

Public

# 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>Organisation</b>	Renewco Power Ltd
<b>Email Address</b>	
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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 checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector <input checked="" 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
<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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### Summary of key points:

- Renewco Power agrees with the issue that NESO are seeking to solve and the process should move forward in the planned timescales. However a huge amount of policy thinking has been included in this consultation (including CP2030) and some of the fundamentals have not been transparent, so we feel there should ongoing improvement to the process/ framework going forward. Also, as a principle, we encourage NESO to avoid restricting capacities of renewable generation or storage where it can be delivered by 2030.
- NESO should carefully consider the risk of Judicial Review challenge to this process and the updated queue order.
- Renewco Power believes that any project with a CfD, CM or evidenced PPA contract or a project having taken FID should be protected to avoid damaging investor sentiment. Projects that are unlikely to be in the queue to connect before 2030 should be able to request their period of connection (ie. 2030-2035 rather than 2035 onwards) and have constructive upfront engagement with NESO.
- Renewco Power believes that all projects, regardless of DCO planning status, should be held to the same standards throughout. Planning applications should be submitted and Land options evidenced to pass Gate 2.
- This updated process relies on effective queue management. Renewco Power encourages NESO to strongly implement queue management as intended.
- Renewco Power believes a Designation associated with 'Clustering', or inclusion with the Designation to alleviate network constraints should apply to renewable projects that minimise the amount of reinforcement and connection works required through project design.
- During the implementation of Connections Reform, NESO has an opportunity to increase capacities and capabilities to be able to improve coordination of connections, and scrutiny of network owner designs, to achieve the most economic and efficient development of the power system possible during this period of rapid expansion.

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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**

*Renewco Power strongly agrees that CP2030 is unlikely to be achieved under the current connections process, and that reform is required.*

*We agree with the broad renewable targets in CP2030, however have concerns about the methodology and transparency by which flexibility/dispatchable generation and Zonal capacities have been reached. We are concerned that CP2030 and the Zonal capacities are the starting point by which Connections Reform will be implemented, however was not consulted on, nor was it subject to serious challenge by academics or industry. Whilst it is advice to Government, and Ofgem will no doubt provide views, neither organisation is likely to have the time or likely internal expertise to fully scrutinise this advice– we call on this to be assessed by independent analysts, ideally both economic and technical experts.*

*[As an existing example, we note that a relatively simple matter of the level of capacity required to be procured under the Capacity Market is subject to an annual process of detailed analysis by NESO, scrutiny by a Panel of Technical Experts (academic and industry based) and then approval by Government with advice provided by Ofgem.]*

*Through interpretation, the zonal setting of capacities appears to reflect the existing queue plus some element of boundary capacities. It is essential that the plan for 2030 is also aligned to development potential so is fully deliverable and also leads to a robust operational power system. We question the need for the zonal setting of fixed capacities for generation or storage where the network is less limited. This should also have the effect of reducing constraints (a key pillar of the ambition of REMA), and may reduce the need for seismic market change as we approach 2030.*

*Given the time available, we propose that the initial CP2030 spatial plan should be used for the Connections Queue activities due to be taken place in 2025, with further data and explanation of methodology published, however an annual update of this plan should be published seeking continuous improvement and reference to connection progression and remaining requirements.*

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)?

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

*We agree that the queue to 2030 should be limited to ready and needed projects and strict adherence to milestones, however as set out above, we have reservations regarding the CP2030 plan, and propose it to be improved going forward.*

*In the Gate 2 to Whole Queue process up to 2030, there is a danger of restricting the investment in significant amounts of valuable flexibility in the core of the network which may lead to higher costs for consumers.*

*In the determination of Phase 1 and Phase 2 projects, due to the nature of Judicial Reviews (which we understand NESO would now be subject to), there is a risk that any challenge could result in a full unravelling of the reallocated Queue and significant delay and upheaval to the 2030 delivery programme across industry. In order to avoid this, it is essential to build in a period and process for appeal before moving forward to the next stage. We would propose a process similar to that used by LCCC in allocating CfDs.*

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**

*It is essential to avoid damaging investor sentiment and slowing down projects in the final stages of delivery. We therefore suggest that any project that has taken FID or any project with route to market secured, either through a CfD or CM contract, or through a Private PPA (with evidence) should be outside of this process/ built into the starting assumptions.*

*We note that repowering projects should be considered no different to new generation due to the need for full new planning consents, and in general an inability to repurpose much of the construction (eg. wind turbine foundations are very unlikely to be repurposed for larger turbines).*

