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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 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 checked="" 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

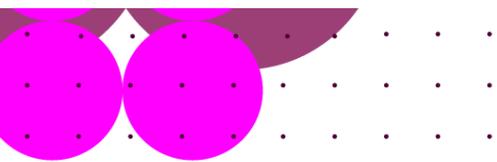
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Section 1 – Policy

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
<p>The addition of the Strategic Alignment Criteria as a requirement to the Readiness Criteria, we believe, gives TMO4+ more “teeth” in being able to tackle the excessive connections queue NESO finds itself with as a result of the unprecedented increase in applications in recent years.</p> <p>By tying the queue to a desired set of capacities across Great Britain, NESO have ensured they are well placed to meaningfully reduce the current queue in a manner that does not negatively impact Britain’s transition to net zero.</p> <p>We do however have some concerns with the alignment as it currently stands. Chief among them is the below:</p> <ul style="list-style-type: none"> • The draft data on the indicative buckets appears to us to have many errors e.g. incorrect tally of projects in the current queue and projects with land secured etc. • Projects that have already secured a known point of connection (i.e. an existing substation or circuit) have a significant advantage over those with a point of connection that is still to be confirmed (i.e. a new GSP) in that projects with a known PoC could have progressed with a formal planning application, whereas those without a known PoC are through no fault of their own prevented from doing so. • As a result of the above, it is possible that projects with a known PoC location will be prioritised unfairly over those that do not despite their ability to progress quickly against all milestone once this uncertainty is resolved.

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
<p>Design 2 appears to us to be the most reasonable of the designs outlined by NESO. We do, however, have the following concerns with its approach and the uncertainties it creates.</p> <ul style="list-style-type: none"> • The decision to use the application date and time in NESO’s assessment of the Gate 2 readiness criteria creates a new queue within the application window. We expect this will lead to a large surge of applications on the first date of the window and welcome any clarity NESO has on the order in



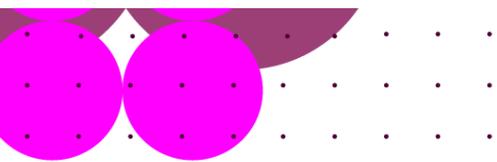
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which simultaneously received applications will be assessed and why this criteria cannot be applied to all applications received in the window. We also have the following questions in relation to the application windows that we do not believe have been answered in the draft documents shared.

- Are readiness criteria dates carried across applications windows if a project is unsuccessful in its initial Gate 2 application?
 - Should projects be prioritised if they have already been assessed for Strategic Alignment (i.e. projects currently in the queue) or does NESO see this as a risk of “clogging” the Gate 1 tranche with zombie projects?
- There are insufficient mechanisms to disincentivise projects speculatively requesting advancement to the 2030 pathway. To secure priority in the 2035 pathway, projects will need to apply to the 2030 path or risk being “leapfrogged” by those that have. We predict that this will lead to an abundance of applications to the 2030 pathway for connections would not be able to connect before 2030 but are concerned with losing their place.
- Design 2’s choice to avoid additional queue re-ordering when the SSEP is published is the strongest argument for its selection as it increases confidence in the positions to be offered following TMO4+’s application to the existing queue. However, it risks the SSEP aligning to the 2035 pathway to avoid additional restructuring rather than that being the best choice for the grid. The SSEP should be leading the queue reforms not trailing them.
- We understand that the CP2030 plans for each transmission zone and DNO licence area have not yet been assessed against the engineering reality of these networks. This may result in significant changes to the CP2030 plan and the amount of generation that can be connected before 2030 within each region. We believe that this assessment should have been carried out to some depth as part of the plan that will be published rather than a step in the process. For example, the current draft CP2030 plan indicates that a huge amount of additional Solar generation will be required in NGED’s South-West region. However, in reality the Distribution network in this area is significantly constrained and no new Solar projects are likely to be able to fund the substantial reinforcement costs that would be triggered on application. The likely consequence of this is that a huge proportion of the capacity allocated to this region will not be able to connect prior to 2030 and it is not reasonable to assume that the neighbouring regions will be able to take on this burden.

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**



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If all projects were to be offered a position in the queue for 2035+ this would be incompatible with the SSEP. The queue as it exists does not align with NESO’s predictions for how Britain’s energy needs should be met and maintaining a list beyond 2035 of projects deemed incompatible with the 2030 and 2035 pathways would not serve to align the queue with Strategic Criteria.

