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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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Organisation	Northland Power UK Limited, Spiorad na Mara Limited & Havbredey Limited
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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 checked="" 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

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	<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**

We agree that the principle of aligning the connection process with the Government’s CP2030 Plan will be beneficial in maximising the probability of meeting 2030 targets.

At the same time, it’s obviously important that the design of the new connection process does not introduce unintended consequences which may counteract the benefits of this alignment. Additionally, the new connection process and accompanying methodologies should be governed in a manner that allows incremental improvement proposals from all stakeholders to be considered. All with the objective of facilitating the continuous improvement that shall be required as these substantive changes are road-tested.

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 do believe that design option 2 strikes the right balance, however, this is subject to the final finer detail of option 2 being optimised – both via this consultation process and via a continuous improvement process once the final design becomes operational. This continuous improvement process should be open to all stakeholders.

We are concerned about the limited timescales for industry engagement in this process and other NESO and government processes, which do not allow enough dialogue given the magnitude of the changes, the importance of achieving net zero and the potential conflict between simultaneously proposed reforms (e.g. more locational signals yet also more central planning).

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?

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

We are generally in agreement that not all ‘ready’ projects should be in the queue if certain projects will not be required to meet 2030 / 2035 targets, but also please see our response to question 4 which identifies a requirement for flexibility in relation (i) no regrets post 2035 queue positions and (ii) treatment of TEC phasing across 2030 and 2035 queue boundaries.

Additionally, and fundamentally, it important that there is transparency on the process followed by NESO in recommending technology specific regional caps. It is these technology specific regional caps that shall ultimately determine how many projects are eligible to join the connection queue. We welcome industry involvement and challenge in finalising how regional caps are determined.

Failure to introduce a robust and transparent process introduces risks that projects, who may have already committed significant devex (and in the case of offshore wind, may have been awarded a seabed site competitively), being almost arbitrarily / or at least unfairly evicted from the connection queue. Of particular interest here would be how any national targets are turned into regional caps, including the associated justification for the approach.

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**

The time horizon should definitely go beyond 2030, and 2035 seems like it provides a sensible additional marker within the pipeline for most stakeholders. However, we don’t believe 2035 should be a hard stop; there needs to be visibility of the need for new generation capacity after 2035. This is particularly needed to keep developing projects which take a long time (e.g. floating offshore wind), and for the energy system of the future to have cope with increased electrification/demand, retirement of older capacity and other forecasts.

We are concerned that projects will face untenable levels of uncertainty and risk if NESO and other authorities continue casting doubt on the need and appetite for projects that would come onstream between 2030-2035 or post-2035.

There are likely to be instances whereby it is apparent - or will become apparent long before SSEP is published - that the NESO will be able to make no regrets decisions (in some regions and/or technologies) that would sensibly allow some projects to join a post 2035 connection queue.

Furthermore, there is a risk that some projects whose TEC phasing over several construction years (e.g. offshore wind) straddles the 2030 / 2035 queue boundaries will find their projects truncated – likely leading to delay to delivery of 100% of their capacity and likely endangering

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the whole of those projects and making it harder to achieve the government's 2030 and 2035 targets.

In this instance, we strongly believe that 100% of a project should be categorised as a 'Pathway 2030' or 'Pathway 2035' project where 20% or more of the project capacity is within 2030 or within 2035 respectively. In essence, 100% of a party's TEC should qualify for the earlier side of these boundaries where their TEC ramp up starts on the earlier side of these boundaries.

Please do get in touch with us to discuss the TEC phasing issue if you have any questions and to let us know your views on this point. Both our offshore wind projects (Spiorad na Mara and Havbredey) have construction in phases across 2030-31 and 2035-36 and seems likely that other offshore wind projects will be affected too.

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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 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 are generally in agreement with the chosen option for each variable, but would add the following refinement/comment:

Approach to Oversupply – see our answer to Q4, regarding post 2035 no regrets projects and treatment of TEC phasing across 2030 and 2035 boundaries.

Approach to Undersupply – on substitution we don't believe, in all cases, that it would need to be from an adjacent zone, we think the criteria should be expanded to include "... or from other zones whereby such substitution does not have a significant impact on the transmission system or its users" or similar.