*Following the queue reordering process, regardless of how projects have secured their new connection dates and milestones, they should all be treated equally and queue management should be strictly monitored and enforced to avoid any project that has secured capacity then avoiding or delaying delivery, hence blocking others from connecting.*

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**

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*It is sensible to focus on both 2030 and 2035. The focus on 2030 should be on deliverable projects and getting them onto the system, and strategically reducing the utilisation of gas generation in an efficient and coordinated manner whilst minimising constraints. A proactive approach to managing attrition will be required to allow developers with a chance to move up in the queue the time required to achieve relevant information. The focus to 2035 and indeed beyond to 2040, should be to reduce the role of NESO in setting connection queues in Zones by taking action to provide appropriate investment signals and queue controls so that the right levels of generation and flexibility (including storage) are delivered where they are required in the system.*

### Implementation Questions

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

5. Do NESO's preferred options against each of the variables discussed in the Overview Document best deliver efficient alignment to Government CP30 Plan?

You can find the relevant information in **Section 5 – Our overall preferred connections reform design** and **Section 7 – Further variables and options to align connections reform with strategic energy planning**

*NESO should be focused on facilitating delivery and ensuring efficiency of the huge volume of connections.*

*NESO should only take judgements of the quality of projects or likelihood of delivery based on the information available to it and should not prejudice for any reason other than evidence of lack of progression.*

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**

*Unclear*

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 suggest that three key areas efficient connections plus how NESO will increase capability to manage this process have not been sufficiently covered.*

#### **Economic and Efficient Connections through technical solutions and coordination:**

*Connection bays at 400kV, 275kV and even possibly 132kV should be treated with the highest regard for value and should not be given out to single generation connections less than is*

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*efficient to connect to an EHV bay. Clustering/ pooling initiatives at lower voltages should be standardised where NESO expects large levels of connection to 2035 based on the spatial plans. As a proposed solution, due consideration should be given to systematic 132kV connection pooling substations to the transmission network (particularly relevant in E&W), delivered by the TO<sup>1</sup>. By utilising one or if greater resilience is required, two, EHV bays, a number of technologies (particularly renewable and storage) could be connected to a 132kV pooling substation of much greater capacity than would be possible to two independent EHV bays, with much greater utilisation. When considered across the whole network, this has the potential to have a significant improvement in efficiency in the use of substation equipment as well as the transformer supply chain and substation construction resources available. Additionally, the systematic reuse of existing bays in the 2030s that are currently utilised by fossil fuel generation should be considered.*

*Further, while code modifications have been raised to address, we do not think due strategic consideration is being given by NESO to the reduced impact, even reducing impact that storage can have on network capacity and ability for additional renewable generation to connect. We suggest this exercise is an opportunity to do so to reduce wider and potentially local works associated with connecting storage, and apply reasonable technical and operational restrictions if required.*

*We suggest that following the Gate 2 to Whole Queue process, NESO proactively takes initiatives forward to improve the efficiency of connections and minimise the level of EHV construction required.*

### **NESO capability:**

*We would like to highlight the ongoing issues with how connection applications are assessed and processed, therefore the likely ongoing issues that will be faced in getting to CP2030 and beyond if these are not resolved. We propose that NESO should increase technical and commercial skills directly dealing with connection applications, to manage inevitable complex high value engineering and contractual challenges.*

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**

*It should be considered that projects may not be able to respond quickly enough if there is attrition and they have the opportunity to advance in the queue for 2030 delivery, particularly large renewable projects such as onshore wind, and therefore there may be undersupply to 2030.*

<sup>1</sup> Recognising that Ofgem would need to allow TOs to build 132kV transmission assets for this purpose

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*However, we agree that on balance it is appropriate to not include upfront attrition allowance in the interest of giving a fair signal to all projects not currently deemed as 'Needed'.*

### 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?

*We broadly agree. However as set out above this should consider the possible gaps in readiness that projects may have and prioritising those that are truly ready.  
As set out above, we suggest that any project that has taken FID or any project with route to market secured, either through a CfD or CM contract, or through a Private PPA (with evidence) should be outside of this process/ build into the starting assumptions. Construction milestones should be monitored closely with strong action taken for slow delivery.*

