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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@nationalenergyiso.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 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 <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 with the broad intention to align the connections process with the CP30 Action Plan, as it provides a clear framework for prioritising projects that support the UK's clean energy goals. **However, we strongly recommend that the implementation of this alignment be carefully managed to avoid unintended consequences e.g. delays, particularly for projects already in development.***

Exclusion of Underway and committed-to-Enter Construction Projects:

We strongly believe that construction-stage projects and those already committed to enter construction should be excluded from the alignment process. These projects have already invested significant resources and time in meeting the necessary criteria. These projects have already secured key milestones, and retroactively imposing additional requirements risks making those investments redundant. This could lead to a loss of investor confidence and disrupt the progress of projects that are already advancing towards construction. Forcing them to adhere to the new alignment could create unnecessary delays and uncertainty, undermining the momentum needed to meet CP2030. Many such projects have been waiting for grid connections for 5+ years already.

Impact on 2030 Targets:

This process, if not carefully managed, could lead to delays in meeting the 2030 targets. Projects that are in or nearing construction could be caught in the re-alignment process, further extending timelines when speed is crucial. The process should avoid hindering progress on projects that are already well underway.

Alignment for New Projects:

For new projects entering the queue, alignment with the CP30 Action Plan is strategically sound, provided the plan clearly defines the capacity, technology mix, and locational priorities required to meet 2030 targets. This information must be provided to industry asap. It must enable operators to plan effectively and ensure that projects align with national objectives, reducing uncertainties and enabling timely delivery.

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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 acknowledge the intent behind prioritising ‘ready’ projects that align with the Government’s CP30 Action Plan, NESO Designated Projects, and directly connected demand projects outside the scope of the CP30. These priorities are important for steering the UK’s clean energy transition. However, we have significant concerns regarding the retrospective application of the Strategic Alignment criteria to existing projects already in the queue.

*Many projects currently in the queue have already made substantial investments to meet Gate 2 readiness criteria, including securing land rights and obtaining planning permission. These projects, such as our power generation and storage sites, have been waiting for up to five years due to delays caused by grid reinforcement works. To now apply new alignment criteria retroactively risks rendering these investments redundant, undermining the considerable time, effort, and financial commitments operators have made to bring these projects forward. **This retrospective change could have serious implications for investor confidence, making it more difficult to attract long-term funding for critical energy infrastructure.** If projects that have been in development for several years are suddenly deemed incompatible with the CP30 Strategic Alignment requirements, it sends a negative signal to the industry and could discourage future investment in the energy sector.*

*Some of these projects may have already accepted long-term Capacity Market Agreements, which impose binding obligations on operators. Any reform that jeopardises the ability of these projects to proceed could have broader ramifications for market stability and energy security. **It is therefore essential that any changes to the process clearly define which projects are protected and ensure that they are ring-fenced from such retrospective application.** Confirmation information should be distributed to connection holders as soon as practical. This will help to mitigate risks to projects that have already made significant commitments and have been subject to lengthy delays.*

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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?

We strongly believe that all 'ready' projects should be included in the reformed connections queue to ensure a fair and equitable process for operators who have made considerable progress and investments. In this context, 'ready' projects should be defined as those that have already secured planning permission. This would help ensure that projects that are actively progressing are prioritised, while also preventing delays caused by projects still in earlier stages of development. We have invested time and money 'at risk' to secure all our planning permissions for our development projects. Others have adopted a wait and see approach whilst knowing that planning permission will ultimately be required at some stage.

Projects that have secured land rights and planning permission should be prioritised. These projects have demonstrated an elevated level of commitment and readiness and excluding them would risk wasting substantial investments. This could also discourage future development activity, as it would send the message that projects that have already made considerable progress may not be able to advance. By prioritising these projects, we can maintain momentum in the clean energy sector and encourage further investment in meeting the UK's energy goals.

To streamline the process, we suggest that prioritising ready projects would also reduce the scope of the queue that NESO needs to assess. This would speed up the connections process, making it more efficient and helping to meet national energy targets in a timely manner. Additionally, focusing on projects that are ready would ease the burden on local councils, who are already under significant pressure from planning applications with an additional large wave expected soon. This would further support the timely delivery of clean energy initiatives and reduce delays associated with local planning processes.

