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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 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 <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.

This is necessary for an effective outcome and to most efficiently use transmission resource.

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, with caveats:

Critically *including* the NESO advice to include a clear in-scope queue for **2031-2035**. It is crucial that 2031-2035 projects are able to plan for, and be confident of, their grid connection arrangements.

Transparency and clarity of decision-making is critical - particularly in light of these untested and inexhaustive methodologies, NESO's resulting decision-making must be clear and transparent, and open to review, to build confidence in the overall approach. To this end, we strongly recommend NESO voluntarily adopts the *obligation to review* as detailed in CMP434 WACM6, irrespective of any Authority decision made on the final form of CMP434. We would also like to see more examples provided in the guidance, for added clarity.

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.

However, the calculation of the "needed" volumes (by technology and zone) must be more rigorously tested than with the limited time afforded to date.

Furthermore, there must be a mechanism to transfer "needed" capacity from Transmission to Distribution and vice versa. A reclassification of the ownership of a busbar bay or similar (Distribution/Transmission) must not cause an otherwise identical generator from being included or excluded from a "needed" pathway. For example, a nominally distribution-sized project, for which the TO is installing new assets, may find itself favouring a transmission connection in engineering terms, but might be pushed away from sensible commercial and engineering arrangements by the "needed" allocation which shows an undersupply in the "distribution" pot (and vice versa).

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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.

Agree this is a sensible time horizon for this process, noting that the forthcoming SSEP (and subsequent SSEP revisions) should continue to give at least a 10-year horizon view.

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**

Taking each variable in turn:

- 1) Timing – 2035, yes.
- 2) Queue Scope – 'ready' with 'aligned'/unforeseen, yes.
- 3) Overall Design – option 2 (although for fairer representation, the summary on slide 34 should acknowledge Designated Projects and Capacity Reservation exists in option 2).
- 4) Demand – ok.
- 5) Oversupply Approach – broadly, but some concerns detailed in our response to CNDM.
- 6) Attrition – See concerns in our response on CNDM. We **do not** propose a vague % uplift, but we do propose more pro-active interrogation and interaction with the queue to assess what is realistic for acceleration.
- 7) Optimal Network Use – agree to this being removed from this proposal at this stage, would need to be consulted separately; has very material impact.
- 8) SSEP1 transition – agree.
- 9) T & D application – agree.

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- 10) Spatial element – agree.
- 11) Ordering in the new queue – combining existing and planning status, agreed.
Also, from the appendix:
- 12) Categories match CP30 – yes.
- 13) Gate 1 reserved cap counts? – yes.
- 14) Capacity limits by year or by block – block, yes.
- 15) Installed or TEC – TEC, yes.
- 16) Replace projects on exit – some concerns, see our detailed response to CNDM.
- 17) Partly exceeds limit – no comment, limited overall impact.

18) Hybrids – serious concerns (below)

We have reservations about the proposed approach to hybrids. Most of the reform process is about forming a ready and viable queue, to best utilise a finite TO delivery resource, and make sure grid expansion is done in the most beneficial places on the most beneficial timeframe. Extending this logic further, if there was infinite ability to connect new users, there would be no strong need to cap the technologies with the ‘strategic alignment’ phase. We do not see that a certain type of hybrid, one which carries no additional connections burden beyond its primary technology (for illustration, a predominantly PV park with a smaller BESS on-site), should be required to artificially restrict the BESS import if this does not materially add to connections burden, but simply to meet a zonal cap. This seems a deeply inefficient outcome, and we think this specific point requires further work. We believe that there is a different system impact for BESS on remote power station sites and BESS at strategic nodes, and that a future iteration of these proposals might need to differentiate the two.

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**

Largely. We answer to each of the methodologies in the corresponding sections, but summarily:

Gate 2 Methodology – the enhanced criteria are well-honed and a clear improvement. The concept of strategic alignment is right, but the specific allowances in each zone have not yet been robustly tested, with serious risk of unintended negative consequences. The land rights checks proposed are not sufficiently thorough to make the criteria effective – these must be more extensively checked.

