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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>Which category best describes your organisation?</b>	<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 checked="" type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other
<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. <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**

*As the Transmission Owner responsible for building and maintaining network infrastructure in England and Wales, we believe that the timely delivery of definitive Connections Reform sits on the critical path to realising the Government's ambition for Clean Power by 2030 (CP2030).*

*It is only by reducing and reordering the connections pipeline, through the combined lenses of both project readiness and strategic need, that we will be able to determine the full extent of the works required to achieve our clean energy targets.*

*Doing this will not only offer our customers greater clarity on their connection locations and project timescales, it will also unlock the full potential of our RIIO-T3 business plan, providing us with the assurance we need to invest strategically in our network, delivering efficient and economical solutions for end consumers ahead of need.*

*We have long called for a stronger link between allocation of network capacity and strategic energy policy, including in our response to the summer 2024 Connections Reform code modification consultations: <https://www.nationalgrid.com/electricity-transmission/document/156191/download>. We are therefore pleased that NESO have incorporated this into their package of proposals for Connections Reform.*

*Whilst the Clean Power 2030 Action Plan presents a credible route to articulate that strategic policy need in the short-to-medium term, it must be recognised that more work is needed ahead of go-live to articulate this direction into tangible network design and project outcomes through TMO4+, outcomes which are also compatible with the direction of our own network investment. Additionally, strong regulatory governance will be needed to guide the transition from one strategic energy policy direction to the next (as explored later on in our response), ensuring that network companies and future Users/investors are not subject to any undue uncertainty.*

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**

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*Aligning with our answer above for Q1, we believe it important that the newly reformed contracted background should not immediately include projects that have uncertainty about their future progression under the strategic need lens (e.g. CP2030).*

*Whilst we appreciate this will present some uncertainty for existing applicants through the 'Gate 2 to whole queue' process, and may in specific circumstances even lead to a re-evaluation of some of our own network investment, we believe that the oversaturation of the existing contracted pipeline and the risk it presents to economic and efficient network investment and positive end consumer outcomes justifies such an approach.*

*The alternative is that the commercial arrangements continue to reflect the status quo, which has publicly cited by most industry stakeholders as being defective and is the driver for NESO to justify the package of Reform proposals. Not least the uncertainty an inflated contracted background represents for the network companies seeking to make informed and future-proofed investment choices.*

*We also support the exclusion from scope of projects already under construction and due to commission in 2026 or earlier.*

3. Do you think all 'ready' projects should be included in the reformed connections queue (overall design 3)? If so, how would you propose that we mitigate risks to consumers or developers of material misalignment to the SSEP?

You can find the relevant information in **Section 6 – Assessment of alternative design for connections reform**

No – see above.

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 that this time horizon is appropriate for the implementation phase of TMO4+ and the supporting arrangements. It is important though that a comprehensive long-term strategy is established so that network companies and investors have a clear vision of the future.*

*We are wary that whilst the CP2030 report marks a positive attempt to coordinate future energy planning, the CNDM does not provide sufficient comfort that the future SSEP or the tCSNP2 refresh will offer conclusions that are consistent with its findings. This lack of clarity opens the possibility that we would have to revisit investments, presenting a significant delivery risk to the network companies whilst also introducing uncertainty to investors.*

*We believe that NESO should put formal governance in place to outline the process for the transition to a longer-term strategic plan, stating with clarity that the future SSEP will be*

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*grounded in the same pathway as CP2030. The tCSNP2 refresh should also be timed to make sure that the outputs of connections reform are baked in, thus ensuring that we are not designing a post-2030 network before the pre-2030 works are known.*

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### Implementation Questions

