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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](mailto:box.connectionsreform@nationalenergyso.com)** by **5pm** on the closing date of **2<sup>nd</sup> December 2024**.

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

| Respondent Details                                      |   |
|---|---|
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| <b>Is this response confidential?</b>                   | <input type="checkbox"/> Yes – I do not wish for this response to be shared publicly; however I understand it will be shared with Ofgem<br><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**

*EPL agrees that the connection process should align with Clean Power 2030, provided that:*

- *CP2030 covers the period 2031 to 2035 as well as 2025-2030 to ensure the projects required post 2030, which need to be developed now, are not stalled.*
- *References to distribution/transmission volume pots and regional allocations are removed – including these introduces additional barriers to achieving the transition.*
- *The proposed financial instrument is withdrawn given the analysis that underpins this proposal is flawed and introducing this would be retroactive and significantly erode investor confidence and development.*

#### CP2030 Period

*Unless the connections process is aligned to a 10 year plan, and continues to be going forward, then developers will be forced to delay progressing projects. Post 2030 projects need to be developed now to ensure these can be delivered. Any delay would mean future clean power targets are not achieved. .*

***We can only support aligning connections process to an identified pathway if this is for 10years and then regularly revised to extend its time period.***

#### Generation Volume Pots

*The draft CP30 advice to government "Draft – NESO Connections Report Data Impact Assessment v. 0.02" sets out the CP30 Pathways that NESO proposes a project has to comply with to achieve Gate 2. In Section 5 of the report NESO provides a "Transmission and distribution analysis" and indicates its opinion is that solar is significantly undersupplied on the distribution network compared to its envisaged 2030 pathways. NESO did not release the data but from the graph it appears GB is circa 20GW (a minimum of 400 new projects) short on the distribution network, and that assumes all the parties that confirmed to NESO in the RFI they had land for existing projects were responding truthfully and that all existing and new projects achieve planning. It also assumes all 400 projects can connect and that any transmission reinforcement works required will be delivered in this period. In contrast NESO's pathway for transmission network indicates that NESO proposes only circa 3GW of solar is required compared to a queue of 52GW and, importantly, where developers that have indicated to NESO they already have contracted land of 11GW.*

*NESO's CP30 pathway for solar indicates:*

1. *That NESO expects the UK to miss the CP30 level by c. 20GW on the distribution network;*

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2. That NESO will restrict transmission connected solar (where there are projects in the queue of 52GW and with land rights of 11GW) so that only 3GW of these projects can achieve Gate 2, even though more is available (and in a number of cases already consented).

*This appears irrational and will mean the goal to achieve the Government target for 2030 of 47GW or meet the Committee for Climate Change advice to Government requirement of 70GW by 2035 will not be achieved.*

*The report justifies this apparent irrationality by stating "In developing our advice to Government our modelling indicated that the most efficient point to connect significant volumes of new solar was to the distribution network." We note this approach is different to the onshore wind and storage technologies where significantly higher capacity is proposed to be transmission connected. NESO should explain this discrepancy.*

*NESO's role is to facilitate connection of generation, not introduce artificial barriers, with no evidence base, to limit technologies such that clean power targets will not be achievable. In our view there should be complete flexibility regarding transmission/distribution connection and location (noting that solar typically locates in the south of the UK where it will be able to supply consumers at lower cost).*

*The Clean Power 2030 Assumptions, issued 27<sup>th</sup> November 2024, reveals why NESO has provided such poor advice to Government. NESO appears to have assumed that the distribution system effectively has unlimited capacity to connect generation. The fact that many schemes are waiting for post 2030 transmission work to complete is ignored. NESO has hinted that DNO may have to prioritise connection of generation ahead of other works, which would currently be illegal. We do not understand why NESO is seeking to ignore the major contribution that transmission connected solar in development could make to achieving clean power targets.*

*NESO has also introduced regional pots, which will further limit connection for solar. The proposal is for a regional capacity allocation which suggests either a fundamental flaw in NESO's modelling or a misunderstanding of the market. For example, the NESO proposal for transmission connections by 2030 includes c. 700MW in Scotland (where both irradiation and consumer demand are lower and there is currently no viable project) but only 250–500MW in Southern/South East England (where both irradiation and customer demand are higher and multiple potential projects are being developed). NESO propose a further c. 2.4GW transmission grid capacity for regions where there are no significant projects that could connect before 2030. NESO should explain how this approach to regional allocation will achieve clean power targets, given that the information provided to date clearly shows it will have the opposite effect.*

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**We can only support aligning the connections process to Clean Power 2030 (and future post 2030 pathways) if the use of generation volume pots, both in relation to the transmission/distribution network and by regional allocation are removed. The NESO proposal represents retroactive change where no solid evidence has been provide and which will fundamentally derail any possibility of achieving clean power targets. If introduced NESO should immediately confirm to Government that CP30 will not be achieved.**

#### Financial Instrument

EPL has submitted feedback to the financial instrument consultation that objectively demonstrates the analysis NESO has undertaken to arrive at its proposed £20k/MW is flawed in a number of respects and that, if the modelling was accurate, a figure of c. £2-3k/MW would be the output. In any case our view is that other connection measures included in Connection Reform, in particular tying land and grid offers together will overcome the described need for a financial instrument. Finally, contrary to the examples listed in the NESO TCMP paper, we do not believe that any other jurisdiction has an instrument that adds to developer's planning risk, as the proposed financial instrument does, and this will drive investors away from investment in GB to investment in other jurisdictions.