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

*We agree and welcome the firming up of the Readiness Declaration Letter Template with Advancement request and preferred POC in the final version of these Connection Reform documents post consultation. It is important to consider that projects may wish to request 2030–35 rather than just earliest possible, so we welcome the suggestion to be able to negotiate a lesser advancement than offered. NESO may be able to save some iteration by utilising this data upfront rather than waiting for the negotiation.  
Where projects are applying for early advancement, suggest there could be stricter criteria (ie. already achieved planning consent) to justify their advancement against other projects that may also be able to accelerate progression.*

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

*We agree that where projects have (initially) secured land and are moving projects forwards with best endeavours they should be able to have the security of a connection point and capacity. However, as we understand has been proposed by NESO, if other projects demonstrate faster progress and meet Gate 2 criteria sooner they should be able to move ahead in the Queue.*

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

*We agree in principle but transparency around this process is essential to maintain trust and investor confidence. NESO should take a leading role in reallocation rather than deferring to TOs.*



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*We also suggest (as set out above) that CP2030 should be updated each year based on what being delivered and still needed, and the reallocation should be conducted on that basis. It is important to allow deliverable projects to move forward and ahead of slower projects, however consideration should be given to fair and effective approaches to avoid full Termination of projects that fall behind on milestones but remain feasible. As opposed to demoting these projects back to Phase 1, a temporary 'Holding' position may be appropriate.*

### 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 agree. Caution should be given that the 'land secure' criteria is robust.

b) We suggest that all projects should be treated the same regardless of DCO status- every project should have submitted (and have verified) their planning applications in order to progress through Gate 2.

P29 cut off some text.

c) Agree no comment

d) Agree no comment

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?

*We believe all projects should be treated the same regardless of DCO status.*

### 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?

*Broadly we agree, however:*

- *Security of Supply, as per requirement for adequacy based on 3 hours LoL expectation, should just be aligned with CM- so projects that receive new build T-4 contracts should be secured for connection in the relevant year unless they do not meet Gate 2 Criteria or do not maintain their milestones (projects with longer lead times not yet with CM contracts should be able to prove readiness for meeting Auction PreQual Criteria). Referring to 3.2.5- Should read 'Dispatchable generation or Storage would be prioritised on derated capacity'. NESO within rights to downgrade SoS credentials if a project is*



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*likely to be behind an enduring constraint (eg. B4) and therefore unlikely to support the system when required- but this needs to be transparent when taking this assessment. Agree that colocated projects should be able to be considered but suggest this should be again aligned with CM.*

- *Critical to system operation- Agree in principle. Ramping/ response speeds should be considered where relevant and if this leads to project prioritisation, this needs to be transparent (what was the specific requirement and why was Project A better placed to provide it than Project B).*
- *Reducing system/network constraints- where considering storage as a solution to constraints, the average duration of constraints vs duration of storage should be considered and if this leads to project prioritisation, this needs to be transparent (what was the specific requirement and why was Project A better placed to provide it than Project B). Where renewable generation projects that would otherwise be increasing constraints are taking measures to minimise their impact, these should be considered.*
- *New technologies- There may be some projects that meet this criteria but also meet the system operation or constraints criteria (eg. synchronously connected long duration storage technologies). Where relevant this could warrant higher levels of prioritisation of connection. Where renewable generation projects is proactively taking measures to support the system through collocating new technologies, these should be considered although it may not always be appropriate to prioritise.*

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

See 15

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

*Agree. Non designated parties should be able to reapply if they make changes to their projects.*

## Additional Questions

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

**Ongoing queue management-** *We are concerned that these initiatives will only be successful with robust queue management including scrutiny and enforcement against the milestones, and imposition of securities throughout the delivery of a project including the construction phase. We have observed that, despite NESOs publicised intentions over recent years, this process is still failing to remove projects that are slow to connect. NESO needs to be sufficiently resourced in order to manage these challenges and should be seen as a fundamental element of Connections Reform.*

**Further NESO initiatives required:** *This process and framework is focused on cutting down the 'in progress' queue and enabling deliverable projects to move forward. We agree that this is*

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*an essential component of NESOs role. However, we note that another foundational component of NESOs role, particularly relevant to connections, is to ensure the network is designed in the most coordinated, economic and efficient manner. This has not been referred to in these documents. We have referred to considerations in this regard throughout our response but we propose that, in order to reduce economic, supply chain, industry resource impacts, plus to safeguard positive investor and public sentiment towards rapid power system decarbonisation, NESO should prioritise a workstream to consider and improve how they will:*

- Coordinate the connection of different energy sources at substations*
- Oversee and scrutinise the TOs in connection design to minimise required works*
- Consider any updates required to the SQSS and other planning standards to reduce required works and improve utilisation of energy resources once connected.*