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Connections Reform

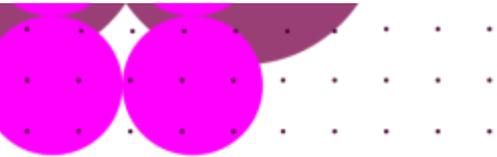
Consultation Response Proforma

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	
Name	Emma McSharry
Organisation	Exagen
Email Address	Emma@exagen.co.uk
Phone Number	
Which category 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
Is this response confidential?	<input type="checkbox"/> Yes – I do not wish for this response to be shared publicly; however I understand it will be shared with Ofgem



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	<input checked="" type="checkbox"/> No – I am happy for my response to be available publicly
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Section 1 – Policy

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

1. Do you agree with our intention to align the connections process to Government’s Clean Power 2030 Action Plan?
You can find the relevant information in Section 2 – Context
<ul style="list-style-type: none"> We support the 2030 Clean Power Mission and we welcome measures to prioritise ready-to-connect projects. However, stability is critical to the market. If this process is embarked upon, it is vital that the target timelines are achieved. We are concerned that NESO and particularly the DNOs will not be able to review all existing projects within the proposed timeframe. Are there additional resources being allocated at T and D levels to achieve this? Delays will undermine CP30 target achievement rather than facilitate. In this context it makes sense to reduce the number of projects being assessed by introducing exemptions that will allow good projects at the front of the queue (with near term grid connection dates and planning permission submitted) to progress.

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)?
You can find the relevant information in Section 5 – Our overall preferred connections reform design
<p>The introduction of a Clean Power 2030 Action Plan will significantly simplify and support system design, which is a critical aspect of delivering Clean Power by 2030.</p> <p>However, we are concerned that there is too much focus on offshore wind, which has long development timelines, and therefore may not be deliverable as intended, and certainly not with a high UK/European content. This may curtail the development of</p>



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existing achievable Solar projects, and hence risk CP30 targets. This is particularly true at transmission level where there are many consented and achievable Solar NSIPs, especially in particular geographic areas (Lincolnshire and East Anglia), that are under development which would not be 'needed' under the original impact assessment. The geographic allocation at distribution for Solar doesn't seem to match well with the existing and likely supply of projects e.g. South West England.

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**

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**

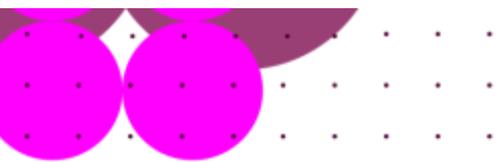
Implementation Questions

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**

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



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

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**

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**

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?

We welcome the principle of applying the Criteria to the existing queue and future projects. However, we have concerns that, for projects with near term dates (e.g. in the window 2026-2029), the uncertainty introduced by this process will slow investment and risk delivery of the Clean Power 2030 targets. It is therefore critical to include exemptions for projects that will require investment prior to the end of the process.

Significant downpayments are required before the start of on-site construction for long lead time items such as transformers, ICP and EPC. The quantum and timing of these forward payments is driven largely by Connection voltage and Project Capacity.

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For example, a large site with a 400kV connection voltage would require significant investment 3-4 years prior to energisation, whereas for a lower capacity 33kV connection, investment might start 2 years before connection date.

Any uncertainty introduced by CP30 will mean delay for projects in that window, because it will be difficult to make an Investment Case for projects without certainty over the grid date. Failure to protect projects during this window risks CP30 targets.

To mitigate this risk, we propose adding exemptions for projects that are likely to require investment prior to the conclusion of the CP30 queue reordering period. To account for varying lead times, this could take the form of a matrix, based on the time period prior to original connection date from queue reform target end date, and consider:

- Connection voltage
- Capacity of projects
- Some technologies (e.g. Offshore wind) might need it's own matrix

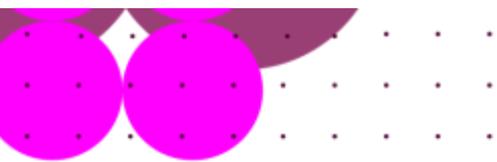
Example Exemption Matrix

Time period prior to original connection date	<50MW	50-150MW	>150MW
33kV	2 years		
66kV			
132kV			
275kV			
400kV			4 years

Example project impacts: If queue reform target end date is 31-Dec-25, then a 20MW, 33kV project with a grid date of 1-Jan-28 or later would be included in queue reform process, whereas the same project with a grid date earlier than this would be exempt.