Transparency is also key to maintaining operator confidence in the system. Clear and timely information must be provided throughout the process so that operators understand how their own (and third party) projects will be impacted by the queue management process. This will ensure that the connections process is perceived as fair and equitable, providing operators with the clarity they need to make informed decisions.

We recommend allocating capacity for BESS at both the distribution and transmission levels. This approach reflects the growing importance of BESS in grid stability and energy storage, ensuring that these projects are given the priority they deserve in the connections process. Dividing capacity at the GSP level would also allow operators to target areas of undersupply, enabling a more efficient use of available grid capacity. It would address areas where there is a higher demand for energy generation and help balance the system more effectively. Distributed projects can be connected sooner than transmission and this needs to be allowed to achieve the aims of the 2030 plan as soon as is possible.

The absence of a SSEP is a significant challenge for operators and without clear guidance on where new sites can be developed, the process becomes more difficult. Given that the development timeline for most schemes exceeds two years, the absence of an SSEP makes it

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challenging for operators to identify and develop new sites efficiently. We urge NESO to expedite the creation of the SSEP, which will provide operators with the necessary information to make informed decisions and ensure that new sites can be identified and progressed without unnecessary delays.

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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 initially focusing on the 2035 time horizon is a reasonable approach. A longer-term planning horizon offers clear benefits, providing investment certainty and a structured pathway for meeting CP30 goals. This approach ensures that projects are aligned with the broader decarbonisation objectives and the long-term energy system needs, helping to provide clarity and stability for operators and investors.

We recommend that the 2035 horizon should not be rigid. *The energy landscape is rapidly evolving, and emerging technologies or unforeseen developments could become strategically important in the near term. Therefore, the planning horizon should accommodate flexibility to allow for these changes. This will ensure that the system remains adaptable and capable of incorporating new energy solutions that may become critical for achieving decarbonisation goals. Clear guidelines should be established for projects that are ready to progress earlier than 2035.*

We also question whether a CP2030 timescale is realistic given the numerous barriers currently in place. There are several challenges that could delay progress, including:

- ***Transmission reinforcement:*** *The grid infrastructure needed to support new generation projects is often lacking or requires significant upgrades, which can take several years to complete.*
- ***Planning and local council barriers:*** *Projects face significant delays in obtaining planning permissions, with local councils under considerable pressure. The planning process itself can be slow and complicated, adding further uncertainty and delay. (Have NESO factored these delays into their modelling of project rollouts?)*
- ***Additional costs and risks:*** *Moving too quickly could drive up costs, increase risks, and potentially lead to projects being rushed or poorly coordinated. For example, operators may be forced to move forward with less optimal sites or technologies due to tight timelines and sunk costs, potentially compromising the overall effectiveness of the energy system.*

Given these challenges, we believe that while CP2030 is an ambitious and important target, it may be difficult to achieve without addressing these barriers. A more gradual approach, with flexibility to accommodate delays in planning and transmission upgrades, would allow the energy sector to progress more effectively and reduce the risk of unintended consequences.

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Implementation Questions

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

4. 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
<i>Yes</i>

5. 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
<i>Yes, we understand the necessity of designating certain projects to ensure system reliability and efficiency.</i>
<i>There needs to be full transparency for all customers in terms of NESO's selection process and outcomes.</i>

6. 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
<i>No</i>

7. 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
<i>Yes</i>

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Connections Network Design Methodology

You can find the relevant information in the [Connections Network Design Methodology - Detailed Document](#)

8. 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 have significant concerns regarding the retrospective application of the Gate 2 Readiness Criteria and Gate 2 Strategic Alignment Criteria to existing projects in the queue. **While aligning new projects with the CP30 Action Plan is important, applying these criteria to projects that have already met Gate 2 readiness (and in many cases, surpassed it) undermines the substantial investments that operators have made.** Many of these projects have already secured land rights and planning permissions, and retroactively imposing additional criteria risks invalidating these investments. This could erode investor confidence, slow down the delivery of meeting the CP2030 objectives and set a negative precedent for future project development.*

The Gate 2 Readiness bar also appears too low. We believe that planning permission should be granted before a project can be considered ready to meet Gate 2. Developers have had ample time to progress their schemes, and this should be reflected in the criteria. Applying a more stringent requirement, such as the need for granted planning permission, would ensure that only 'first ready' projects which are further along in their development are being granted capacity and connection rights.