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

5. Do NESO's preferred options against each of the variables discussed in the Overview Document best deliver efficient alignment to Government CP2030 Plan?
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><i>Ultimately ahead of further publication of a clear government direction on the CP2030 plan we cannot be too definitive in answering this question. Nevertheless, we believe the NESO's proposals represent an efficient route to deliver the intent of the currently known direction of CP2030 (and/or wider strategic energy policy) that are aligned to the proposals for Connections Reform.</i></p> <p><i>In respect of the specific variables where we have differing views to NESO:</i></p> <p><b>The treatment of Demand</b> – whether related to CP2030 or not – needs careful consideration to avoid an oversaturation that could cause a negative impact on connection timescales for generation customers. The Government's finalised CP2030 plan should consider both demand and generation in conjunction across its full scope, which could then be accounted for in Gate 2 criteria. This would ensure that customers are treated fairly and, where they do provide a wider societal, economic or network benefit, could be considered via the project designation route.</p> <p>We believe that further work is needed to ensure <b>optimal use of the network</b>. We have already made proposals to CDB and CPAG to re-assessing the capacity thresholds that dictate whether a transmission impact assessment is required for a downstream embedded connection. We would appreciate NESO support to progress this work swiftly in 2025. We also see the merit in developing non-binding best practice guidance for developers to understand their options (e.g. transmission vs distribution) for an optimum electricity connection application based on their likely project capacity requirements. We are aware that both these initiatives are likely to be informed by the direction of CP2030.</p>

6. Do the methodologies deliver our preferred options against each of the variables?
You can find the relevant information in <b>Section 3 – Overview of framework of codes and methodologies for connections reform</b>
<p><i>As with our response to Q5, it is difficult to be too definitive in answering the question ahead of implementation.</i></p> <p><i>As things stand, we believe the NESO's proposals represent a comprehensive package of policy reforms to address the direction of the Connection Action Plan, and the stated aims of the</i></p>

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*variables identified in the consultation. We have flagged specific areas of improvement elsewhere in our consultation response, and anticipate others will be raised by industry, and these should be addressed by NESO ahead of submission to Ofgem.*

*It is important that the NESO works collaboratively with the network companies to monitor that the proposed arrangements (codes and methodologies) deliver against their stated policy objectives. Where any divergence or operational issues arise, we should be permitted to act swiftly and transparently to take the necessary action to evolve them, with the support of industry and in accordance with any future licence requirements.*

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**

**CNDM needs to interact fully with the SQSS process and provide transparency for customers.**

*Transmission works specified as outputs to maintain network security should be given appropriate consideration and visibility in conjunction with CNDM and must be provided by the NESO to customers on the required works to enable their connections – alongside those for a compliant network. We believe these works should either be mentioned in customer contracts, or another route provided for customers to be aware and understand the network requirements.*

**Development of clear robust governance arrangements to support project designation and associated bay reservation is needed.**

*To effectively deliver the aims of the project designation methodology, there needs to be robust supporting governance and guidance, particularly in relation to allocation of substation bays with the TOs. Whilst we agree that scope of the designation proposals is reasonable, there is a need to balance delivering connections in a timely manner whilst also providing flexibility to adapt to the rapidly changing market in which we operate. As we highlight later in our response, TOs charged with connecting relevant projects need clear guidance to aid the coordination of works for new technology types where necessary, as well as proactive conversations regarding the potential of reserving bays at our substations – e.g. confirming this action is economic and efficient use of network assets for end consumers.*

**Governance is required to outline CP2030's interaction with future energy plans.**

*We have expressed previously our ambition to build more ahead of specific customer need to enable the efficient connection of customers. We understand that our current view of the future network may change post CP2030/Connections Reform implementation, due to clearer guidance from Government and changes to customer's investment decisions as a result. We ask Ofgem to consider the need for a more flexible approach to delivering the required network*

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*infrastructure to enable customer connections and reflect this within their RIIO-T3 determinations.*

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**

*As already mentioned, we remain wary over the proposed transition to SSEP and the uncertainty it could represent at this stage. Whilst the CP2030 report marks a positive attempt to coordinate future energy planning, the CNDM does not provide sufficient comfort that the future SSEP or the tCSNP2 refresh will offer conclusions that are consistent with its findings. This lack of clarity opens the possibility that we might have to revisit our transmission works investments, presenting a significant delivery risk. Should this scenario play out, it would also seem at odds to the NESO's default stance on project attrition through to 2035.*

*As discussed elsewhere in our response, we believe robust direction and governance is needed to drive the transition to a longer-term strategic plan, giving certainty to all industry stakeholders that the eventual SSEP publication will evolve or derive from the scenarios at the heart of CP2030. In the context of this scenario playing out, we can consequently understand the NESO's default stance (as per the consultation document) on managing project attrition.*

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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?

