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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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Which category best describes your organisation?	<input type="checkbox"/> Consumer body <input checked="" type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector <input checked="" 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 <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**

Yes – Aligning the connections process with the Clean Power 2030 Action Plan is a sensible target.

Also note that we believe it is important to consider projects with connection dates beyond 2030 in the connections queue planning process. Additionally, we welcome the introduction of the Strategic Spatial Energy Plan (SSEP), once it is published, to guide the connections process and queue management requirements.

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**

Yes – Design 2 is deemed the most favourable among the three options evaluated by NESO for the connections queue. This system design appears to best address both the short-term and long-term targets established for the UK.

Incorporating only ‘ready’ projects that also align with the CP30 Plan and strategic designation will support long-term targets and designs, such as the SSEP.

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**

No – Not all ‘ready’ projects should be included in the reformed queue process. Including all ‘ready’ projects could result in an oversupply of certain technologies that are not necessary for the system balance. Only projects that are ‘ready’ and required by CP30, Designated, or SSEP should be considered.

Allowing any ‘ready’ projects to connect might also discourage developers from pursuing longer lead-time projects if queue capacity is primarily allocated to shorter lead-time projects.

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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**

Yes – We acknowledge that the focus should be on the period up to 2035. However, it is important to note that projects scheduled for the 2035–2040 period and beyond also require attention. We welcome the recognition that "long lead time" projects can be considered for Designation. It should also be explicitly acknowledged that capacity Reservation should be considered for vital projects with long lead times that are crucial for post-2035 operations.

As we understand the proposals, 'Designation' would allow large-scale projects post-2035 with long lead times to obtain a position in the queue, but only after meeting the Gate 2 Criteria. 'Reservation', however, allows a queue position to be assigned prior to Gate 2, which may be necessary to provide surety for ongoing investment in long-lead time projects. Therefore, it is essential to focus beyond 2035 while developing the new reform process.

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**

Yes – We agree with the approach to support strategic energy plans and the transition towards the SSEP.

The decision to prevent any 'ready' project from being connected will address the issue of oversupplying certain technologies that are not required. This will enable the creation of a more strategic system that aligns with broader UK goals.

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**

Yes – The methodologies provide comprehensive coverage to align with each of the variables outlined in the building blocks.

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The ability to reserve connection points and capacity in Gate 1 for long-term projects is particularly welcome. However, more clarity is needed on how Reservation will work in practice. Indeed, it might be viewed as a more significant aspect of the reformed process than "Designation" (which has its own methodology), whereas "Reservation" is described only in high-level terms.

Having only two windows a year to apply for Gate 1 and Gate 2 may potentially be too few and could result in projects not progressing according to their development timelines. However, we understand that the timing may change in due course.

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**

We cannot identify the "key policy areas" from the Consultation Document, although we acknowledge that it outlines a comprehensive scheme of reform. However, there is no cost-benefit analysis to support the proposed changes, nor is there an assessment of how developers with projects at an advanced stage of development (including post-FID or under construction) will be protected from adverse impacts due to retrospective changes. Additionally, as noted elsewhere in this response, more detail is needed on Reservation.

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**

We think that including a contingency amount within the pathways would likely be a more robust approach, given the inevitability of attrition in either TEC or the number of projects between Gate 2 and Completion. Relying on new projects coming forward or advancing 2035 projects to fill the "under supply" seems optimistic method of queue management.

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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?

Yes - We support the gated process for queue management and the alignment of Gate 2 criteria with either SSEP, CP2030, or Special Designation.

We agree with applying these criteria to both the current and future Gate 2 tranches, provided that strategic projects are appropriately considered given the inherent complexity associated with the development of these long-lead projects. However, further clarity is needed on how the SSEP will impact queue management at a later stage.

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

Yes - The process for considering projects for advancement seems fair, if the developer is able to meet the dates stated in the advancement request.

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

Yes - Reserving capacity and connection points at Gate 1 would facilitate the advancement of certain projects. However, the CNDM Methodology lacks clarity on the specific approach to reserving Connection Points and Capacity at Gate 1.

Paragraph 6.3.1 provides a non-exclusive list of examples, indicating that some capacity (and potentially bays) may be reserved for "under supply" for the 2030 pathway, along with Network Services tendering. However, other forms of Reservation, including for specific projects, remain unclear, although Gate 1 applications have a role (as per paragraph 6.2.1). The CNDM notes in paragraph 7.13.1 that the "reservation process would potentially be used to make any necessary reservations, such as bays, to facilitate [CATOs]."