The impact on local councils should be considered. The rush to acquire planning permissions due to the Gate 2 readiness criteria could place undue pressure on local planning authorities, potentially leading to delays in the approval process. This is particularly likely if the current proposals for the existing queue allow projects to have a further period to secure planning permission. Local Councils will become the limiting factor to the CP2030 progress!

For new projects, we agree that alignment with the CP30 Action Plan is crucial. However, this alignment should be based on clear and well-defined capacity, technology, and locational priorities within the plan. Ambiguities or a lack of clarity in these areas could create uncertainty and inefficiencies, potentially discouraging operators from engaging with the process.

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

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We generally agree with the proposed approach for managing advancement requests and appreciate the flexibility provided by allowing changes to the Point of Connection (PoC). **However, it is essential that any such changes remain optional and do not undermine the viability of the operator's scheme.** A connection offer should never deviate from the Minimum Viable Scheme, any deviation from this baseline risks imposing unnecessary financial burdens on operators, which could render their projects unviable.

While we understand the need for flexibility in constrained network areas, operators should not be forced to accept changes that significantly increase costs, delay project timelines, or otherwise impact project viability. For example, requiring a connection to a more distant or complex PoC could introduce substantial additional costs for infrastructure, land acquisition, or permitting, all of which could jeopardise the feasibility of the project. Operators must retain the option to decline such changes without penalty or loss of their position in the connections queue.

To reduce uncertainty and provide greater transparency, we recommend introducing clearer criteria for when advancement requests will not be considered, particularly in constrained network areas. Operators need to understand under what circumstances advancement requests are likely to be rejected outright or become technically or financially unviable.

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

We agree with the approach to reserving Connection Points and Capacity at Gate 1, as it provides an essential mechanism for securing the necessary infrastructure for projects early in the process. This reservation offers operators the certainty they need to plan their projects and secure investment, which is crucial for the timely delivery of clean energy projects.

We recommend that the reservation process be flexible enough to accommodate changes that may occur as projects evolve. For instance, changes in technology or project scale that still align with CP2030 should not result in a loss of reserved capacity. The system must allow for adjustments to reflect the evolving needs of the energy sector, without penalising operators for adapting their projects to better align with national energy goals. Such flexibility will encourage innovation and ensure that projects can adapt to innovative technologies or market conditions.

While we support the reservation approach, it is important to ensure that Gate 1 does not become a budget offer that operators feel they must avoid. If the process is too rigid or overcomplicated, it could discourage operators from engaging with the system at an early stage. To enhance the process, we suggest that DNOs/TOs could proactively identify the capacity requirements in specific locations, and operators would design schemes accordingly. The SSEP should be aligned with the available technical capacity on the network

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to ensure that reservation aligns with real, achievable connection opportunities, not speculative or out-of-reach expectations.

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

We support the principle of reallocating capacity when 2030 and 2035 pathway projects exit the queue, as this approach helps utilise available capacity more efficiently and reduces delays in meeting national energy transition goals. By reallocating capacity, other projects can potentially benefit from freed-up space, maintaining momentum in the transition to clean energy.

To ensure fairness and efficient use of capacity, project readiness should be assessed annually, and projects re-ordered based on their status. For example, a project that loses its land rights or fails to maintain an active option agreement should be moved down the queue or removed entirely. This annual assessment would ensure that projects remaining in the queue are genuinely viable and ready to progress, preventing delays caused by inactive or stalled projects.

A publicly available list of projects and their queue positions should be maintained and regularly updated. The list should include apparent reasons for any changes, such as the removal of projects that fail to meet readiness criteria. This transparency would provide all stakeholders with confidence in the process, ensuring that decisions are seen as fair and based on objective criteria.

