects that we have identified are the appropriate ones to potentially be designated?

The Innovation element of Crown Estate Scotland's INTOG leasing round was specifically designed to identify innovations within offshore wind that could act as a stepping stone to developing commercial offshore wind in Scotland (considering technology, supply chain, commercial and other aspects). These projects fit well within Project Designation Criteria D and therefore should be prioritised.

16. Do you agree with the proposed criteria for assessing Designated Projects?

Under criteria D. "novel sub-type" needs better defined (e.g. is Floating Offshore Wind sufficient? Would a supply chain innovation that reduced installation times qualify?)

17. Do you agree with the indicative process NESO will follow for designating projects?

Although ultimate designation of "critical" projects is necessary to order the connections queue, Crown Estate Scotland wants to ensure the criteria are inclusive across all UK jurisdictions. For example, reference is made to DCO designations which are not applicable under the Scottish planning systems (see question 14). Furthermore, focus on "critical" projects must not become a "black and white" box ticking exercise whereby smaller scale, innovative

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projects such as INTOG or wave and tidal projects, which are a critical long term strategic component in the UK's energy system are disadvantaged unduly. Although we note that this is partly addressed in Project Designation Criteria, major forms of technological innovation such as Floating Offshore Wind has neither been included or excluded from the criteria. The limitation of 5GW of Floating Offshore Wind under a 2035 pathway based on the 2024 Holistic Transition Scenario is also concerning. Such an underestimate adds to the designation issues already described.

Additional Questions

18. Do you have any other comments (including whether there was anything else you were expecting to be covered in these documents)?