**We can only support aligning the connections process to Clean Power 2030 (and future post 2030 pathways) if the proposed financial instrument is withdrawn.**

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**

EPL agrees that the reformed queue should only include ready projects. The linking of grid offers and land is long overdue and will have a material impact upon the queue, allowing NESO to focus resources on credible projects only. For GB to efficiently achieve decarbonisation there needs to be strategic connection of generation and storage. CP30 and the 2301-5 proposal is a reasonable starting point, but it is important the spatial strategy continues so that developers continue to create ready projects without the risk of further retroactive change.

We are however, concerned that an opportunity appears to be proposed for speculative developers who are not ready to achieve readiness through the process NESO is proposing. The Connection Reform documents are clear that the Gate 2 to Whole Queue process provides an opportunity for a developer to reduce TEC without the need for a Modification Application to enable a scheme which does not have sufficient land to meet the land

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*minimum acreage criteria – this rewards developers who have speculated over connection capacity to achieve a readiness they otherwise do not have.*

*CMP435 proposes a similar opportunity for developers who have speculated by accepting offers for wide mixes of technologies. In CMP435 they will be given the opportunity to change their technology mix without the need for a Modification Application to change their current offer. These projects are not ready as it was never the developer's intention to connect a wide mix of technologies, but current proposals provide an opportunity for their speculation to be rewarded.*

*In both the above cases the parties involved will almost always be large industry players, many of whom sit on NESO advisory committees. If NESO is intent on removing smaller speculators from the market (as we agree it should do) the same approach to speculative developers should apply to larger developers who have "tied-up" multiple 1GW connection capacity offers but have no intention or ability to deliver these. NESO should not allow these players a free-option flexibility solely because they have larger balance sheets and are more prominent on NESO working groups (which smaller players do not have the resource to attend). Any other approach is anti-competitive.*

*Instead we consider that any change to either TEC or technology should follow the process which exists now and will exist post "Gate 2 to Whole Queue" which is any change to technology mix or TEC requiring a Modification Application, with the corrected allocation reorganised to the back of the queue, behind others that have acted appropriately. **Allowing these not ready projects to become ready as proposed undermines NESO's credibility, creates an injustice and is anti-competitive. If NESO allows developers who have speculated a means to make a "free modification" and meet Gate 2 criteria this will undermine fairness in the queue system.***

***It is also concerning that CMP435 appears not to be aligned to NESO's Connection Reform proposals. NESO should have influence over this and ensure that CMP435 aligned with its Connection Reform proposals. Large industry players on the CMP committee should not be allowed to write rules to their advantage that create unfairness and reward speculation.***

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**

*EPL does not consider that all ready projects should be included. Specifically for standalone battery storage NESO should consider whether this technology is a good use scarce grid capacity or whether storage would be better provided by co-locating storage with generation. This would achieve similar storage outcomes but allow greater generation volume to connect.*

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*The only other oversupplied technology is solar – we consider that NESO should first require evidence of land rights as soon as possible for projects that have offers to connect before 2035. If a project cannot provide these it should not be considered further until NESO has reworked the grid queue for viable projects. If more projects can evidence land than are required then NESO should reorder the queue based on the developer's original application date to avoid any risk of unfairness due to errors/delays by NESO/DNOs.*

*Projects that do not receive an offer should be given the option of funding the transmission grid upgrades required to allow these projects an opportunity to progress even if NESO deem them unrequired. This would result in additional, low cost renewable generation being made available to consumers at no cost.*

*Transmission/distribution restrictions should be removed – we see no reason to limit the connection of a say 500MW solar project to transmission in favour of 10x50MW distribution projects given both will require transmission networks upgrades, and the latter is also likely to require distribution network upgrades.*

*Similarly, regional allocations should have no place in NESO's analysis. Developers identify where to locate projects to maximise the deliverability and value of their projects. This rationally means locating projects in areas where planning can be achieved and output generation can be maximised (leading to maximum contribution to clean power targets). Artificially limiting development by regional creates new barriers to achieving an already stretching clean power target.*

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**

*EPL considers 2035 is a reasonable timeframe for now – for information we are already developing projects for delivery towards the end of this period. However, a 2036–40 timeframe will be needed soon to avoid the potential for a 2035 cliff-edge. NESO and government will need to decide how to effectively create a regularly revised strategy to which developers can respond.*

*NESO needs to explain what will happen to projects that meet Gate 2 criteria but do not get into either phase 1 (2025–2030) or phase 2 (2031–35) and how developers will be compensated for any losses as a result of this retroactive change of accepted contracted grid offers.*



