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Connections Reform

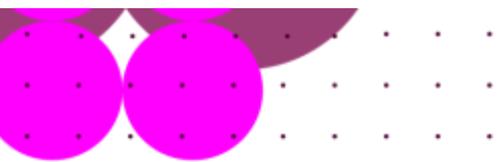
Consultation Response Proforma

Your feedback is important to this process. Please take this opportunity to provide any feedback that you may have. To aid your response, each question is linked back to the relevant document for ease of reference.

Please provide your feedback using this Proforma and sending an electronic copy to box.connectionsreform@nationalenergyso.com by **5pm** on the closing date of **2nd December 2024**.

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

Respondent Details	
Name	Steffan Jones
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Which category best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input checked="" type="checkbox"/> Distribution Network Operator <input 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**

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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, we agree that the Connections Process needs to have a strategic alignment element and that initially this should be / will need to be CP2030, but will need to revert to the (future) SSEP

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)?

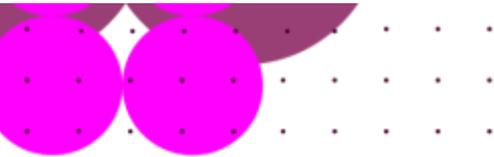
You can find the relevant information in **Section 5 – Our overall preferred connections reform design**

We agree that the future queue should be limited to and prioritised to projects that are both ready and strategically aligned to the Governments Clean Power 2030 Action Plan as per option 2.

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**

While we are understanding of some of the reasons behind the alternative option, we do not believe all "ready" projects should be included in the future reformed queue. There is a significant risk to the alignment with strategic Plans (SSEP) and a risk that the volume of schemes that will reach the reformed queue will be such that the extended connection dates are not improved (the pipeline remains too large and required significant reinforcement). There is a risk that this would derail Connections Reform. There would need to remain a technology element to the process.



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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, we agree that, while the CP30 Plan will give us a pipeline to 2030, this initial connections reform process should consider the 2035 requirements as a second step / phase to allow greater market confidence and provide some potential resilience for the 2030 requirements. The package for 2035 needs to remain strategically aligned.

Implementation Questions

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

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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**

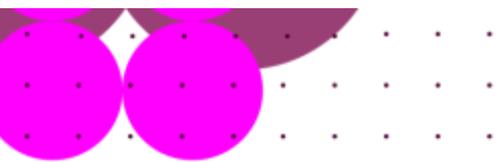
*Generally, we agree that the proposals are aligned to the principles of the Governments CP30 Plan with both Readiness Criteria and Strategic Alignment Criteria being a key element of this.
We have some concerns where options or alternatives are being considered to allow an exemption from these criteria, then this could cause the process to fail.*

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**

Generally, we believe yes, they do.

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?



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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**

It is important that all the processes are documented in a clear and transparent manner for all customers including and especially the embedded small and medium generators, who will not be dealing directly with the NESO. The drafting of the methodologies does not make it clear how embedded customers will be dealt with and this could result in discrimination, either positive or negative.

8. Do you agree with our approach to managing project attrition between 2025-2030, and 2031-2035, whilst ensuring that the SSEP can deliver maximum benefits to GB consumers?

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

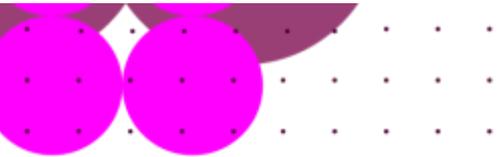
We agree with the principles of managing project attrition as defined, however, we think there may be further options that will potentially improve this. It may be beneficial to consider proposals that encourage projects to accelerate their construction programme by 12-18 months having them as a fallback if anything drops from the earlier tranche. This could be achieved via financial compensation (for down time after energisation) or via flexible connections ahead of their firm date. Attrition at a T level may be better replaced, at least in part, by new schemes at D, which are more likely to be able to be responsive in short time periods. Other, existing, flexible solutions may also be of benefit to “accelerate” 31-35 projects into 25-30 as potential attrition backfill.

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?

While we agree in principle with the methodologies shown, our fundamental issue remains the clarity of how embedded schemes will be treated during this “gate 2 Queue Realignment” process, both for the future gate 2 tranches but more specifically for the existing queue. The document is not clear, but we have been told on several



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occasions that a single GSP Project Progression (PP) will be considered as a single block within the queue reorganisation structure. It is unclear how this approach will be used as a single Project Progression may contain a number of projects, of different technology types and at different levels of development in terms of land rights and planning permission. We need clarity on this proposal, such as

- confirmation that the block will remain in situ in the queue, so long as just one scheme remains (if any of the schemes withdraw),*
- how will planning status be considered across the embedded schemes in that block for the purpose of queue reorganisation and*
- how will partial capacity reallocation be managed within the PP Block should a scheme pull out, while others remain.*

Further we are not clear on the overall benefit of structuring the queue firstly to planning status and then reverting back to original queue position. This seems overly complicated and a mix of two different principles. If the principle is "First Ready First Connected", why revert back to the current "First Applied/Accepted First Connected"? Subject to some further checking that projects wont be overtly discriminated against, we believe Alt 2 is better aligned to the principles of Connections Reform / TMO4+.

