

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** 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	Georgina Morris-Rowbottom
Organisation	Zenobē
Email Address	Georgina.morris-rowbottom@zenobe.com
Phone Number	07876532416
Which category best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector <input 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
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

Public

☒ 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**

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** (Slide 11, onwards)

Partially agree. We recognise that the current connections queue is a significant barrier to achieving the Clean Power 2030 targets. Addressing this issue is essential to unlocking the potential of viable projects that can deliver clean energy at the scale and pace required.

We welcome NESO’s efforts to reform the connections process, particularly initiatives aimed at addressing inefficiencies and removing stagnant or speculative projects from the queue. Reforms are crucial and should emphasise creating a more transparent, fair, and effective system. We encourage NESO to ensure a focus on ensuring that these reforms are implemented in a way that maintains investor confidence, provides greater certainty for developers, and fosters fair, open competition across the energy sector.

We believe it is critical that these reforms consider and support timelines extending beyond 2030. A long-term perspective will ensure the connections process remains adaptable to evolving system needs and continues to drive progress toward the Government’s net-zero targets, even after the 2030 milestone is achieved. By addressing both immediate and long-term challenges, these reforms can deliver a robust and future-proof connections process, fostering confidence among developers and investors alike.

We strongly believe that the introduction of the financial instrument will address the vast majority of speculative projects. When coupled with milestone management, we are confident that general reforms to the connections queue would achieve similar outcomes for the Government without the need to restrict the queue to align with specific technology pots.

While we recognise the importance of aligning processes with the signals provided by the CP30 plan to guide developers on where to build capacity, this approach risks undermining investment in projects that are already advanced and/or close to achieving financial commitment.

NESO has stated that projects under construction and due to connect in 2026 or earlier are unaffected by these changes, we strongly encourage NESO to extend this exemption to include projects with 2027 connection dates, as we will be seeking to reach financial commitment on these projects during 2025, before the Gate 2 to Whole Queue process has concluded and offers are made.

In addition to those projects with 2027 connection dates, we are seeking for this protection to extend to projects with Capacity Market agreements for the 2027/28 Delivery Years. These

Public

projects will face Capacity Market termination fees if they are unable to secure grid connection offers as part of the Gate 2 to Whole Queue exercise and were not aware of this policy when bidding into last auction.

The 2027 extension is critical, as many 2027 projects are already well advanced. As outlined in NESO's own plans, there is likely to be a 12-month period of extreme uncertainty, with Gate 2 offers not expected to be issued until late 2025. Failing to address this would significantly jeopardise the viability of these projects, which are essential for delivering on Clean Power 2030 targets while maintaining investor confidence. If the extension does not include 2028 projects, then we would seek for the Capacity Market Rules to be amended so termination fees do not apply.

In summary, connections reform should facilitate the achievement of Clean Power 2030 while ensuring developers can retain the flexibility and capacity to deliver a cost-effective and sustainable power system for the long term.

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** (slide 33, onwards)

We disagree with the proposed overall design 2 and advocate for the adoption of design 3 instead. While we understand the intent behind prioritising alignment with the Government's Clean Power 2030 Action Plan, we believe design 2 poses significant risks to the viability of many genuine projects. By excluding projects that do not meet the CP30 plan, design 2 has the greatest potential to stifle viable developments that could otherwise contribute meaningfully to the energy transition.

Additionally, we have concerns about the robustness of the data underpinning the spatial planning outlined in NESO's CP30 advice. Whilst we await the Clean Power Action Plan 2030, and its underpinning assumptions and modelling, this remains a concern. These uncertainties raise the risk of prematurely dismissing early-stage projects that may not perfectly align with the current spatial framework but are still essential for delivering system flexibility and capacity growth.

Excluding viable early-stage projects from receiving Gate 2 offers under design 2 could prevent critical projects from advancing through the connections process. Design 3 provides a more balanced approach, allowing these projects to demonstrate readiness while maintaining a pathway for their progression and success.

For our pipeline projects, we find design 2 far too restrictive, as it reflects an overly centralised planning approach. This would risk excluding viable projects that could otherwise contribute to meeting system goals and delivering innovation. Design 3 offers a more inclusive and adaptable

Public

framework that better aligns with market-driven principles and allows developers to take responsibility for advancing their projects while respecting the broader strategic objectives.

Additionally, we believe that "connected demand projects outside the scope of the Government Clean Power 2030 Action Plan" should be limited to passive demand only. Demand projects intending to participate in flexibility services should be treated as connected flexibility assets and subject to the same queue management processes as other flexible technologies. This ensures parity and fairness across the system, avoiding preferential treatment that could distort the market or create inequities. Flexible demand participating in system services plays a role similar to other flexibility technologies, such as batteries or demand-side response. Therefore, these projects should adhere to the same queue prioritisation frameworks to maintain a level playing field and ensure efficient connections queue progression.