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### Implementation Questions

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

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|---|
| <p>5. Do NESO's preferred options against each of the variables discussed in the Overview Document best deliver efficient alignment to Government CP30 Plan?</p>  |
| <p>You can find the relevant information in <b>Section 5 – Our overall preferred connections reform design</b> and <b>Section 7 – Further variables and options to align connections reform with strategic energy planning</b></p>  |
| <p><i>Our comments are provided below:</i></p> <p><i>Variable 4, Approach to Oversupply is driven by CP30.</i><br/> <i>The detailed information being produced by NESO and then Government's decision on technologies and locations is key. NESO's proposal to limit transmission connection for solar and allocating regional pots appears to be more associated with spreading the implementation across regions with hundreds of smaller projects to limit cumulative impact rather than a good technical assessment of the benefits of connecting at either level of the electricity system. Cumulative impacts are not a NESO area to consider – these are already regulated by the planning system (and in particular the National Policy Statements) which confirm strong support for large-scale solar connected to the transmission network.</i></p> <p><i>Oversupply may be a consideration across the UK network, if that is indeed a concern once projects are required to evidence land, as NESO will not want to fund upgrades for technologies that are not required. There are two points in relation to this – (1) if oversupply is really an issue then developers will not build their projects so there is no risk. Securities are already required to ensure NESO does not suffer financial loss in this scenario; (2) if NESO determines there is an oversupply issue such that there is a risk of consumers funding upgrades that NESO considers are not required then the developer should have the option to fund the upgrade as part of its project capital investment. This would given these projects an opportunity to progress even if NESO deem them unrequired. The result would be additional, low cost renewable generation being made available to consumers at no cost.</i></p> <p><i>Variable 7, Optimal use of the network.</i><br/> <i>This is a strange variable with options that don't seem to make sense and it also relates to variable 4 as it refers to transmission/distribution which is part of NESO's CP30 advice to government NESO has not and should not have any means of allocating projects. Were NESO to advise voltage levels based upon MW capacity, in our view there would be so many exceptions as to make the advice unreliable.</i></p> <p><i>NESO's focus should be on getting connections requested connection as soon as possible.</i></p> <p><i>Variable 11, How do we order projects in the new queue to determine CP30 alignment.</i></p> |

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We agree with using a combination of existing queue position and planning status. However the diagrams in CNDM on pages 29 and 83 show this only applying to projects to 2030. The presumably unintended impact of this is that projects which apply for advancement are given a place in the 2031–35 queue ahead of those who did not as their planning status is not determined. Existing queue and planning status should be used consistently in both 2030 and 2031–35 queues, applying for advancement should not be a means for improving a project's place in the 2031–35 queue.

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**

**We consider that the requirement to evidence land, and ensuring this land is tied to the connection going forward will mean there is no requirement for the addition of a financial instrument.** In particular we consider that tying land and connection together make it highly unlikely that any speculative projects will make it to Gate 2. **However, NESO should remove the opportunity during the Gate 2 to Whole Queue process for developers to change technology mix (as included in CMP435) or reduce TEC (as proposed in Gate 2 Criteria Methodology, 2.3 and CMP435 ). This ensures all speculators, whether small or large players, that have caused the grid issue are appropriately managed. There should not be a “free option” just because some speculators are larger players that have presence on NESO workgroups.**

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**

*EPL has not identified key policy areas that are not covered by the proposed connections reformed methodologies. We do not consider that a financial instrument would add any benefit.*

*We are concerned at a mismatch between CMP435 and NESO's Connections Reform proposals with respect to projects being able to change technology (or reduce TEC) at the Gate 2 to Whole Process. We consider this to be an abuse of the principle of only allowing ready projects to proceed and this creates an advantage for large speculators who have abused the system.*

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?



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

*We disagree with the management of project attrition where it relies upon regional and/or distribution/transmission pots.*

*NESO should have an open and transparent request for other projects to offer to **connect if they can**.*

*We assume any enduring deficit from 2025–2030 effectively increase the volume required in 2031–35, providing spatially strategic planning indicates it is still required.*

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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?

### Existing Queue and Future Gate 2 Tranches

*EPL see no fundamental difference between existing queue and future tranches, so has answered for both together.*

*EPL in principle agrees that the Gate 2 Readiness Criteria and the Gate 2 Strategic Alignment Criteria should be applied to the existing queue and future Gate 2 tranches.*

*We disagree with the Strategic Alignment Criteria, in particular the way NESO currently distinguishes between transmission and distribution connections (5.9.1). NESO's current advice to Government is that solar should be predominantly connected to distribution in contrast to other on-shore technologies, notably wind and BESS. NESO has not explained why it has done this. NESO appears to be making a policy judgement, perhaps on planning consenting grounds rather than giving technical advice based upon the systems it operates. This could have a material effect upon meeting 2030 targets. If NESO is making a policy judgment we note this is outside its remit and contradicts the planning policy position outlined in the National Policy Statements which provide strong support for transmission connected large scale solar.*