*As per our earlier responses, we agree with the approach of applying the Gate 2 Readiness Criteria to the existing contracted background. We also agree with the proposed categories for sorting projects. In order to avoid smaller projects being unduly discriminated against, Phase 2 should remain in the existing relative queue order.*

*Our preferred option for reforming the connections queue is to use the proposed "Alternative 1 – Current Queue Order" approach. We believe that Alternative 2 introduces added complexity that will result in significant delays for some customer's connection dates.*

*We also believe that the revised national GB queue should be published following the outcome of the alignment to CP2030, i.e. which projects are 'in or out' in the context of Gate 2 compliance plus whether they are in the 2030 or 2035 pathways (assuming there are no data confidentiality challenges). This will allow NESO and network owners to signal where undersupply against the 2030 and 2035 pathways exists, and for developers to better consider opportunities to compete for capacity where available in a more informed and strategic manner. This should form an enduring process for future Gate 2 Application Windows.*

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

*Where reasonable, and where customers have meet Gate 2 Readiness Criteria, we agree with the NESO's proposed approach for managing advancement requests.*

*Users should be permitted to request a re-offer with an earlier original connections date providing:*

- (i) they can demonstrate the ability to meet their new connection date should TOs be able to facilitate the request (as part of the Gate 2 evidence submission),*
- (ii) (ii) they are informed of the consequences of not accepting the reoffer with the earlier connection date, and*
- (iii) (iii) the terms of their existing connection offer are maintained, i.e. single stage of firm capacity at the same location point*

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

*We agree with the concept of reserving Connection Point and Capacity at Gate 1, under limited circumstances (e.g. for certain technology types). We also agree with the concept of reserving to address undersupply against the CP2030 pathways, providing this cannot be fulfilled via acceleration of Users from the CP2030 pathway through to 2035 or through*



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*acceleration of Users under non-firm arrangements (i.e. a User is needed in the 2030 pathway but cannot connect due to transmission constraints).*

*Given the direct impact on TO process, reserving capacity for undersupply and management of attrition/substitution in reference to the CP2030 direction needs clear definition, with transparent and supporting governance. We believe that specific, objective requirements must be identified and communicated by NESO in relation to this process, with potential applicants clearly articulating how they satisfy these requirements to justify such an approach being taken.*

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

*Where circumstances require reallocation of allocated capacity, we agree with the approach proposed in Section 7.16.3 and that it should apply for both 2030 and 2035 pathway projects.*

*However, we have specific concerns regarding the use of the term "slightly greater capacity" in relation to 7.16.4 (c), and would ask that 7.16.3 (a) should be written as if a User is of the "same technology or less" (i.e. has a reduced impact on the NETS from a fault level injection point of view or a lower dispatch of MW from a CPA perspective).*

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### 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)

*Yes – we agree that projects seeking to apply for firm capacity/queue position at Gate 2 must be required to demonstrate binding rights to proceed. Whilst we are wary there are sometimes logistical frustrations for developers attempting to obtain land rights in a timely manner, this criterion satisfies not only project viability concerns but also interacts neatly with the project red-line boundary requirements – providing further confidence for the TOs through CNDM process.*

*We believe the additional ‘system need’ Gate 2 criteria mitigates to some extent the potential ‘rush for land’ concern we flagged in our previous TMO4+ consultation response. Nevertheless, the reliance on evidencing land rights for readiness must be kept under review to ensure prudent and reasonable developer actions and avoid the network companies being forced to rely on ‘compulsory purchase’ arrangements to develop our networks.*

*In the short-term, we are satisfied that land rights is an appropriate bench-mark to establish TMO4+ in a more formal and definitive manner. Ultimately, this criterion will be secondary in terms of impact to the system need criteria.*

*We agree with this inclusion in the Gate 2 criteria, and as highlighted later in our response, also agree this route is appropriate for DCO-linked projects only for now.*

*We are sympathetic with those non-DCO project developers who have flagged their ability to demonstrate progression of planning submissions ahead of their ability to secure land rights. During the CMP434 workgroup, we additionally flagged potential market-oriented criteria which might also present suitable demonstration of project progression, e.g. evidence of project funding, evidence of route to market, evidence of supply chain.*

*We believe this particular element of the proposals should be kept under review and once there is operational confidence in the TMO4+ arrangements, further consideration given to extending the scope of this criteria or alternative options.*

*We believe that the proposed Gate 2 evidence assessment process is sufficient, but that 100% of checks should always be the ambition of the NESO (regardless of the ‘reasonable endeavours’ inclusion) – at least until such time as there is clear operational evidence and/or industry confidence in the new TMO4+ processes.*

*We do accept that this presents an administrative burden for NESO, but the consequences of failed passive enforcement on this matter are significant considering the connection*

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*arrangements are now directly linked to delivering CP2030 outcomes. Projects being permitted to improperly have network capacity/queue position allocated to them by 'slipping through the net' in this context now seems even more inappropriate than that situation in the existing baseline arrangements.*

*The proposed self-declaration templates seem appropriate from a TO perspective.*

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?

