

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 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

Section 1 – Policy

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

Commented [RE(1)]: Link needed

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 to the Clean Power 2030 Plan acting as a first step towards the SSEP will create a connections space in which they are fewer prospective applications clogging up the queue as developers will be clearer on the system requirements.

However, developers need assurances that the Gate 2 queue review being undertaken under TMO4+ is a one-off exercise and will they not be subjected to similar exercises in the future which would introduce further uncertainty for developers.

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. Assessment of system need and allocation of capacity to projects ready to proceed through development is a sensible approach. We also agreed that within what has been laid out as a stringent queue process, there must be scope for flexibility mechanisms, particularly for projects that do not necessarily sit within development 'norms' e.g. PSH under long-lead times designation.

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, a queue where self-defined 'ready' projects maintain their place in the queue but with the whole being aligned to the Clean Power 2030 plan is similar to what we have today. Creating a whole queue based on current queue position would risk failing to meet the objectives set out by Clean Power 2030.

4. 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, with qualification. A 2035 horizon is acceptable on the basis of there being mechanisms in the place for projects that simply cannot deliver in advance of that, ie 'long-lead time' projects such as PSH. Additionally, many projects that currently have 2036+ connection dates have so not because a post-2036 date was requested, but because of the requirement for transmission build out. Therefore, these projects should be given the opportunity to align themselves with the 2035 pathway.

To highlight this using a project-specific example:

Our 1,795MW Fearna Pumped Storage Hydro project currently has grid contracted in 2 phases as follows:

- 'Phase 1' (300MW) with Connection Date Oct 2032 which would according to proposals sit in the 2031-5 queue, and*
- 'Phase 2' (1,495MW) with Connection date Nov 2036 which would sit in the post-2035 queue. And as such under current CP30 proposals (unless the project is designated) not be eligible for Gate 2 status.*

Note that we would like the full 1,795MW capacity to be available in a single phase with connection date at or close to Oct 2032 and would be 'ready' in time for this. The second phase in Nov 2036 is 'delayed' due to significant transmission upgrade requirements and was the earliest connection date offered by NESO/SSEN Transmission.

It would therefore seem unfair for Phase 2 to be automatically bumped to Gate 1 status simply because SSEN-T couldn't offer us a connection date before 2036. The whole idea of Connection Reform is re-order the grid to connect viable 'ready' projects earlier, and therefore as we hope, bring forward some or all of the 1,495MW Phase 2 Capacity, and combine both Phase 1 and 2 into a single earlier connection date. It would seem highly unfair if we lost the ability to secure Gate 2 status simply because of an end of Dec 2035 cut-off date, when the project has the ability to be fully commissioned prior to this.

Generally, consideration needs to be given to projects with 1/ connection dates split into more than one phase, and 2/ projects with connection dates beyond the 2035 window defined by CP30, but nevertheless with the ability to deliver earlier than 2035 given an earlier connection date.

Implementation Questions

You can find the relevant information in the [Great Britain's Connections Reform: Overview Document](#)

Commented [RE(2)]: Link needed

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
<i>Yes - overall Design 2 would seem to establish the right balance between readiness and strategic requirements.</i>

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
<i>In most cases yes. However, the £20k/MW additional financial instrument would have a detrimental effect on delivering against objectives as it would significantly increase financial risk for early-stage investors, especially on high capacity (large MW) projects such as PSH projects. Further reasoning and explanation is provided in the separate response to the Financial Instrument consultation.</i>

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
<i>Generally, there are no key policy areas which aren't covered.</i>

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
<i>The recommended options for project attrition make sense. It would be difficult or impossible to accurately build in some form of allowance to pre-empt project attrition.</i>

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.

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

As stated in the response to Q4, there are instances within the current connection queue where projects have requested earlier connection dates however the date they have been offered has been restricted by Transmission Network development. Therefore, projects should be given the opportunity to request advancement.

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

Yes – this will provide some element of certainty for anticipatory investment.

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

Yes.

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).Yes

Please insert your answer here for b).Yes.

Please insert your answer here for c).Yes.

Please insert your answer here for d).Yes with one comment/caveat. The self-declaration template includes a bullet point on the following "Statement that to the Director's best knowledge, the developer is not applying for both transmission and distribution with the same land.". Both our PSH projects have applied for the main Transmission connected connections (both 1.8GW total) and much smaller distribution-connected connections (typically 10MW). The latter distribution connected connections are to allow an earlier connection to facilitate construction. The large construction compounds and workforce envisaged require power for heating, lighting, construction processing etc. We believe connection agreements of this nature are essential on large construction projects and therefore the self-declaration templates shouldn't preclude this.

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?

Yes.

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, we agree that the project categories are appropriate.

While we support the 'Long lead times' category, NESO should be clear on what the specific definition of this criteria is, e.g. defined by technology, or X number of years. The availability of this mechanism for long-lead time projects is particularly important given that they are often in need of long-term investment signals which they would lose should they lose Gate 2 status, threatening project viability.

Consideration should also be given, particularly for LDES, on the interaction with LDES Cap and Floor which states clear ambitions to connect LDES in GB. Conflicting outcomes from Connection Reform will send mixed signals to the market should TMO4+ eliminate projects that DESNZ are currently advocating for under the LDES Support Scheme.

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

Generally yes. PSH projects would seem to satisfy a number of criteria for achieving 'Designated' status, because PSH technology:

- *Is 'Critical to Security of Supply', and*
- *Is 'Critical to System Operations', and*
- *Has 'Very Long Lead Times'.*

Further clarification on the three definitions above (ie 'Critical to Security of Supply', 'Critical to System Operations' and 'Very Long Lead Times') would be helpful, to ensure PSH project in development can rely on the 'Designated Status' pathway.

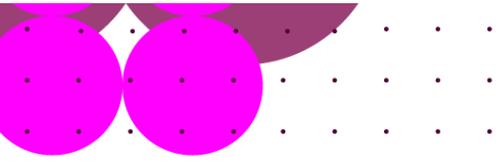
17. Do you agree with the indicative process NESO will follow for designating projects?

The consultation does not provide sufficient clarity on the process for designating projects beyond the ability to apply for project designation status.

As the project designation process will aid projects in being aligned with one of the current CP30 pathways we would anticipate there being a high volume of applications that could make the process arduous and inefficient. Therefore, it would seem logical that initial screening of projects be undertaken to assess eligibility in advance of a formal application to avoid unnecessary applications.

Additionally, for projects falling within a designation category related to system benefit, e.g. security of supply, reduction in constraints, allocation should be conducted via a 'headhunting' exercise by the NESO on the basis of system requirements rather than allowing developers to make their own assessment. Equally 'Long-Lead-Time' projects shouldn't be 'self-assessed'. It would be wrong for example for a Li-Ion project to 'self-assess' as Long lead Time in order to achieve Designated Status. Long Lead Time status should be narrowly defined by NESO by technology ie PSH.

As stated in Q15, consideration must be given for projects that fall within more than one of the proposed criteria i.e. LDES which is likely to have long-lead times but can also offer significant system benefit.



Additional Questions

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

No additional comments.