*The fundamental mechanism used to determine the queue for embedded connections introduces unfairness for developers. **Whilst using the Project Progression date (CNDM 5.3.1) to determine queue position would appear fair, it fails to appreciate that the date is directly related to the timeliness of DNOs applying for Statement of Works on behalf of a developer's project.** The relationship between project and NESO is not the same as with Transmission connection. **We are aware of multiple situations where DNOs have been late applying for Statement of Works (in some cases missing milestones in the connection offer). This would result in delays for these project as a result of DNO behaviour should NESO use Project Progression dates to determine queue position.** As far as a developer is concerned DNO connection acceptance should the date used for queue position, everything that occurs between DNO/NESO after that is a process between system operators which the developer has no means of influencing but should not be negatively impacted. We recognise that as far as the transmission system is concerned project progressing date is the timing of the embedded connection being accepted into the system. However, given the relatively small capacity of distribution connected projects and the urgent need for clean power a more developer-centric view is better for GB.*

*Similarly we have experience of stage 2 NESO transmission offers having to be re-made due to NESO/TO not using the site location provided in the application and providing offers that do*

not accord with SSQS. We understand we are not alone in this. Whilst the method proposed by NESO, to use its countersignature date on the stage 1 acceptance (CNDM 5.3.1) as queue position is logical, if any stage 1 offers have been delayed, there is potential unfairness. **An alternative would be to use the date when an application is deemed competent, and we consider this to be preferable to avoid any unfairness.**

**In summary distribution offers should be considered based on the date of acceptance by developers. Transmission offers should be considered based on the date that are deemed competent by NESO. Any other approach risks disadvantaging certain projects for elements fully outside their control.**

#### Transitional Projects compared to Gate 2

We note in CNDM 5.12.2 that Mod Apps for changes in technology signed during the transitional period will “in most cases likely to be moved to a revised queue position based upon the Mod App date before being assessed against the Gate 2 Readiness and Strategic Alignment Criteria”. We commend this approach as offers with a large mix of technologies that were clearly speculative should not retain their queue position if they now remove technologies. A similar approach is taken in CNDM 7.8.2 for Tranche 2 (and beyond?) Modification Applications. **It is therefore remarkable and totally inconsistent that CMP435 is making provision to allow these speculative developers with a mix of technologies for a connection offer to remove some at this stage without undergoing a Mod App. We consider this to have an anti-competitive impact in the generation of electricity and that to allow speculative behaviour to prevail is unjust.**

**The same is true of reduction of TEC, as this must have a system impact and is the result of developers speculating over capacity without due consideration of obtaining sufficient land. The Gate 2 Criteria require the demonstration of sufficient land, this should occur prior to any application for TEC reduction.**

**These, typically larger, participants are as much speculators as the smaller players that NESO tends to focus on. They never intended to deliver the technologies or TEC capacities they applied for and have contributed to the grid queue problem by effectively “spread-betting” across the UK grid in the expectation that say 20% of their offers would deliver projects. They have used their considerable balance sheet to game the UK grid system, disadvantaging smaller players and those acting appropriately. We have no issue with these parties making changes to their TEC/technologies but these should be by Mod App with the Mod App date used to assess Gate 2 offers, not an earlier date when a speculative application was made.**

#### Undersupply

In 5.16.3 NESO indicates that four criteria need to be met for zonal substitution to occur. We disagree with c) the two zones “are both Transmission zones, or are both Distribution zones”. The only possible reason for this is minimise the need for dialogue and joint problem solving

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between NESO and one or two DNOs; it is clearly an administrative approach. Why should a shortfall, which implies a need to meet CP30 targets, not be split between transmission and distribution or transferred from one to the other? The need for clean energy should prevail over network jurisdiction. In any case, other than administrative effort, we do not believe there are grounds for splitting volume targets between transmission and distribution. Any split is arbitrary and unhelpful in meeting CP30 and 2035 targets

In 5.17.5, addressing reserving capacity to address undersupply, NESO's statement demonstrates a remarkable naivety about renewable development. Availability of bays and substation capacity are not strong grounds for a particular technology being viable in a location – location is driven by a range of factors including resource (irradiation/wind), location to customers and planning constraints. NESO's role is to deliver grid capacity to ensure transition and ensure clean power targets can be met.

### Gate 2 Offers

Paragraph 5.24.3 is unclear and concerning. We cannot understand the relevance of "2031 or earlier" with respect to aligning to the 2035 pathway. By definition 2031 does align to the 2031-35 pathway, is it a typo?

The concern is the proposed lack of assessment of 2035 pathway projects for planning status, as section 5.7 indicates that projects requesting advancement sit in front of those which do not **solely due to having requested advancement – this is not fair or reasonable. The 2035 pathway should be reviewed against planning status and the queue formed through planning status definition then original queue order as with phase 1.**

In 5.24.5 the ability of a TO to more flexibly develop network if it builds the connection to the uses is expressed. This would also avoid SSQS's 20km limit. At Gate 2 applicants who are responsible for building the connection to the connection site could be asked if they would be open to the TO building the connection instead which may assist in network design flexibility (noting that the TO will have to provide information for the developer's planning application in a timely manner). This would also avoid the potential for derogations as covered in 7.12.