Project Designation Methodology – is worryingly vague, and when combined with CNDM provides prioritisation / queue-jump rights to some projects which do not warrant such. We recommend DP is split into those that warrant capacity reservation (i.e. queue-jump), which we expect to be specific instances of system security / operability, and DP which give a strategic alignment pass but do not warrant acceleration past the existing queue. In either case we question the appropriateness of category (iv) ‘novel tech’. The Designation criteria must be tighter, with many more worked examples, and a commitment to review, to build any confidence in this process.

CNDM – the timeframes and shape of implementation (phase 1 and phase 2 and Gate 1) are acceptable. Queue re-ordering is probably right (least worst approach), but using Project Progression countersignature for dating the existing queued DER is unfair; we propose an alternative of instead using *DNO Project Progression application date* in our answer to question 9. The reallocation for undersupply is insufficiently scoped, and unduly prohibits transfers between distribution and transmission. We disagree

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with awarding queue prioritisation to all Designated Projects (DP), as per our feedback to the DP methodology.

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**

A NESO commitment to undertake an open and transparent review, at more than milestone through implementation, is needed to best shape and improve this process, especially in light of these untested and inexhaustive guidance documents. In this regard we recommend NESO voluntarily adopts the effect of CMP434 WACM6, irrespective of the Authority decision on CMP434.

Such review, if implemented at multiple points through this process, is likely to be the best mitigation against unforeseen policy areas.

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**

The proposed approach carries a high risk of missed deadlines, false assumptions of acceleration, and ultimately may miss the relevant targets.

To be clear, we **do not** propose a vague uplift %, and agree with the risks presented for doing so.

However, we do propose more pro-active interrogation and interaction with the existing queue, to better assess and prepare for what is realistic in terms of acceleration.

There is limited fungibility in development-stage power stations, and furthermore delivery programmes (particularly post-consent and through construction) are not easily moved around – the hokey-cokey of advancement and deferment which could fall out from these methodologies may have many negative consequences and increased cost. Closer to delivery, it will be increasingly difficult for users with lower queue position to accelerate their programme where attrition offers advancement opportunities, and it would be unwise to assume that acceleration is widely possible.

Some degree of assumption on attrition post-Gate 2, and/or proactive preliminary contact with potential-to-accelerate users who are higher in the secondary ‘phase 2’ queue to test/alert to the prospect of acceleration, will be necessary to make this process work remotely efficiently.

We acknowledge that NESO is taking the higher-end MW allowances for the purposes of Gate 2, which might be higher than attrition applied to a lower allowance. We think these allowances themselves need to be more rigorously stress-tested, and that there must a mechanism for transferring some allowance between distribution and transmission zones in the same region (further explained in our answer to question 3).

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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?

Broadly yes, with caveats.

- The enhanced Gate 2 Readiness criteria are well-honed and a clear improvement on today's approach.
- The concept of strategic alignment is right, but the specific allowances in each zone have not yet been robustly tested, with serious risk of unintended negative consequences. The approach to re-allocation/undersupply is under-developed (expanded further in our answer to question 12).

The timeframes and shape of implementation (phase 1 and phase 2 and Gate 1) are acceptable. Queue re-ordering is probably right (least worst), but using Project Progression countersignature for the existing queued DER is unfair; we propose an alternative of instead using *DNO Project Progression application date*, detailed below. The reallocation for undersupply is insufficiently scoped, and unduly prohibits transfers between distribution and transmission (in either direction). We question whether it is right that all Designated Projects (DP) should be prioritised in queue position, as per our feedback to the DP methodology.

On using Project Progression to date relevant distribution connections in the queue.

5.3.1 sets out that distribution connections will be considered in the new queue on the date NESO countersigned the DNO Project Progression (*PP signed*).