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** (slide 49, onwards)

Yes, we agree with overall design 3. We believe all 'ready' projects should be included in the reformed connections queue, as outlined in overall design 3. This approach provides developers with the opportunity to progress their projects at their own risk, allowing market forces to determine which projects succeed. If a project cannot secure investment or meet Appendix Q milestones, the queue management system can effectively remove those projects without progressing further. This approach ensures a balance between developer responsibility and queue efficiency.

For our pipeline projects, we find design 2 far too restrictive, as it reflects an overly centralised planning approach. This would risk excluding viable projects that could otherwise contribute to meeting system goals and delivering innovation. Design 3 offers a more inclusive and adaptable framework that better aligns with market-driven principles and allows developers to take responsibility for advancing their projects while respecting the broader strategic objectives.

The reformed connections queue should not only focus on delivering energy but also recognise the potential contributions of (especially energy storage) projects to grid stability and flexibility. Many of these projects, particularly those in early development stages, have the potential to address critical system needs that extend beyond energy supply. Our Blackhillock project is a good example of this, located above the B2 boundary, it stacks revenue across active power and other system services to provide arbitrage, constraint management, reactive power, inertia, short circuit level and frequency response. Storage has a significant role to play outside of just MWs and ensuring stability of the network through other services.

We support design 3 as the preferred approach. It creates a fairer system that encourages innovation and investment while allowing developers the freedom to progress their projects. To mitigate risks of material misalignment with the Strategic Spatial Energy Plan (SSEP), a

Public

combination of the financial instrument and robust queue management practices can ensure that only committed and viable projects remain in the queue, protecting both consumers and developers from inefficiencies.

4. 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** (slide 24, onwards)

Partially agree. We understand the rationale for aligning the queue with the strategic criteria outlined in the Government’s Clean Power 2030 Action Plan and welcome NESO recognising the need to provide investor certainty beyond 2030. However, we strongly believe that the reformed connections queue should provide enduring solutions that deliver certainty for developers and investors well beyond 2035.

Although we acknowledge the challenge for NESO in aligning the connections queue with the Strategic Spatial Energy Plan (SSEP), we do not believe this justifies limiting Gate 2 connection offers exclusively to 2035 – particularly given that the SSEP itself is not expected to be published until 2026.

By the time these immediate connection reforms are implemented, 2035 will be less than a decade away. It is therefore critical to design a process that addresses the long-term needs of the energy sector. For example, we have projects with current connection offers for 2037 that are on track to meet Gate 2 readiness criteria in the near term. These projects, along with others in a similar position, warrant equal consideration within the reformed process.

Focusing exclusively on the 2035 horizon risks creating a framework that is overly narrow, potentially undermining investor confidence and failing to prepare adequately for future challenges. To ensure sustained progress toward net-zero targets, the connections queue must be structured to provide clarity, predictability, and robust support for projects extending well beyond 2035. This approach will foster the development of a resilient, forward-looking power system and bolster confidence among developers and investors alike.

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** (slide 33, onward) and **Section 7 – Further variables and options to align connections reform with strategic energy planning** (slide 55, onward)

Public

Partially agree.

Approach for demand projects: We believe that "connected demand projects outside the scope of the Government Clean Power 2030 Action Plan" should be limited to passive demand only. Demand projects intending to participate in flexibility services should be treated as connected flexibility assets and subject to the same queue management processes as other flexible technologies.

Approach to oversupply: We do not believe that oversupply should be limited. Instead, queue management processes should be utilised to efficiently manage the delivery of projects. This approach would allow for a more dynamic and adaptable system that accommodates evolving project readiness and system requirements.

Approach to undersupply: We believe that NESO has not provided sufficient clarity or detail regarding the specific circumstances and criteria under which the approach to undersupply would apply. Without this information, it is challenging to assess the options presented or form a definitive view on the preferred approach. We recommend further engagement and provision of detailed scenarios or frameworks to enable a more informed response.

Approach to project attrition: We believe attrition should be built into NESO's assumptions. Attrition is an inevitable aspect of project development, even amongst committed projects, and NESO should account for this reality by building attrition assumptions into its planning rather than introducing additional interventions. Queue management mechanisms are already in place to handle this process effectively and should be relied upon to ensure that only viable projects progress.

Optimal use of the network: We acknowledge that further work is required to determine the most efficient approach.

Transition to SSEP: We agree with NESO's approach to avoid reducing or reordering the queue during the transition to the Strategic Spatial Energy Plan (SSEP). Doing so would create additional uncertainty and could severely impact investor confidence, which is essential.

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** (slide 18, onwards)

We have responded to the separately to the financial instrument consultation and code modifications CMP434 and CMP435.