### Subsidiary Question (CNDM Page 81)

1. Do you agree with the three categories of Planning Obtained, Planning Submitted, and Land Rights for sorting projects?

EPL agrees with the use of planning categories for sorting projects within phase 1 and phase 2 queues. Since the planning categories are applied to the technology queues this is a fair way of assessing progress.

We have two concerns:

1. Currently for phase 2 section 5.7 indicates that projects requesting advancement sit in front of those which do not **solely due to having requested advancement – this is not fair or reasonable. The 2035 pathway should be reviewed against planning status and the**

**queue formed through planning status definition and only then original queue order as with phase 1.**

2. There is a risk that this approach will provide standalone BESS technologies will have a significant advantage over other applicants given standalone BESS is consented under the TCPA process irrespective of size. The TCPA process is a much quicker process than the NSIP/DCO process that generation technology is required to use for export of 50MW or higher. This means that hybrid generation/BESS schemes with generation above 50MW will be slower to achieve planning milestones and the BESS element may no longer be commercially viable (as standalone BESS, which is an inefficient use of grid capacity) may have been implemented. **NESO should consider how to regulate this and whether, given standalone BESS utilises grid capacity with no generation benefit, whether in a majority of cases standalone BESS is an efficient use of limited grid capacity and network reinforcement costs.**

Subsidiary Question (CNDM Page 81)

2. Do you believe Phase 2 should remain in existing relative queue order, or should it also be reordered by planning status to determine alignment to the CP30 Plan?

EPL has concern over the statement regarding phase 2 in CNDM 5.6.4 “preservation of original relative queue order within this period is less critical”. Whilst it may be less critical to NESO it is very critical to developers who will be continuing on-going planning activities requiring investment. Any retroactive change would clearly be unfair – if a developer has an offer there is a legitimate expectation that NESO will uphold its obligations.

We strongly consider that the determination of which projects are included in phase 2 should include the planning status of all projects not in phase 1. Following selection of the phase 2 projects that are within phase 2, the original queue position should be used as per phase 1 on CNDM pages 29 and 83.

Given the post 2030 timescale no schemes applying through the local planning authority should have submitted, let alone received consent at this stage and all schemes will have land as it is needed to meet readiness criteria under Gate.

**However, CNDM 5.7.1 (page 29) indicates an advantage for projects which have requested advancement.** Parties with connection dates post 2030, say 2031 or 2032, who do not request advancement (because they are already working to those dates) would be placed in the queue behind parties who applied for acceleration (but may

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not ultimately deliver on this position). **The potential impact for those not requesting advancement (again, acting appropriately) is of not being placed in the 2031-2035 queue at all. They lose their position solely because of not having requested advancement to 2030. This is unfair and risks NESO repeating the errors it has already allowed in allowing larger speculators to “spread-bet” across a portfolio of opportunities, disadvantaging smaller developers.** In the diagram (CNDM page 29), projects 7, 9, 10, 12, 15 are behind project 11, 6, 14 purely because they did not apply for advancement and their planning status is not considered. Those projects had to have land rights to meet readiness criteria so projects 7, 9, 10, and 12 should be in front of 14 in determining which projects are included in phase 2. If 7, 9, or 10 had submitted planning they should be in front of 11 in determining which projects are included in phase 2. **Being willing to offer advancement to 2030 should not be a means of queue jumping in 2031-2035. Assessing planning for the 2031-35 queue would remove this problem and given the unfairness otherwise created is clearly needed.**

Subsidiary Question (CNDM Page 81)

3. We have explored two alternatives, shown on pages 82 and 83? Would you support either of these alternatives over the proposed approach on page 29?

Alternative 2 (CNDM page 83) is only different from the proposed (CNDM page 29) in the post determination queue order for phase 1. We consider the proposed (CNDM page 29) arrangement to be fairer, but as expressed above existing queue order should be used after planning status for phase 2, as it is with phase 1.

Alternative 1 (CNDM page 82) uses queue order to determine phase 1 and phase 2. Subject to adjustment for the planning advantage that standalone BESS has due to planning policy, we consider using planning status to determine phase 1 and phase 2 to be more appropriate.

**In principle we consider it fair and reasonable to use planning status to determine the queue and current queue order to order the determined queue. However it has to be used for both phase 1 and phase 2; otherwise it becomes fundamentally unfair as reviewing the planning status of projects solely on the basis they request advancement gives them an advantage in the phase 2 queue. It will also lead to further “gaming” of the grid queue by the larger developers who have also “spread-bet” on numerous “projects” to date and are a large part of the problem NESO is now having to respond to.**

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



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EPL generally agrees with the approach to managing advancement requests. However, we are concerned regarding the impact upon projects that do not request advancement in phase 2, and we are unclear regarding embedded projects current held back beyond 2035 by TO works.