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

Yes, we agree, this further strengthens the First Ready, First Connected approach and it will enable customers that have received long connection dates to come forward to connect where they are able to prove they can make their sites ready for an early connection. This also allows available capacity to be utilised to support meeting net zero targets.

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

We can understand and potentially support the concept of Connection Point and Capacity Reservation to manage undersupply against strategic requirements (CP30) and for known designated projects. However, we would have to understand the detail of reservation "at Gate 1" and where in the strategic pathway it is being reserved for – eg is this saying a designated scheme that will only be ready to connect in 2036 will have reservation from 2031-35. Which "window" will the reservation apply to? We need to understand that there will not be detriment to a valid and agile embedded small and medium scale generator, to whom Gate 1 does not apply.

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We have a more fundamental issue with reservation for an “unknown” project which we do not support.

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

We are generally in agreement with the Reallocation Policy agreed in working groups and that is subject to final review ahead of TMO4+ implementation. We would also reference our answer in question 8 regarding attrition.

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). We are generally in agreement with the proposals for Readiness Criteria – Land. We would note however, that minimum acreage has not previously been considered for embedded generation and we would suggest that this needs to be checked / validated for these schemes (the acreage requirements were established within CUSC and may not be appropriate for schemes at lower voltages). We would look to ensure that schemes (especially in the existing queue) are not adversely impacted by needing to secure more land than is required for their scheme

b). We understand the premise to consider an alternative criteria for schemes following the DCO planning consent route, and agree in principle, however, we have some concerns that the trigger of submitting a DCO application will bring such schemes into the Gate 2 process too early in their life cycle, thus reserving capacity and PoC very early and will therefore detriment the more ready schemes going through the land / "standard planning" route. We understand the need for this for some such projects but would like to see the detail of how it will ensure that capacity is reserved for the correct "window" – eg while the queue re-ordering process for 2030 and 2035 should manage this, how will it be applied in future windows? Large DCO projects connecting in the future, shouldn't take capacity from smaller projects not on the DCO route that are looking to connect ahead of them, but will hit readiness later.

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c). We generally agree with the Criteria Evidence and Evidence Assessment, however, we would note that on section 8.2 there is reference to the "+ Application or Modification Application to DNO / Transmission Connected iDNO" and while the document may be important / relevant this may be misleading as the Gate 2 process for small and medium embedded will commence following their acceptance of the DNO (TC iDNO) offer, not the application. We can agree with the initial and detailed checks for the new application process (434) however, we would state that we feel this level of checking for the G2TWQ process (435) will not be viable in the timescales required - due to the volume of schemes to be reviewed and the documentation available for existing (legacy) schemes.

d). We agree with the structure of content outlined in chapter 9, however, the template itself is not provided at this time so comment cannot be made on that.

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?

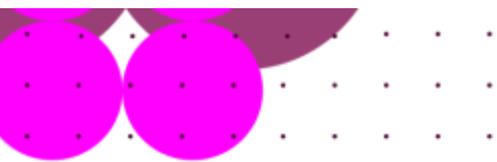
If an alternative planning route to "readiness" criteria is to be permitted in the context raised, i.e. submittal of planning application under the DCO route; then we feel that this SHOULD NOT be extended to other projects (outside of those following the DCO route) as the barrier will be far too low. For small and embedded schemes this milestone (M1) is set at 3 months once scheme is released from TIA and is generally considered a low barrier.

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?

Overall, we have some concerns with the principle of Designated Projects as it introduces an explicit discrimination in the treatment of projects that is at odds with legal and licence obligations. That said, we recognise that there may be situations where different treatment of particular projects, in certain circumstances, may be appropriate, however we would call for greater transparency in the proposed process. We believe that NESO needs to publish its justification for any project being treated as



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a Designated Project. This will ensure fairness and transparency and reduce the perception of any discrimination being applied.

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

We note the ambiguity of the language used in describing the criteria. Paragraph 2.2.1 uses the words "critical" in the descriptions, but this is reduced to "material risk" or "materially reduce" in the descriptions. Whilst the stated expectation is that the Project Designated status in exceptional circumstances, the criteria, since they are undefined could lead to a large number being granted.

It is also unclear whether projects may unduly benefit from the assessment at a point in time. Whilst NESO might make its assessment at the point in time that a project applies for Designated Project status, the prevailing situation may change such that by the time the project actually meets its Gate 2 criteria or by the time it actually proceeds in its build programme it is no longer needed.

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

The process is unclear for embedded projects as to what, if any, role the DNO has in the designated process.

As above, we believe that NESO needs to publish its assessment and rationale for Project Designation decisions.

Additional Questions

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

Our main concern remains throughout, the treatment and methodology for the processing of (Small & Medium) embedded generation and ensuring that it is not treated detrimentally due to the queue reallocation process and specifically looking at DNO Project Progressions as a single entity. We feel that clarity on this is lacking.