We do not support the Project Definition Methodology. Consequently, we do not believe that Ofgem should grant NESO the relevant licences associated with this methodology. This position reflects our concerns regarding the methodology's approach and its potential implications for the connections process.

Public

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** (slide 33, onward) and **Section 7 – Further variables and options to align connections reform with strategic energy planning** (slide 55, onward)

One key policy area that is not sufficiently addressed in the preferred options and methodologies is **the impact on investment**. Delivering the scale of projects required to meet CP30 and ensure system reliability will depend heavily on attracting vast amounts of private capital and debt funding.

Policies and methodologies must create a stable, predictable, and fair framework that fosters investor confidence. Uncertainty in connection processes, inconsistent application of criteria, or overly restrictive methodologies could risk deterring investment in key technologies and projects. Given the high financial stakes and long-term commitments involved, ensuring that the methodologies support a conducive investment environment should be a central consideration.

A stronger policy emphasis on investment is critical to ensure clarity for long-term project viability and reduce risks for developers, both of which will be crucial to unlocking the private sector funding needed to deliver CP30.

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** (slide 55, onward)

We **do not agree** with NESO's proposed approach to managing project attrition between 2025–2030 and 2031–2035. Attrition is an inevitable aspect of project development, even amongst committed projects, and NESO should account for this reality by building attrition assumptions into its planning rather than introducing additional interventions. Queue management mechanisms are already in place to handle this process effectively and should be relied upon to ensure that only viable projects progress.

If NESO were to proceed with its proposed approach, we believe that availability resulting from attrition should be offered to the next project in the queue, maintaining fairness and transparency. Allowing NESO to "pick winners" from the connections queue undermines the integrity of the process and risks distorting the market by introducing unnecessary subjectivity.

Additionally, we advocate for a consistent approach to managing the 2030 and 2035 pots. This consistency is essential to ensure fairness across different time horizons and to provide developers and investors with a predictable and equitable framework for project progression.

Public

By building attrition into the system, empowering queue management to handle the process, and ensuring a fair and consistent approach, NESO can better support the delivery of maximum benefits to GB consumers while fostering a transparent and competitive connections process.

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 support Alternative 1 – Current Queue Order.

We believe that the current queue order should be retained, and that planning permission should not be a defining factor in the re-prioritisation of the current queue. As outlined in alternative 1.

The planning system is not consistent across Great Britain and can vary significantly, even at the local council level. This variability means that using planning as a determining factor for prioritisation would not be fair, even within designated zones. Instead, NESO should retain the current queue order and enforce the relevant planning milestones within the queue management system. This approach would ensure that planning progress is recognised appropriately without creating undue barriers or inequities.

Additionally, we believe the proposed methodology does not adequately account for planning issues specific to transmission-connected projects, where development timelines may not align with planning consenting processes. These mismatches could create a bottleneck in planning applications, further complicating and delaying the delivery of critical projects.

Instead of using planning as a gating item, we believe the proposed financial instrument provides a more effective tool to ensure a project's commitment and viability. By focusing on financial readiness, the process would avoid creating unnecessary jams in the planning system while maintaining a robust mechanism for confirming project commitment.

In terms of the criteria itself:

Gate 2 Readiness Criteria (land/planning): We agree with the application of Gate 2 Readiness Criteria to both the existing queue and future Gate 2 tranches. When combined with the proposed financial instrument, this approach provides a robust mechanism to strongly discourage speculative projects lacking genuine intent to progress, ensuring that the queue is prioritised for viable and committed developments.

Gate 2 Strategic Alignment Criteria (CP30): We recognise the need for NESO to align the existing connections queue with the requirements outlined in the CP30 plan, we feel this approach signifies a significant risk to projects that are already advanced and/or close to achieving financial commitment.

Public

In the consultation, NESO has stated that projects under construction and due to connect in 2026 or earlier will not be adversely impacted by the Strategic Alignment exercise. We are seeking for NESO to extend its exemption to include projects with 2027 connection dates. We believe this is appropriate, as we are seeking to reach financial commitment on projects with 2027 connection dates in 2025, which is before NESO plans to issue Gate 2 offers. Extending NESO's exemption to include 2027 projects would help safeguard investment and ensure the continued acceleration of battery storage deployment, a cornerstone of achieving net-zero objectives and supporting system reliability.

Maintaining a supportive framework for 2027 projects is not only essential to meeting immediate capacity needs but also to ensuring that the market for battery storage remains robust and attractive to investors, fostering the innovation and scale necessary to meet and exceed 2030 targets. Without this confidence, the sector may struggle to achieve the level of deployment required to underpin a cost-effective and resilient energy system.

Transmission-connected storage projects typically require a two-year construction timeline, preceded by at least one year for procurement, offtake agreements, and detailed engineering. As a result, we are already progressing 2027 projects to meet these requirements. This underscores the importance of ensuring the connections process supports such timelines to avoid delays that could hinder the deployment of critical storage capacity.