1. **Paragraph 5.7.1 (CNDM page 29) indicates an advantage for projects which have requested advancement but not been placed in phase one over projects which have not requested advancement with existing connection date post 2030 .** Parties with connection dates post 2030, say 2031 or 2032, who do not request advancement (because they are already working to those dates and under rationale assumptions cannot accelerate) would be placed in the queue behind parties who applied for acceleration. **The potential impact for those not requesting advancement is of not being placed in the 2031-2035 queue (in the diagram on CNDM page 29, this is true of project 10 and potentially of project 12 and if it has planning project 15). Some lose their position solely because of not having request advancement to 2030, others due to planning status. This is unfair.** In the diagram (CNDM page 29), projects 7, 9, 10, 12, 15 are behind project 11, 6, 14 purely because they did not apply for advancement and their planning status is not considered. Those projects had to have land rights to meet readiness criteria so projects 7, 9, 10, and 12 should be in front of 14 in determining which projects are included in phase 2. If 7, 9, or 10 had submitted planning they should be in front of 11 in determining which projects are included in phase 2. **Being willing to offer advancement to 2030 should not be a means of queue jumping in 2031-2035. Assessing planning for the 2031-35 queue would remove this problem and given the unfairness otherwise created is clearly needed. Projects can still request advancement but if unsuccessful their position in the 2031-35 queue should remain as determined by planning status. If a project requests advancement but fails to deliver then it should return to the back of the queue – i.e. this should not be a “free option”.**
2. It is unclear to us what the advancement options are in the following scenario. An embedded connection with a DNO connection date before 2030, but stalled by TO works until post 2030 or even 2035. We think there may be many CP30 phase 1 aligned projects with this circumstance. We would expect that if advancement to

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*the DNO connection date is requested NESO will allow such projects to be advanced subject to system constraints.*

### Subsidiary Question

- Do you agree with taking advancement requests into consideration when reordering the existing queue?

*Projects should be able to request advancement for consideration pre-2030. If unsuccessful their position in the 2031-35 queue should remain as determined by planning status.*

### Subsidiary Question

- Do you agree with the limited circumstances under which NESO would permit Users to request reversion to their original connection date?

*Effectively a user can request reversion to their original connection date provided their advancement is not across phase boundaries, i.e. advancing into 2025-2030 or advancing into 2031-35, but also has to accept the terms associated with the advanced offer not the original connection date. This seems fair and reasonable.*

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

### Subsidiary Question

- a. Do you agree with the concept of reserving for undersupply against the CP30 Plan pathway(s) to 2030?

*We fundamentally disagree with the use of regional and/or distribution/transmission pots which underpin the concept of reserving Connection Points and Capacity.*

*Whilst EPL accepts the concept that in some very rare circumstances it may be applicable to reserve for undersupply, the principle behind the concept is that the Plan is correct and the generation market is wrong. We consider that in the majority of cases it will be the Plan that is wrong. For instance, if a Plan required higher volumes of solar in an area of low irradiance, such as parts of Scotland, and the market was not supplying the volume, it would be the Plan that is wrong. There needs to be flexibility not dogmatism to achieve new zero in 2030.*

*Please refer to our points about undersupply in question 9 above. We do not agree with the approaches in paragraphs CNDM 5.16.3 and CNDM 5.17.5. We consider that NESO needs to be absolutely certain that reserving for undersupply will be in the best interest of GB meeting the CP30 targets. We consider that NESO should look across the whole network, transmission and distribution for meeting undersupply and not remain limited to the volume designations it has proposed to government. From the content of CNDM 5.17.5 in particular, it seems that NESO does not have the skills and understanding of renewables development to make good decisions about reserving capacity and in an undersupply situation should first ask if the volume designation are right before reserving capacity.*

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*In any circumstance NESO should consider developer willingness, planning consent likelihood, procurement and construction timescales before reserving connection points and capacity, and NESO should be obliged to publish the results of its assessment for transparency, scrutiny and challenge.*

### Subsidiary Question

b. Do you agree with the circumstances under which NESO could reserve a Connection Point and Capacity for a known project?

*EPL considers this to be poorly defined in the documents. CNDM 6.3 page 52 appears to be the definition, unknown projects appear to relate to:*

- a) undersupply against CP30 pathways*
- b) future Network Services Projects ahead of tendering*
- c) facilitating network competition*
- d) facilitating future leasing rounds initiated by The Crown Estate and Crown Estate Scotland*

*The only known project category is:*

- e) ad-hoc projects at Gate 1 which are unable to meet the Gate 2 Readiness Criteria until their onshore point of connection is confirmed*

*In other places e.g. CNDM section 5.21, there being onshore and offshore projects is indicated. Long lead time projects are cited and new technologies.*

*There needs to be better clarity on what "known projects" consist off to be able to comment on the circumstances for reservation.*

*NESO should be required to publish decisions to reserve for a "known project" in a timely manner for transparency, scrutiny and challenge.*

### Subsidiary Question

c. Do you agree with the circumstances under which NESO could reserve a Connection Point and Capacity for an as yet unknown project?