There is considerable strength of feeling about this; that PPs were never considered with such urgency or relevance so would now pose a retrospective disadvantage, that the batched nature means these were sent later than some users wanted, but above all on unfairness – the treatment by NESO and particularly the TOs, where wrangling over competence and quality of PPs meant that no offer could be signed by DNOs for some years in many cases (and for hundreds of distribution projects the PPs remain incomplete!), exemplified by the still-ongoing recovery following NGET's "2-step" omnishambles.

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See for example this social media exchange: https://www.linkedin.com/posts/roadnight-taylor-ltd_strong-feelings-have-emerged-as-to-whether-activity-7265643105184370689-EEJx?utm_source=share&utm_medium=member_desktop

Proposing to cement “PP signed” date into the Gate 2 to whole Queue process is to entrench an undue disadvantage to most DER.

We understand that, however, an attempt to use “*User’s DNO offer signed*” as a date instead (i.e. more directly analogous with User’s BCA signature date) could be tremendously challenging, with hundreds if not thousands of new dates to be considered in the queue re-ordering, with possible profound implications for existing queue order, and a possible wholesale re-allocation of Enabling Works; ramifications which could undermine the whole enterprise of TMO4+, and would certainly be open to challenge.

We therefore propose a compromise position – to use **DNO PP application date** for dating DER queue position. This avoids a large chunk of the ‘unfairness’ of TO/NESO historic handling of PPs. Usefully for NESO, this also remains a single batched date for a large number of DER, and a date NESO already has, so is relatively easy to implement. To some degree, this rewards DER Users who pushed for transmission assessments, in line with the ENA progression milestone M4, and is relatively more in the user’s control than the resulting DNO/NESO/TO process hiatus before NESO countersignature. It is also almost exclusively later than the User’s original DNO offer signature, so gives no undue advantage compared with direct transmission connections and their BCA countersignature date. Please note that directly-connected transmission users have at times taken a “accept now fix later” approach to BCAs, which is not possible for a DNO representing multiple DER customers.

The author has detailed this compromise proposal on the day of the consultation deadline, and so hasn’t yet had the opportunity to test it out on a wider circle of stakeholders nor ask others to submit similar responses; we’d appreciate the opportunity to test this idea more widely before NESO commits irretrievably to the original position.

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

Broadly yes, with caveats.

Please also note our answer to question 12 on reallocation, cautioning against over-optimism on acceleration, and against assumptions of fungibility in the connection queue. Notably:

We recommend that NESO adopts more proactive preliminary contact with potential-to-accelerate users who are higher in the secondary ‘phase 2’ queue to test/alert to the prospect of acceleration, which will be necessary to make this process work remotely efficiently.

Furthermore, there must be a mechanism to transfer “needed” capacity from Transmission to Distribution and vice versa, especially if looking for means of efficient reallocation. A reclassification of the ownership of a busbar bay or similar (e.g. between Distribution and Transmission) must not cause an otherwise identical generator from being included or excluded from a “needed” pathway. For example, a nominally distribution-sized project, for which the TO is installing new assets, may find itself favouring a transmission connection in engineering terms, but might be pushed away from sensible commercial and engineering arrangements by the “needed” allocation which shows an undersupply in the “distribution” pot (and vice versa).

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

A cautious yes, as this appears to be a necessary evil:

We agree that the *absence* of capacity reservation might unduly delay cost-efficient solutions for system stability or operability, and make untenable come longer time projects such as the ScotWind connections.

In general, capacity should only be reserved for (i) named projects or (ii) competitive rounds which have a clear start and end date (i.e. some form of longstop preventing capacity being held for a significant period). Without being a specific project or tender, then the reservation itself is highly challengeable – how many MW with what harmonic or fault level characteristics is fair or right to reserve ahead of ready and viable specific projects? How many bays or circuits are a least-regrets choice, one which doesn't hold up necessary delivery of the 'real' Gate 2 queue? We ask NESO to present a more defined envelope of need and a more specific set of examples.