We do not believe that all “ready” projects should be included in the reformed connection queue as it risks propagating the existing oversubscription issue further. However, we would like to highlight that the uncertainty caused by introducing a strategy (i.e. the CP2030 plan) once the queue has already been established may result in a huge reduction in the number of projects that secure the full investment required to build out.

As such, NESO should take steps to provide as much certainty as possible now and work to ensure the CP2030 plan is as accurate as possible (i.e. no mistakes as seen in the draft plans) to rebuild investor confidence and ensure that the “queue” does not see a huge reduction in the number of fully funded project that would prevent the CP2030 from being delivered and society falling short of the generation it requires to meet customer demand.

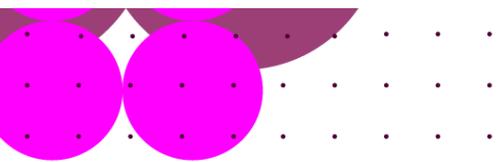
4. 4. Do you agree that the reformed connections queue should initially focus on the 2035 time horizon?

You can find the relevant information in **Section 4 – Key building blocks for aligning connections to strategic energy plans**

We agree with the decision to focus on the 2035 time-horizon. There is a need to provide certainty to projects looking to connect in the near future and waiting on the SSEP to be published before reordering projects connecting post 2030 creates too much uncertainty for those projects.

However, we do feel like 2035 is a bit of an arbitrary number / date that appears to be picked as a round number mid-decade. We would like there to have been some specific reasoning to justify the duration of the plan.

Implementation Questions



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

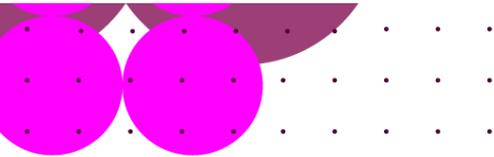
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5. Do NESO's preferred options against each of the variables discussed in the Overview Document best deliver efficient alignment to Government CP30 Plan?
You can find the relevant information in Section 5 - Our overall preferred connections reform design and Section 7 - Further variables and options to align connections reform with strategic energy planning
We believe that overall NESO has chosen the best option for each variable, balancing the need to reduce the queue with the need to provide confidence and certainty to its customers. We feel that at times it has prioritised the latter over the former and that it will need to be clear that the primary focus of these initiatives is to remove excess projects from the queue. Not all of these will be "zombie" projects and some will have been viable projects that simply were not needed at this time or place. We would also encourage NESO to provide an estimation of how many projects it expects to "designate" in accordance with its criteria. Understanding the expected MW capacity of the designated projects will help provide clarity on the size of the capacity buckets NESO is seeking to fill.

6. Do the methodologies deliver our preferred options against each of the variables?
You can find the relevant information in Section 3 - Overview of framework of codes and methodologies for connections reform
Yes the methodologies described deliver NESO's preferred option. We do not, however, believe that NESO is being clear with developers that the primary goal here is queue reduction and that many projects will be negatively impacted by these reforms and may lose their queue position or not be constructed at all.

7. Are there key policy areas that are not covered by our preferred options against each of the variables or that would not be delivered by the methodologies?
You can find the relevant information in Section 5 - Our overall preferred connections reform design and Section 7 - Further variables and options to align connections reform with strategic energy planning
We have not identified any policy areas not covered by the methodologies.

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 agree with the approach however believe the lack of replacement for 2035 path until the SSEP offers a window of uncertainty for developers between implementation and the SSEP. This is minimal as the delay is expected to be only a year but any delay to the SSEP will have a knock on effect on this uncertainty.

A like for like replacement of projects on the 2030 pathway seems the most reasonable solution to us and offers potential for projects to accelerate. Due to the current size of the queue we do not anticipate this will cause an issue with a lack of supply for the 2030 pathway.

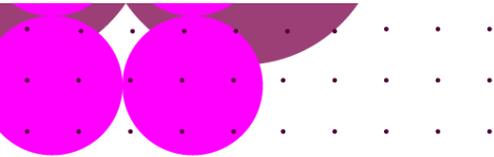
Connections Network Design Methodology

You can find the relevant information in the **Connections Network Design Methodology - Detailed Document**

9. Do you agree with the approach to applying the Gate 2 Readiness Criteria and the Gate 2 Strategic Alignment Criteria to the existing queue and future Gate 2 Tranches?