This approach would have multiple benefits:

- Clear rules that create a level playing field for projects
- Easy to source sensible timescales from NGET supply chain and industry consultation.
- This is based on factual readily accessible data (grid date, connection voltage and capacity), so avoids 'gaming'.



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- Will reduce the number of projects for NESO and DNOs to evaluate, increasing the probability of achieving queue reform in a timely fashion, which benefits all projects.
- Allows projects to progress in this critical window rather than slowing investment.

Other exemption criteria to consider would be:

- Projects with secured routes to market like CfD or PPA could be exempted.
- Projects < 5MW (to reduce DNO workload)

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

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

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

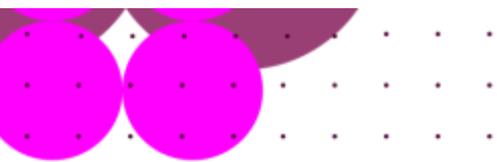
Gate 2 Criteria Methodology

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?

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

Please insert your answer here for a).



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Please insert your answer here for b).

Please insert your answer here for c).

We have concerns regarding the Planning submission evidence criteria, specifically in the context of Existing queue reform at a specific date. The dependence on 'Validation' by the LPA may lead to some competent planning application submissions failing to be prioritised accordingly, due to factors not under the control of the applicant. For example slow validation by an LPA with resource constraints.

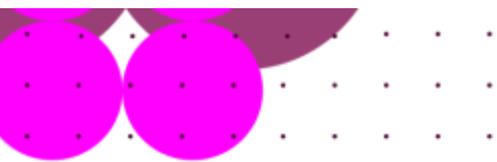
The Queue Management Guidance gives examples of evidence of Milestone 1: Initiated Statutory Consents and Planning Permission (per CUSC Section 16) as "Planning application reference number (that is provided to User once they have submitted their application and it has been validated by the relevant Statutory Authority)."

The timescales for validation of planning applications varies significantly between LPAs, from a week in some cases to a number of months in other extreme cases. Often if applications are valid at the time of submission, but take a long time to validate, the validation date is backdated to the date of submission. However this approach is not always followed by LPAs. Also the validation of applications can give rise to very minor administrative requirements such as amendments to the scale of plans. This can mean that very small details missing from what is otherwise a very comprehensive planning submission can lead to validation delays.

Our recommendation is to amend the definition of submitted planning application to:

- Evidence that a competent planning application is submitted to the LPA alongside evidence of payment of the planning application fee. A competent application would include all required technical reports such as Planning Statement, Design and Access Statement, Environmental Statement for EIA development, Landscape and Visual Assessment, Ecological Impact Assessment, Flood Risk Assessment, Heritage Statement along with site layout plans and infrastructure elevations.
- An additional requirement could be subsequent confirmation of validation to be sent to NESO when it is received, however this may be some time after submission.

We believe this would be a fairer evidence basis, and avoid submitted projects being penalised by uncontrolled LPA delays.



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<p>Please insert your answer here for d).</p>

<p>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?</p>

Project Designation Methodology

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

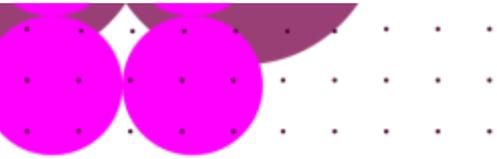
<p>15. Do you agree that the categories of projects that we have identified are the appropriate ones to potentially be designated?</p>

<p>16. Do you agree with the proposed criteria for assessing Designated Projects?</p>

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

Additional Questions

<p>18. Do you have any other comments (including whether there was anything else you were expecting to be covered in these documents)?</p>
<p>The ordering of the queue by grid offer date, significantly disadvantages DNO projects, especially as there have been so many examples of DNO delays holding projects back. It seems that addressing this disparity, by using the DNO offer date would be a constructive and fair outcome from queue reform.</p> <p>Project attrition can happen for a number of reasons at different stages of maturity and therefore for a given national target level, additional buffer for attrition needs to</p>



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be built in by providing additional grid offers for phase I over and above the national target to ensure developers are still motivated to continue develop projects.

It would also be very helpful to clarify how hybrid projects will be treated in the sorting process.

In the "Draft - NESO Connections Reform Data Impact Assessment v0.02" Figure 31 (GBR Zone map), there appears to be a pink area (zone 8) in the yellow zone 10. Can you clarify if this is intended?

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