Paragraphs 4.24 and 7.13.3 also refer to certain projects or Users being "eligible" for Connection Point and Capacity Reservation, but there is no clarity on how a User becomes eligible. Other paragraphs mention projects being "selected" for connection point and capacity reservation, but it is unclear on what basis such selection is made or how a User can apply for it. We assume that where a Reservation has been made for a User, they will be informed, as paragraph 7.2.4b contemplates such projects "securing their Gate 1 Connection Point and Capacity Reservation." The Methodology needs to specify how this process will work, the role that a User will play, and how it can be done on a non-discriminatory basis.

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Paragraph 9.2 states that NESO's role includes "selecting projects which require connection point and capacity reservation at Gate 1," but there is no clarity on why one project should require it and others not.

NESO should provide more examples of the types of projects that may be granted reservation, particularly in light of post-CP2030 requirements. Projects planned for post-2030 have long lead times, and securing reservation is crucial for their development, such as strategically recognized projects like hydrogen-derived long-duration electricity storage (H2-LDES). Given that Connection Point and Capacity Reservation is a more powerful tool for managing the connections process than Designation, it is surprising that there is no explicit Methodology for Reservation, and this should be developed.

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

Yes – Capacity should be reallocated if projects exit the queue. We agree with the methodology outlined by NESO for performing the reallocation, particularly as it aims to minimise detriment to other projects in the queue.

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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)

a. Please insert your answer here for a).

No - The 100% land readiness criteria will be significantly challenging for certain projects comprising several assets, such as hydrogen-derived long duration electricity storage (H2-LDES) projects.

We support NESO’s statement that "Emerging technology types that are not represented in this table will be treated on a case-by-case basis with Users." Open dialogue with NESO regarding emerging technologies, such as H2-LDES projects, is essential, as well as confirmation that the table of land requirements per asset type is not fully concrete. Strategic projects should be appropriately considered in the readiness assessment given the inherent complexity associated with the development of these long-lead projects.

A new assessment criterion is required for projects, such as H2-LDES, that have multiple assets that are not co-located and form part of a closed-loop system.

Please insert your answer here for b).

Yes - Supportive of the DCO submission being considered as part of the Gate 2 readiness criteria as this may be critical for some projects, due to CPO powers required for some land acquisition.

Please insert your answer here for c).

Yes - In principle but it depends on how new technology projects are meeting the requirement.

Please insert your answer here for d).

Yes -The self-declaration template is comprehensive and provides a good opportunity for developers to highlight key points to NESO regarding their projects although it may need to be developed depending on how new technology projects are meeting the requirement.

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?

We understand that the DCO alternative may work for some projects in England and Wales that have yet to secure their land but have or will submit for DCO consent against their current

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connection site location (i.e., from a pre-connections reform offer, where the site is known). However, for projects that hold connection offers at unspecified "nodes," or for new applicants post-implementation of connections reform, it is unclear how a developer could submit a DCO application without knowing the connection site. We believe other criteria might need to be developed to assist strategic projects that have not yet achieved 100% land acquisition or submitted DCO planning.

We advocate for an open dialogue with NESO to determine if the project is making suitable advancements towards operation, allowing NESO to select such projects to enter Gate 2 and/or setting out clear criteria for such projects to take advantage of the Connection Point and Capacity reservation.

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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?

Yes - The highlighted categories cover a wide range of necessary projects and requirements to support the new queue management system.

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

Yes - The criteria for assessing projects for special designation appear to be fair and sensible. However, more clarity is needed from NESO regarding the volume and use of the Designation process.

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

Yes - Haldane Energy supports the process and believes that projects should primarily apply for Designation status in Gate 1. Also agree with the criteria required for the application process. However similar detail is needed for the 'Reservation' Status plus how it interacts with other aspects of the Designation process.

Timelines for Project Outcomes - We think that clear and firm timelines should be established to determine the outcome of a project's designation request, once submitted by the developer. The current process is stating 4-5 months may potentially be followed but no concrete deadlines are being stated by NESO.

Reapplication for Special Designation - We disagree with the need to reapply for Special Designation if the project's connection location or date changes, as these factors may be beyond the developer's control.

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Additional Questions

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

Overall, Haldane Energy supports the TMO4+ Grid Reform methodology. NESO's flexible approach to managing the project queue should benefit both the system and developers.

We were anticipating a cost-benefit assessment, that is, a full quantitative assessment of the costs of implementing the new connection arrangements (including changes to queue position), as borne by NESO, TOs, DNOs and developers (including those who will not be able to proceed with their investments made to date), and the offsetting benefits in terms of achieving the aims of CP30 and net zero targets.