*Unknown projects are better described than "Known Projects" (see above) but as indicated above, NESO should be required to publish decisions to reserve for an "unknown project" in a timely manner for transparency, scrutiny and challenge.*

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

*CNDM 7.15, 7.16 7.17 and 7.18 relate to this.*

*In 7.16.3 EPL disagrees with guidelines b) and c), NESO should not be constrained by location or network level connected to.*

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*In 7.16.4 we cannot understand how the circumstances described in a) would transpire. Surely there would already be capacity available for the undersupply of a different technology and a 2035 project could already have advanced.*

*In 7.17.3 we cannot understand why any projects that fell outside of the phase 2 pathway due to queue position are not given the opportunity before new projects applying to Gate 2 in future application windows.*

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## Gate 2 Criteria Methodology

You can find the relevant information in the [Gate 2 Criteria Methodology- Detailed Document](#)

|   |
|---|
| <p>13. Do you agree with the following elements of this Gate 2 Criteria Methodology?</p> <ul style="list-style-type: none"> <li>a. Gate 2 Readiness Criteria – Land (Chapter 4)</li> <li>b. Gate 2 Readiness Criteria – Planning (Chapter 5)</li> <li>c. Gate 2 Criteria Evidence assessment (Chapter 8)</li> <li>d. Self-Declaration Templates (Chapter 9)</li> </ul>  |
| <p>a) Gate 2 Readiness Criteria – Land</p> <p><i>CM 4.1 – Table column 3 may be missing an “or”. We think either an option, or evidence of existing ownership or existing land lease is required. As written it is either an option and evidence of existing land ownership, or existing land lease.</i></p>  |
| <p>b) Gate 2 Readiness Criteria – Planning</p> <p><i>CM 5.2 – DCO applications usually have to indicate all land required for the scheme, including for connection and access for construction and demolition. Therefore the planning redline and site redline will be different. NESO needs to take this into account in receiving evidence of minimum energy density.</i></p>   |
| <p>c) Gate 2 Criteria Evidence assessment</p> <p>CM 8.1 – EPL considers that a site redline should be provided for projects seeking to meet Gate 2 criteria through planning. We consider that the planning criteria relinquishes the need for secured land rights, but should not relinquish the need for evidence of land acreage, i.e. the DCO planning application has to be demonstrably large enough for the installed capacity.</p> <p><i>CM 8.1 – the pink box is not clear. Is it indicating that in post Gate 2 to Whole Queue windows there will need to be a connection application for Gate 2 consideration, or a Mod App and for the Gate 2 to whole Queue window it will be those two plus something else for the Queue? (EA Request is not defined, is it simple a request to be considered?)</i></p> <p><i>CM 8.2 – the pink box is not clear. Is it indicating that an application needs to have been requested, received and accepted to DNO/iDNO and any Mod App similarly to be included? Is there not also a process by which the applicant informs the DNO it is wanting to be included or is accepting an offer/mod app evidence of this. As the relationship and contract for embedded generation is between the applicant and DNO/iDNO, how will NESO ensure that information is correctly passed from DNO to applicant?</i></p> <p><i>CM 8.3 – the pink box indicates that there has been a discussion between DNO and applicant regarding the DNO’s ability to accommodate acceleration. Is NESO expecting an applicant to be able to request advancement to earlier than its DNO connection offer? How does NESO expect a DNO to agree or otherwise in advance to acceleration due to TO works delay through project progression when the DNO does not know how many projects may be released by accelerated TO works, the timing of TO works and the impact upon its network/its reinforcement works?</i></p> |

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*CM 8.6 – NESO must set out the date by which user submissions within the Gated Application Window need to be received for NESO/DNO/IDNO to complete checks and by what date before the closing of the Gated Application Window the results will be provided to allow for rectifying not passing. This will be particularly for new Gate 2 applications where NESO has to check application competence.*

*Effectively NESO is indicating that the Gated Application Window is shorter than published for a user to be sure it has completed a complex application correctly.*

*Would it not be more appropriate for NESO to allow applications and Mod Apps to be received at any time before its Gated Application Window so that competency can be checked and any competency matters resolved before evidence is submitted in the Gated Application Window. Such an arrangement would reflect Embedded applications where the applicant has to apply to the DNO and accept an offer before proceeding to the Gated Application Window. The two windows a year approach is to allow bundles of schemes to be considered together, not to rule out applications on competency grounds for want of dialogue time.*

*CM 8.8 – The dispute process is unreasonable. NESO should have a date by which a dispute can be registered and those projects included in the Gated Design Process until the dispute is resolved. Otherwise, in the case of a NESO/DNO/IDNO error a project could be omitted from the Gated Design Process for no fault of its own. If the process remains as described, NESO need to explain how a successfully disputed project will be provided with a realistic revised offer.*

