

Connections Reform

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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	
Name	Florus den Blanken
Organisation	Quintas Cleantech. We are a solar developer of 25-50MW schemes at distribution level. We add BESS where we think import capacity is a cost-effective addition, but we do not develop standalone BESS. Our intention is to stay involved in the solar farms throughout their lifetime and we therefore have a real stake in making these the best projects possible. As such, we are working on an innovative approach to letting communities have a meaningful stake in our projects.
Email Address	Florus.denblanken@quintascleantech.com
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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

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	<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

Section 1 – Policy

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

<p>1. Do you agree with our intention to align the connections process to Government's Clean Power 2030 Action Plan?</p>
<p>You can find the relevant information in Section 2 – Context</p> <p><i>We support the idea of aligning to CP30. It is not a perfect approach as ideally the market would have more influence on what is needed and what is built. However, we believe it is better to make decisions now for the medium term to keep momentum in the transition to a clean power system.</i></p> <p><i>That being said, there are risks involved and it is difficult to be fully supportive without having seen the actual plan and its underlying assumptions. We have only seen NESO's CP30 report and draft data assessment. No details were shared on underlying data (quality) and so it is difficult to know if it provides a solid basis or not. Particularly the data on the distribution side seems to have some issues and we wonder to what extent DNOs have been involved in provision and quality assurance of underlying data and in determining the energy mix at DNO licence area level.</i></p> <p><i>Looking at the zonal graphs in the draft data assessment, it seems to us that there are some issues with the numbers. E.g. in NGED East Midlands, according to the Embedded Capacity Register there is ca. 570MW of Wind already installed whereas the graph indicate only around 200MW is needed by 2030. We would strongly suggest that the market is consulted on the plan.</i></p> <p><i>Furthermore, for connections beyond 2030, we would suggest NESO, Ofgem and the Government seek a more balanced approach between central planning and market-driven. For instance, zonal/nodal pricing ideas being developed under REMA can provide a good mechanism in the longer term, but it will only make sense if the government does not prescribe which technology can be built where and when.</i></p>

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Finally, we agree with NESO's emphasis on the need to engage and bring along local communities that host energy infrastructure, especially given the scale of projects needed to connect by 2030. We believe shared ownership should become a key part in this and suggest that projects with a significant share of local ownership are considered needed in line with CP30. By shared ownership we mean a financial investment into a local renewables project by the local community and thereby sharing benefits with the commercial owner. Labour have stated a target of 8GW of local and community ownership by 2030 and we believe the only realistic route to achieving this is through significant shared ownership between communities and private investors.

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**

Yes

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**

We think design 2 makes more sense provided the additional flexibility this provides NESO/Tos/DNOs is used for bold investment decisions beyond 2030. Distribution networks should be explicitly included in these decisions (i.e. holistic 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**

Yes, it makes sense to build a second queue beyond 2030, to give developers certainty about connection dates and facilitate the backfilling process of Phase 1 attrition. It makes sense to limit this to a ten-year time horizon. As above, ideally NESO and government would move back to a more market-driven approach as soon as possible and we would suggest next year is used to think through some options for further reform of the process affecting the 2035 pot and beyond.

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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
Yes

6. Do the methodologies deliver our preferred options against each of the variables?
You can find the relevant information in Section 3 – Overview of framework of codes and methodologies for connections reform
Yes

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
<i>We have no strong opinion here.</i>

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
<p><i>Yes, but without knowing too much about what the SSEP will look like, we would suggest it should not be overly deterministic. Determining a specific required energy mix might have unintended and unexpected consequences.</i></p> <p><i>For example, a technology such as solar may become so cheap that developers can afford to heavily underutilise capacity. This would open up a wide range of opportunities that would be blocked if the CP30 approach of 'quota' for solar capacity is continued into the SSEPs. We think this is acceptable for the now-to-2030 window, but see the risk increasing with longer time horizons.</i></p>

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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?