It is essential that this process is managed with transparency and fairness. Operators whose projects may be impacted by the exit of others should be clearly informed about how reallocation will affect them. Any adjustments to queue positions should consider the progress already made by projects in the queue, including land rights, planning permissions, and other relevant milestones. This ensures that projects that have made substantial progress are not unfairly disadvantaged. **While the reallocation approach is generally sound, we recommend implementing mechanisms that allow projects negatively affected by reallocation to either maintain their position or receive fair compensation in terms of priority.** This would help mitigate risks and maintain investor confidence.

If an existing project is moved up the queue due to the exit of another project, there should be a process in place to reassess the network impacts and connection costs for all schemes affected by these changes. Reassessing the network's capacity is critical to avoid overloading the system and to ensure that the connections of both new and existing projects are viable. If an existing project creates space for projects further down the queue, it is crucial that **customers in the queue** are informed and given the **opportunity to progress**. Clear

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communication and transparency about these changes will support fair decision-making and ensure a smoother process for all involved.

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Gate 2 Criteria Methodology

You can find the relevant information in the [Gate 2 Criteria Methodology- Detailed Document](#)

12. 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 strongly support the requirement for an Option Agreement as part of the Gate 2 criteria.** Developers of existing projects have had ample time to secure this. Projects that fail to meet these requirements should face appropriate penalties, as their lack of progress risks occupying critical grid capacity and delaying other viable developments. Prioritising active and committed projects ensures a fairer and more efficient process. **We also believe that planning permission should be a requirement at this stage for existing projects.***

***We support the inclusion of land size requirements but strongly recommend a right of appeal for operators to challenge decisions on land adequacy.** This would allow site operators to demonstrate the suitability of their land, even if it does not strictly meet predefined criteria. An appeals process would ensure that viable projects are not unfairly removed from the queue due to incomplete assessments. Operators should have the opportunity to provide detailed plans to validate their project's compliance, promoting fairness and consistency while maintaining confidence in the system.*

b. ***No. ALL projects wanting to receive a Gate 2 offer must have planning permission granted.** This ensures that all projects entering Gate 2 demonstrate a genuine commitment, sufficient preparatory progress and can be considered 'shovel-ready'. This approach would prevent projects from advancing without adequate readiness and should include proof of progress in planning consent— through a granted decision notice.*

c. ***For embedded distribution-connected projects, it is crucial to establish a defined time limit for Distribution Network Operators (DNOs) to submit required information to the National Electricity System Operator (NESO).** Currently, DNOs operate without a statutory period for submissions, as seen in recent Statement of Works processes. This has led to significant delays, disadvantaging certain projects or project batches. Setting a maximum time limit would help mitigate these delays, ensuring a more coordinated and equitable process across all projects. Some of our schemes have waited over 2 years for the DNO just to achieve 'clock start' on the Mod Apps!*

The process places a significant workload on DNOs, especially for Small and Medium Embedded Generation projects, risking delays and a development hiatus. The

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technical complexity of the required assessments raises concerns about DNOs' ability to review evidence consistently. To address this, NESO should streamline the process or take on more of the responsibility to ensure fairness and avoid bottlenecks.

The proposal to use AI for land verification is positive, but its integration needs clarification. We recommend a pilot phase to test reliability and ensure readiness before full implementation. Publishing the pilot's results would increase transparency and confidence. There also needs to be human oversight with legally qualified persons. Land Rights is very complex topic, and NESO could find themselves open to challenge.

While the process acknowledges that overlaps may be acceptable in certain circumstances (e.g., co-located technologies or shared access routes), the guidance is still ambiguous. Explicit examples and case studies in the methodology would help reduce disputes and delays.

*We understand that the consultation proposes using the NESO countersignature date for the 'Mod App' to order distribution-connected projects in the queue. **However, we believe it is fairer to use the date the customer accepts the DNO offer.** There is often a significant delay due to the DNO not submitting the project progression batch to NESO promptly. Even when an operator has accepted the DNO offer and made significant progress in the interim, such as securing land rights and planning permissions, the project appears to be less advanced as the DNO did not submit the necessary documentation to NESO in the mandated 3-month window. **For some of our projects, nearly two years elapsed between accepting the grid offer and the DNO achieving a 'clock start' on project progression submissions.** Despite our repeated efforts to engage with the DNO during this time, no explanation for the delays was provided. This administrative delay artificially pushes the project further down the queue, despite the operator's readiness to proceed, particularly in comparison to Transmission connected projects that will not have faced these delays. Using the DNO offer acceptance date reflects the project's actual readiness and ensures that delays caused by DNO actions do not unfairly penalise the operator. This approach would more accurately represent the progress made by the operator and help ensure a fairer, more efficient connections process.*

d. Yes

13. 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?