*Initially yes. As mentioned above, given TMO4+ processes have not yet been tested operationally (from the perspective of all relevant parties), it is unclear to us whether there are any unforeseen challenges or consequences of opening the alternative route more widely.*

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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?

*The categories for designated projects identified are sensible and align with well-understood regulatory drivers to support the network licensees' role to support system security/stability.*

*We do however believe more explicit categorisation could be made (by way of future-proofing the methodology) for projects specifically supporting a wider socio-economic benefit. Whilst this might be a more subjective consideration compared to those that can support with system needs, we believe there could be a route for DESNZ, Ofgem, and/or NESO to be able to designate projects needing connections to the electricity system which deliver a broader regulatory or non-energy linked policy direction and need support.*

*This additional consideration could be for projects that have a demonstrably positive community impact, e.g. community energy projects, or support wider government policy aims such as national security and critical infrastructure.*

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

*We believe the proposed criteria are somewhat vague without clearer understanding of the decision-making processes the NESO is likely to undertake to reach their conclusions.*

*We would anticipate that most designation decisions should be data-led, so reference to specific sources of information (ideally in the public domain) to enable the criteria to be understood would aid transparency. Where projects are to be designated as 'critical' for security of supply or system operability for example, we would expect a very robust and well-justified process to need to be undertaken by the NESO.*

*Regarding the criteria for 'D' (New technologies and/or highly innovative) there seems to be a lack of consideration of the whether 'highly innovative' technologies are sufficiently understood from a system security/operability perspective – either by the NESO or in collaboration with the relevant network operator. It would seem appropriate that designation in such circumstances can only be granted once such concerns are mitigated – either through changes to the code frameworks or via specific intervention in collaboration with Ofgem/DESNZ (e.g. to apply necessary operability and regulatory safeguards).*

*As per our response to Q17 below, we are wary that where the wording of the criteria refers only to a NESO assessment. Whilst we understand designation is ultimately a NESO decision, there doesn't appear to be reference to a corresponding process or obligation to consult with the relevant network operator to verify the NESO's assessment. We are still awaiting legal*

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*drafting to evolve the existing bay reservation processes in the STC Procedures, which presumably are needed to facilitate designation. We hope/expect to see such definition added there, but links within the designation methodology would provide us further reassurance.*

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

*From a NESO-to-customer perspective, the processes put forward are logical. We agree that those projects seeking designation should be subject to additional information/data requirements to justify their designated status, particularly the nature in which their connection can satisfy the published criteria ahead of application.*

*As mentioned above in Q16, whilst we are satisfied that the NESO retains the ultimate right to designate a project under this methodology, we believe the document lacks clear steps for the NESO to pre-emptively consult or inform the relevant network owner (either TO or DNO) prior to confirming project designation.*

*There will be many scenarios where the insight of the relevant network owner will better support the understanding of the NESO to grant designation to applicants, particularly related to system stability and security which we are also obligated to consider under licence and code obligations too. For example, the interaction with provision of networks-led solutions ('Transmission Services'), which may be better deployed from either a cost or efficiency perspective compared to a designated User connection, could be better explained in the methodology document.*

*Finally, close collaboration between NESO and relevant network owners ahead of designating long-lead time projects or innovative technology schemes would improve overall efficiency for customers. For example, network companies may be required to undertake specific action ahead of receiving a Gate 1 or Gate 2 application from such projects which might be challenging to consider post-Clock Start (i.e. under licenced offer timescales) – this could include recalibration of longer term network investment or supply chain strategies, or adapting network design processes to accommodate new technologies (potentially needing SQSS changes), respectively.*

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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 provided a supporting Executive Summary which summarises our key areas of feedback on the package of Connections Reform proposals – in relation to questions in this consultation as well as points beyond.*