Approach to Project Attrition – we believe there may be instances whereby there could be no regrets replacement of 2035 pathway projects. There may be replacement projects which would align with all credible SSEP outcomes, even if the final SSEP has not been published. We would also note that the FES24 targets and caps were acceptable as a basis for reforming the queue in mid 2025 therefore it also seems reasonable that we continue to use the same FES24 as a basis for assessing a replacement candidate – relying on FES24 to judge a replacement would only be for a modest period of 18 months until SSEP1 is due (end 2026) in any case. Having gaps in the pipeline that are not replaced would be a bigger problem, so replacements should be allowed.

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 believe it is too difficult to gain confidence, in the time available under this consultation, that the Methodologies deliver the preferred options against each of the variables.

We think it important to road-test the Methodologies (once refined through consultation) to assess their fitness for purpose.

Given the significance of the changes we'd expect a significant level of refinement being required when the changes become operational. We believe industry should be fully involved

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with this refinement process and that the Methodologies should be codified in the CUSC. Notwithstanding the above, we have identified potential refinements in the answers to other questions, including Q4, Q5 ...

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**

Not that we've identified at this time, but see our response to Q6 regarding insufficient time and the need for further consultation.

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**

Yes for the approach between 2025–2030. As per our answer to Q5, we believe there may be instances whereby there could be no regrets replacement of 2035 pathway projects, if using FES24 targets/caps is deemed ok to reform the queue in mid 2025 then it seems reasonable that we continue to replace projects to meet these targets for a modest 18 months until SSEP1 is due (end 2026).

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?

Generally yes, but subject to earlier responses on road-testing and Industry involvement with continuous improvement of the Methodologies post implementation. Our general agreement is also subject to the refinements we have suggested in other responses.

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

Generally yes, but we note that there is a potential risk of gaming with NESO's preferred design option. We note that there is the potential for a party to seek advancement (who may know advancement is not deliverable from a NESO perspective), fail to be advanced and then end up at the front of the 2035 pathways part of the queue. This may place such projects much further up the 2031–2035 queue than where they first started (e.g. projects 11 & 14 in figure 8 of

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the design methodology). NESO need to consider how to tackle this risk, but one simple option might be that all projects in the 2031-2035 are all always in original queue order.

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

We agree it makes sense to have the ability to reserve connection points and capacity, a good example would be to avoid stranding of HND type design solutions for a future offshore leasing round.

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

We are not convinced that NESO and TO "identify which is the most suitable [project] to reallocate the capacity to" when someone leaves the queue. The fairest way would instead be to assess this in queue order, so the party immediately behind the exiting project is considered first.

If there are practical reasons why that party cannot progress (due to project specifics or transmission system issues) then the next party should be considered (repeating this until the capacity is reallocated). We don't immediately see why the majority of guidelines for reallocation in 7.16.3 (save perhaps for [e]) of the proposed methodology are more important than a transparent/fair process whereby parties are assessed for reallocation in queue order – noting that [e] can still be used when assessing reallocation in queue order.

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)

Please insert your answer here for a). Yes

Please insert your answer here for b). Yes

Please insert your answer here for c). Not reviewed in detail given the short time available, but we don't anticipated an issue

Please insert your answer here for d). Not reviewed in detail given the short time available, but we don't anticipated an issue

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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?

Not reviewed in detail given the short time available, but we note DCO is not relevant to Scotland so unclear if alternative criteria under consideration for Scottish projects e.g Section 36.

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 not convinced on the overall concept of designation, i.e. the ability of NESO to prioritise certain projects.

NESO have managed to date without this tool, and we do not see a clear need for its introduction. To the contrary, there seem good reasons not to create such a power. Even if NESO assert that it would be rarely used, its existence would have to feature in every project's risk register as a risk outside of their control that could detrimentally affect their queue position and schedule.

The UK's attractiveness to investors and importance of maintaining the trust of market participants requires transparency and not a 'black box' of authorities picking winners in a way that seems likely to be perceived as arbitrary or mysterious.

For example, perhaps an extreme one, what would stop NESO designating (= prioritise) several offshore projects in England to reduce constraint costs associated with offshore wind projects seeking to connect in Scotland.

Designation of projects has the potential to seriously impact other queued projects that have been deemed 'ready' and 'aligned', this seem unfair and the risk will erode investor confidence.

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

See answer to Q15

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

See answer to Q15

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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)?

<i>No further comments</i>