We understand that the guidance in this regard cannot be exhaustive or prescriptive at this stage, but precisely for these reasons **NESO's resulting decision-making must be clear and transparent**, and open to review, to build confidence in the overall approach.

The obligation to review this guidance, with a view to potential codification, as detailed in CMP434 WACM6 is an important part of a best overall solution, to give users such confidence. We recommend that NESO adopts such a review, irrespective of any Authority decision made on the final form of CMP434.

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

We support only in the very broadest terms – crucially, the CNDM contains very little practical or quantifiable detail on which to gain confidence in the proposed approach.

We agree it is right to rule out a very prescriptive approach (as proposed under CMP434 WACM3), which would carry a far higher risk of inefficient outcomes.

There is limited fungibility in development-stage power stations, and furthermore delivery programmes (particularly post-consent and through construction) are not easily moved around – the hokey-cokey of advancement and deferment which could fall out from these methodologies may have many negative consequences and increased cost. Closer to delivery, it will be increasingly difficult for users with poorer queue position to be able to accelerate their programme, even if attrition was to offer an opportunity for advancement; it would be unwise to assume that acceleration is widely possible at all.

We therefore recommend that NESO adopts more proactive preliminary contact with potential-to-accelerate users who are higher in the secondary 'phase 2' queue, to test/alert to the prospect of acceleration, which will be necessary to make this process work remotely efficiently.

Furthermore, there must be a mechanism to transfer "needed" capacity from Transmission to Distribution and vice versa, especially if looking for means of efficient reallocation. A reclassification of the ownership of a busbar bay or similar (e.g. between Distribution and Transmission) must not cause an otherwise identical generator from being included or excluded from a "needed" pathway. For example, a nominally distribution-sized project, for which the TO is installing new assets, may find itself favouring a transmission connection in engineering terms, but might be pushed away from sensible commercial and engineering arrangements by the "needed" allocation which shows an undersupply in the "distribution" pot (and vice versa).

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As with all of our answers, particularly in the light of these untested and inexhaustive methodologies, NESO's decision-making must be clear and transparent, and open to review, to build confidence in the overall approach.

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) Readiness - Land Rights

We generally agree with the status of rights required and we do not propose alternative timeframes. However, we do not believe the proposed checks are sufficiently thorough for this to be effective – see part (c) below.

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We support the two staged approach to advising on readiness (clause 8.5) – i.e. that a first cut will be done within a very short time and published, allowing users in the process to respond accordingly.

b) Readiness – Planning

Agreed, although there will need to be recognition of potential Statutory Authority delays, which may mean a confirmed reference number may be unavailable for a period.

c) Land rights - Checks must be more thorough

The ability to successfully filter ‘Gate 2’ viable projects is *highly dependent on the quality of land rights checks*. Simple **duplication checks are insufficient**. These reform proposals will only be effective if land rights are thoroughly checked – at least a significant portion, if not all. We argue it is necessary to *add* to the duplication checks on 100% of applicants, by also using relevant public records on a high percentage of applicants, especially Land Registry, and also on a smaller percentage by contacting LOs and otherwise identifying forgeries. The Methodology (November 2024) only proposes “*we may also utilise* [public records]..” at 8.13 – this is too weak.

Element 11 of CMP434 suggests that land rights acreage is only checked at each queue management milestone – this is insufficient to effectively manage the queue, there must as a bare minimum be an annual check.

We collectively refer to these improvements as ‘*thorough land rights checks*’, as referred in other question answers here.

NB the Planning milestones come too late to be useful in terms of efficient batching for gate 2 offers.

Timing

We support the two staged approach to advising on readiness (clause 8.5) – i.e. that a first cut will be done within a very short time and published, allowing users in the process to respond accordingly.

In this regard, we would support a staging-point for users to reconfirm requests after the indicative checks have been done, in the manner suggested by CMP434 WACM7.

d) Self-declaration

It is right to request a project red line boundary in *all* instances, even for the DCO pathway (acknowledging that for the DCO pathway it may be subsequently edited to add the connection route).