Yes. This is a marginal and extremely specific case.

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Project Designation Methodology

You can find the relevant information in the **Project Designation Methodology – Detailed Document**

14. Do you agree that the categories of projects that we have identified are the appropriate ones to potentially be designated?

Yes, we understand the necessity of designating certain projects to ensure system reliability and efficiency.

There needs to be full transparency for all customers in terms of NESO’s selection process and outcomes. Yes, we understand the necessity of designating certain projects to ensure system reliability and efficiency.

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

While the document provides some guidance on the process, the criteria for how decisions will be made and communicated remain opaque. Greater clarity on how NESO will assess applications, prioritise projects, and justify decisions is crucial for building stakeholder trust.

*The process for designation appears unclear. Allowing projects to apply for designation, rather than NESO selecting projects based on clear strategic criteria, seems inefficient and could lead to unnecessary delays. **NESO is better positioned to identify and prioritise projects that align with system needs and strategic goals.***

***The appeals process should be managed by an independent body, such as Ofgem, to ensure fairness and impartiality.** This would enhance confidence in the designation process and provide a more transparent mechanism for resolving disputes.*

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

*The proposed timeline of 4–5 months for assessing designation applications is too lengthy, especially given the urgency of connecting new projects to meet the UK’s energy transition goals. **A more streamlined process with faster decision-making is essential to avoid delays in the connections process.***

We have concerns about NESO charging a fee for assessing applications. Project designation should serve the public and system-wide interests, and imposing fees may create barriers or disincentives for legitimate applicants.

***The appeals process should be managed by an independent body to ensure fairness and impartiality.** This would enhance confidence in the designation process and provide a more transparent mechanism for resolving disputes.*

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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 several additional comments and concerns regarding the processes and expectations outlined in the documents:

- **Distribution Queue Order Concerns:** *We understand that the consultation proposes using the NESO countersignature date for the 'Mod App' to order distribution-connected projects in the queue. However, we believe it is fairer to use the date the customer accepts the DNO offer. There is often a significant delay due to the DNO not submitting the project progression batch to NESO promptly. Even when an operator has accepted the DNO offer and made significant progress in the interim, such as securing land rights and planning permissions, the project appears to be less advanced as the DNO did not submit the necessary documentation to NESO in the mandated 3-month window. This administrative delay artificially pushes the project further down the queue, despite the operator's readiness to proceed, particularly in comparison to Transmission connected projects that will not have faced these delays. Using the DNO offer acceptance date reflects the project's actual readiness and ensures that delays caused by DNO actions do not unfairly penalise the operator. This approach would more accurately represent the progress made by the operator and help ensure a fairer, more efficient connections process.*
- **Step 7 in 'Gate 2 to Whole Queue' Process:** *This reordering (to original queue position) step does not seem necessary and could introduce further delays. Instead, the focus should be on prioritising projects that are genuinely first ready, such as those with planning permission already secured.*
- **BESS Capacity Allocation at DNO Level:** *It is unclear why battery energy storage systems (BESS) are NOT allocated capacity at the DNO level while other project types are not treated similarly. A consistent approach to capacity allocation is needed to ensure fairness and clarity.*
- **Impacts on Local Planning Authorities:** *Has NESO assessed the potential impacts on local authorities, particularly the likely surge in planning applications resulting from this process? Increased demand on planning departments could cause delays unless adequate resources are provided.*
- **Realism of 2030 Goals:** *Achieving the 2030 targets appears optimistic given the current levels of uncertainty, which often lead to delays. A more realistic timeline with flexibility built in may be required to avoid overloading the system and stakeholders.*

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- **Out-of-Scope Projects:** *The treatment of projects deemed out of scope (due to commission by the end of 2026), such as those continuing construction, needs further clarification. Specific guidelines should be provided to avoid confusion and ensure consistency in how such projects are handled.*