Yes, as outlined previously we believe this is crucial in meaningfully reforming the connections queue. The prioritisation of planning to projects, however, we feel is obtuse especially when weighed against their existing position in the queue relative to others. For projects with connection dates of 3+ years (which is the majority) there is the possibility that the planning permission granted will have expired before construction. For example, which project would be prioritised for acceleration: a project connecting in 2037 with planning permission or one connecting in 2036 without?

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

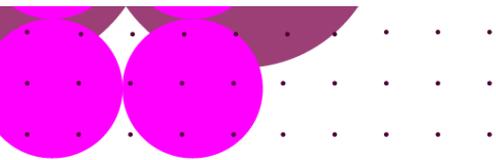


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No, we believe there are several major problems with the way advancement requests will be handled, particularly around disadvantaging projects with an existing connection date of 2031-2035. These projects, if they do not request advancement, risk being "leapfrogged" by projects that do. We encourage NESO to share how they will ensure projects happy with their connection date will not be negatively impacted by those seeking advancement while still offering advancement to those who seek it.

11. Do you agree with the approach to reserving Connection Points and Capacity at Gate 1?
Yes, we recognise the need for NESO to reserve capacity for projects it identifies as necessary or crucial. We would encourage an indication of the MW capacity NESO anticipates reserving for these projects to enable developers and investors to better understand the available capacity.

12. Do you agree with the approaches to reallocating capacity when 2030 pathway projects and 2035 pathway projects exit the queue?
Yes, we believe it suitable and leads to only one years of potential uncertainty before the SSEP is published. As the period before the publication of the SSEP should only contain 2 application windows we do not believe this uncertainty will overly impact projects.



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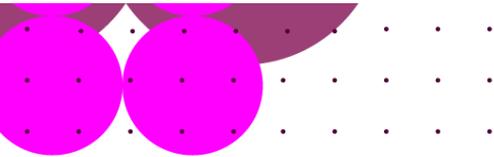


Gate 2 Criteria Methodology

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">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)
<p>a). Yes, we agree that Gate 2 should only be offered to those projects that have secured land rights. This will help reduce the number of speculative applications though it would be interesting to understand how many applications NESO expects to be rejected as a result of these measures.</p> <p>Additionally, the minimum acreage requirements will ensure that only projects capable of constructing their capacity will be offered Gate 2 offers.</p>
<p>b). Yes we do not have an issue with the planning aspect of the readiness criteria.</p>
<p>c). We do not believe that the “Readiness Declaration Letter” is a meaningful evidential requirement. We would also question how NESO proposes to assess if RLB’s overlap? Will the RLB’s be uploaded to a central planning data base and assessed from there or will each application be compared to other applications in a similar area?</p>
<p>d). As above we do not believe that asking a project to “self-declare” is a meaningful deterrent to poor quality applications. We would encourage NESO to share how they believe this will benefit the application process as it appears to us to be an unnecessary step where reputable and disreputable directors will sign a readiness declaration letter alike.</p>

<p>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?</p>
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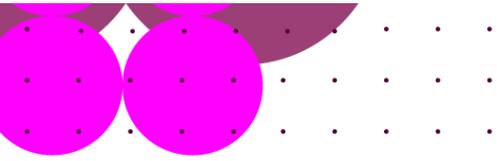


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Yes, we agree with the categories. They appear well balanced between the need to prioritise projects of security or network benefit and appear to offer sufficient flexibility for the addition of new and emerging technologies to Britain's energy mix.

16. Do you agree with the proposed criteria for assessing Designated Projects?
Yes, like the categories the criteria for assessing projects seems reasonable to us

17. Do you agree with the indicative process NESO will follow for designating projects?
We do not believe the current process for designation is suitable for the initial "Gate 2 to Whole Queue" queue assessment, expected in Q1 2025. There does not appear to be sufficient time for projects currently in the queue to apply for designation status before applying for Gate 2 status. For this initial exercise we would encourage NESO to allow projects to apply for both Designation status and a Gate 2 position simultaneously to avoid being disadvantaged by any delay in their designation status decision.



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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)?

Please insert your answer here