Transmission sites may have auxiliary distribution-fed supplies, please allow for this by clarifying something along the lines of the primary purpose of the connection application.

With regards **TEC reduction**, we recommend for the one-off exercise Gate 2 to Whole Queue, that these are exempt from cancellation charge liability, in order to most efficiently transfer to the new Gate 2 queue. Without this, a project may be incentivised to move into Gate 1, reduce capacity for ‘free’, then immediately reapply for Gate 2, which simply delays CP30 delivery.

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?

No objection.

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We agree this is not needed for other forms of planning process, such as Town & Country Planning Act and Section 36 projects, which can follow the default route.

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?

- i) Demand – yes
- ii) Critical to security/operability – yes
- iii) New technologies or innovative – **No** (see below)
- iv) Very Long Lead Times – with due transparency, yes.

While we agree that novel projects (encompassing new technologies, or innovations within an existing category), may offer benefits outwith the original CP30 allowances, and that therefore these may warrant exceptional treatment in the “needed” **strategic alignment** sense - However, it is **not** necessary, fair nor beneficial to **also** give these projects a free queue-jump. There is no reason to believe that development timescales for these will be, nor needs to be, shorter than an established technology, and therefore there is no reason for these not to be able apply in the normal gated window timeframes. If any such projects

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would provide material additional system benefits, then they can secure Project Designation appropriately under category (ii) for system security/operability.

We think the best way is for category (iv) to be deleted, and the strategic alignment test allowed to stay alive to novel technologies.

However, if deleting category (iv) is not acceptable, then **Project Designation must be split** into:

- A. DP with capacity reservation (i.e. does not need to be tested for strategic alignment and effectively warrants queue jump), and
- B. DP without capacity reservation (i.e. does not need to be tested for strategic alignment, but can apply for Gate 2 in the normal windowed timescales)

For avoidance of doubt, we believe that novel technologies (category (iv)) do not warrant capacity reservation. NESO we expect will be able to justify capacity reservation for projects critical to system security/operability (category (ii)).

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

These criteria are far too vague, with almost zero quantification.

We recognise the criteria in broad terms, but the tests are insufficiently specific to have confidence in consistent or agreeable application.

NESO's resulting decision-making must be clear and transparent, and open to review, to build confidence in the overall approach. To this end, we strongly recommend NESO voluntarily adopts the *obligation to review* as detailed in CMP434 WACM6, irrespective of any Authority decision made on the final form of CMP434.

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

We propose that **Project Designation must be split** into:

- A. DP with capacity reservation (i.e. does not need to be tested for strategic alignment and effectively warrants queue jump), and
- B. DP without capacity reservation (i.e. does not need to be tested for strategic alignment, but can apply for Gate 2 in the normal windowed timescales)

For avoidance of doubt, we believe that novel technologies (category (iv)) do not warrant capacity reservation / queue prioritisation. We expect NESO will be able to justify capacity reservation / prioritisation for projects critical to system security/operability (category (ii)).

This will change the allocation of Designated Projects to the queue in CNDM 5.8, which will need a separate explanation for each of DP with/without reservation.

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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)?

With regards **TEC reduction**, we recommend for the one-off exercise Gate 2 to Whole Queue, that these are exempt from cancellation charge liability, in order to most efficiently create the new Gate 2 queue. Without this, a project may be incentivised to move into Gate 1, reduce capacity for 'free', then immediately reapply for Gate 2, which simply delays CP30 delivery.

Errata spotted:

Doc 1 p82 – Offshore Wind is missing from the table?

CNDM p21, p29 – dark box covers text underneath in the published PDF (emailed separately).

CNDM p15 - please put a date against the image copy of the Energy Density Table - I understand from your text you are saying the master copy sits in the other guidance doc, so I recommend to timestamp this one, e.g. *"For illustration the table is copied above, correct at 22/11/24, but please consult the CMP427 guidance document for any future changes"*.