### *D) Self-Declaration Templates*

*CM 9.1 bullet 2 – please see comments (8.1 above) on planning consent criteria projects still needing to demonstrate sufficient minimum land density at Gate 2, not through a milestone.*

*CM 9.2 bullet 2, sub-bullet 1 – the term “further advancement” is not clear, does it mean up to the year requested or beyond it?*

*CM 9.2 bullet 2, sub-bullet 2 – there needed to be clear limiting factors for different contracted connection point, e.g. consistent by SSQS requirements.*

*CM 9.2 bullet 3 – as indicated earlier (Question 2) **we consider that allowing applicants to reduce TEC at this stage without a Mod App fails the readiness principle which is a key aspect of connection reform. It allows a developer that has speculated over connection capacity a “free option” to now reduce and meet readiness criteria. We consider any changes to TEC or technology to be against the spirit of the readiness criteria which are fundamental to reducing the queue. The proposed approach rewards speculation – NESO has previously proposed (see the Financial Instrument proposals) a hard-line against smaller speculators (even to the extent it was seeking to remove value-add smaller developers from the market). Here it takes a different approach to larger “spread-bet”***



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**developers by allowing them this “free-option” and therefore awarding their speculative activity. NESO should be consistent irrespective of the size of the speculator.**

92. bullet 4 – for project with nodes or other unlocated points of connection this is an unfair question. One answer a developer should be allowed to give is: any location that meets SSQS 20km circuit limit.

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?

EPL agrees that the planning readiness criteria should only apply to DCO planning applications as this is the planning route which allow for compulsory purchase of land. **We also consider that the planning criteria should only deal with the land rights element of readiness and not the minimum acreage element which developers who have submitted for DCO should be readily able to demonstrate as their application will have identified the areas for generation plant.**

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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?

*We are a little confused PDM 1.1.3 identifies two basic descriptions:*

1. *critical to security of supply and/or operability*
2. *demonstrate significant additional consumer, net zero and/or wider economic and/or societal benefits*

*However the subsequent list of categories is somewhat more restrictive:*

- *Projects that are critical to Security of Supply*
- *Projects that are critical to System Operation*
- *Projects that materially reduce system and/or network constraints*
- *Projects that are new technologies and/or highly innovative, that are not included within the scope of the pathways in Government's Clean Power 2030 Actionplan (CP30Plan)*
- *Projects with very long lead times that may be needed beyond the 2031 to 2035 pathway within the CP30 Plan which will be based on the Holistic Transition scenario within our Future Energy Scenarios 2024(FES24) to 2035.*

*Whilst we agree that the categories of projects are appropriate, we also consider the categories fail to cover significant additional benefit to net zero and/or wider economic and/or societal benefits indicated in PDM 1.1.3 and we consider that they should. Categories relating to, for instance net zero projects supporting hydrogen production and/or storage demands, CCUS demands, strategic industry demands, transport demands.*

*We feel NESO has not looked "outside the box" having stated that is would, and indeed it should.*

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

*EPL considers the criteria to be fine for the limited categories they cover. As NESO develops further categories to meet PDM 1.1.3 there will be a need for further criteria.*

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

*We understand the need for designating projects and have no concerns over the process described.*

*However, as designation has an impact upon generators, infrastructure owners, system operators and energy consumers, it is important that the designation process is both highly transparent and open for challenge by all parties. PDM Section 4.1.4.2 says "Users" have a right to appeal a designation decision. This needs better definition.*

*Clearly the applicant needs to be able to appeal, but other system parties also need to be able to challenge a decision given decisions by NESO on one project will have impacts on*

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*other projects. There also needs to be provision to avoid malicious appeals. The appeals process needs to be much better defined taking account of the points above.*

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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)?

*We have two points to make:*

1. *EPL is supportive of taking action to remove speculative projects, irrespective of the size of developer behind them, from the grid queue. Any credible project will have applied for the TEC limit and technology it is seeking to develop. Any party that has done otherwise should not be granted a "free-option" to now move projects into a "readiness" position because NESO is bringing an end to their ability to "game" the system.*

*It is imperative that all parties are treated fairly. If a project cannot progress on the basis of the TEC/technology it has applied for then it is not a project. By all means allow flexibility for that developer to Mod App its application but this should mean the new position is allocated a place in the grid queue behind developers that have acted in good faith and reasonably.*

2. *We also have a material concern regarding NESO process once a Gate 2 offer is provided. In order to progress planning a project will need visibility of the physical location of its point of connection to the transmission grid. This is to allow it to fully assess the environmental impacts of the project (including its grid connection route and associated grid infrastructure) as required under the planning system. NESO's current offers often only milestone the grid location indication late in the process, (some of our offers indicative a 5-8 year delay) beyond the critical path in developer's programmes where environmental impacts for connection routes have to be surveyed. This prevent progress to planning. We are expecting this will be resolved quickly post Gate 2 once NESO have a smaller subset of credible projects to manage.*