In general, yes. However:

- On 5.3.1 The date NESO countersigned Project Progression (PP) should not be used for determining distribution project queue position. Historically, DNOs have tended to be extremely slow in submitting already accepted projects for PP and then signing the results, e.g. we are still awaiting 3 PP results from offer acceptances in 2023. Grid reform provides a good opportunity to correct this. We would suggest using date of signature of the distribution offer, or at the most that date + 6 months, which is when DNOs should reasonably have submitted PP and then received its results.
- Distribution projects that meet Gate 2 Readiness but do not yet have a signed Project Progression result should be allowed to participate in the Gate 2 to Whole Queue process. The whole point of grid reform is to do something about the existing queue, and therefore excluding a large portion of it is wrong in our view. Perhaps it was the intention to cover this through the 'Phase 2 Transitional Arrangement' but that is still not in place. This again creates a disadvantage for distribution projects.
- As mentioned in (1) we agree with NESO's emphasis on the need to engage and bring along local communities that host energy infrastructure, especially given the scale of projects needed to connect by 2030. We believe Shared Ownership achieves this and suggest that projects with a significant share of local ownership are considered needed in line with CP30. Some minimum levels of Community ownership could be applied (we suggest the lower of 10% or 5MW community ownership) and evidence could be provided through a letter signed by a Director and confirming the minimum share of community ownership the project seeks to achieve.

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

Yes.

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

Yes.

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

We understand the difficulty in assessing reallocation, and the aim to reallocate like-for-like as much as possible. We broadly support the approach to immediately backfilling the pre-2031 pot and having a slightly different approach to 2031-2035. However:

- The process isn't sufficiently defined and will only be acceptable if results and considerations are made public, so that projects that miss out will have comfort that they have been treated correctly.
- 7.18.1 refers to an 'existing Capacity Reallocation Process' but the hyperlink is to a page on Technical Limits and it is unclear to us how that is relevant.

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). No opinion

Please insert your answer here for c). We are concerned about the distribution side of this process and we see a high risk of disadvantaging distribution connections. Looking at how untransparent and slow the project progression processes have been for us, we lack confidence in a smooth and reliable process for Gate 2. It is important to us that DNOs show they have sufficient and good-quality resources in place to manage Gate 2, especially the first couple of rounds in 2025 which are crucial for the existing queue.

As an example of one of our concerns, 8.3 states that "if a Small and Medium Embedded Generation is seeking advancement (...) the DNO (...) will confirm to NESO whether any such request for acceleration is agreed and can be accommodated by the DNO (...)." We are not confident that DNOs will give sufficient thought during the initial Readiness checks to whether or not advancement is possible. There is no clear route for distribution projects to object/escalate within a timeframe sufficient to be re-included for advancement consideration. We would suggest that

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- *this is removed from the 'initial checks', as the possibility of advancement should be considered carefully during the 'detailed checks' stage and not dismissed on the back of a high-level glance.*
- *Transparency is key and the relevant distribution customer should be included in the communications to NESO where possible.*

Please insert your answer here for d). **Yes**

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?

No opinion

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?

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Yes.

We would add that, as an alternative to considering Community Shared Ownership as needed in line with CP30, the project designation methodology could be used to secure sufficient community ownership to meet the Government's target of 8GW by 2030.

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

Yes

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

Yes

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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 would like to note that we are generally impressed by the proposals. It is clear that a lot of work has gone into this in a short amount of time and the proposals broadly make sense. It will be impossible to satisfy everyone but we believe it is better to make clear decisions now and not delay things further.

That said, we have serious concerns about the distribution side as we see a lack of detail in areas concerning distribution:

- Chapter 2.5 of NESO's CP30 report suggests that "developing new distribution infrastructure is generally easier than transmission". Even if that is true, this does not automatically mean that the DNOs will be able to complete the relevant reinforcement works to meet CP30 goals. Whereas NESO are clear on which transmission projects need to be completed to meet the goals, it seems that no such analysis has been done on the distribution side and therefore we see a significant risk that it will become apparent early in 2025 that CP30 is not achievable.
- We understand that the ENA's position essentially is that they want to first see the final proposals before starting to think about implementation. That worries us and if this is true then we do not understand why the ENA has not been involved much more closely in designing the process in the first place.
- Historically, the extreme delays on the project progression process have not given us much confidence that going forward the T-D interface will be managed well.

CP30 will to a large extent determine what GB's energy mix will look like. We would re-emphasise our concern that 'bad info in is bad info out' and especially for the distribution side some of the draft assessment work does not look right.

That energy mix by 2030 in our opinion should include a significant portion of community-owned power generation. This will increase local acceptability of renewable projects and help streamline and speed up the development process by reducing potential local resistance. Labour have set a target of 8GW of local and community owned power generation by 2030 and we believe this is only achievable through significant shared ownership between communities and private investors.

Finally, although we think a deterministic approach based on forecasted demand and other developments is acceptable for the medium term until 2030, forecasts will be 'more wrong' further out in time. Therefore, beyond 2030, a more market-led approach should be the ambition.