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

Partially agree. We agree that projects should have the opportunity to request an earlier connection date than their existing offer as part of the Gate 2 to Whole Queue exercise. This is a necessary and pragmatic step to provide flexibility for projects that are well-positioned to progress faster and deliver benefits sooner.

It is our view that the Gate 2 to Whole Queue process effectively replaces current connection agreements. As such, we do not support NESO's proposal to impose restrictions on projects that accept advanced offers. For example, we do not believe that accepting an advanced offer should be counted against a project during the escalation process if a queue management milestone is subsequently missed. All projects accepting Gate 2 offers should be treated equitably, whether they advance their connection dates or retain their original ones.

We are concerned that the proposed restrictions could discourage eligible projects from requesting advancement, undermining progress towards CP30 objectives.

We believe that effective queue management and the introduction of the Financial Instrument will serve as a sufficient safeguard to deter speculative projects from seeking and/or accepting advanced Gate 2 offers. As such, we do not agree that further measures are required to deter projects from seeking advanced connection dates (before 2030).

Adopting a more balanced approach would align with the principles of fostering competition, ensuring transparency, and delivering system-wide efficiencies. It would also provide developers

Public

with greater confidence in the process, mitigate risks of misaligned incentives, and ensure that advancement requests contribute effectively to broader system goals.

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

Partially agree. We partially agree with the approach to reserving connection points and capacity. While we support the idea of reserving capacity, we believe it should be limited to specific projects that deliver clearly defined system services, such as NESO's Pathfinder projects. Reserving capacity for such projects ensures that the system prioritises solutions that provide tangible, demonstrable benefits to grid operability and efficiency. This should include reservation of a bay and MW capacity to ensure storage is able to participate and stack services.

However, we have concerns about the opacity of the current approach. The risk of the queue becoming clogged with "ghost projects" designed to address undersupply in certain technology pots – such as Long-Duration Energy Storage (LDES), where locational constraints and a lack of commercialised alternatives remain significant challenges – raises serious concerns. This could create inefficiencies and delay the progression of other viable projects.

We believe capacity reservation should instead focus on projects that have secured contracts for specific network service provision. This approach would help ensure capacity is allocated effectively, reduce speculative reservations, and support a more transparent, efficient, and fair process. Adopting this refined approach would mitigate the risk of inefficiencies while supporting NESO's broader goals of enabling an efficient connections queue.

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

We **do not agree** with NESO's approach to reallocating capacity, which allows NESO to work with the relevant TO or DNO to review the projects that are behind the exiting project in the queue and identify which is the most suitable to reallocate the capacity to. We believe that availability should be offered to the next project in the queue, maintaining fairness and transparency. Allowing NESO to "pick winners" from the connections queue undermines the integrity of the process and risks distorting the market by introducing unnecessary subjectivity.

Additionally, we advocate for a consistent approach to managing the 2030 and 2035 pots. This consistency is essential to ensure fairness across different time horizons and to provide developers and investors with a predictable and equitable framework for project progression.

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) *slide 13*

Public

- b. Gate 2 Readiness Criteria – Planning (Chapter 5) *slide 28*
- c. Gate 2 Criteria Evidence assessment (Chapter 8) *slide 36*
- d. Self-Declaration Templates (Chapter 9) *slide 53*

Please insert your answer here for a). Gate 2 Readiness – Land, we partially agree. We support the requirement for applicants to provide evidence that sufficient land has been secured using the mechanisms outlined in the reform. However, we disagree with the Energy Land Density values currently used to determine the required area.

Based on our experience in developing and delivering energy storage schemes, the minimum acreage per MW does not align with our site configurations. We would suggest it should be at least 0.03 MW/acre for storage schemes. While we recognise that the Energy Land Density values were initially set to accommodate advancements in technology, we note that these values will now be reviewed annually. Given this, we propose that the values are amended to reflect more realistic levels.

If these values remain unchanged, we anticipate a significant number of projects advancing through Gate 2 without securing sufficient land to support their developments. This could undermine the ability to deliver projects on time and, in turn, jeopardise the achievement of the 2030 targets. Ensuring the land criteria are realistic and aligned with practical requirements is essential for maintaining the credibility and effectiveness of the Gate 2 process.

Additionally, to properly assess battery connection applications, land requirements should consider the duration of the battery system. Battery storage projects with longer durations often require significantly more space to accommodate additional equipment, such as increased storage capacity or auxiliary systems. A one-size-fits-all approach to land requirements risks underestimating the spatial needs of projects that are critical for grid stability and flexibility.

Please insert your answer here for b). Gate 2 Readiness – Planning, we disagree. Most energy projects pursued through the Development Consent Order (DCO) process do not depend on Compulsory Purchase Order (CPO) powers to secure land for the generating equipment. Instead, this land is typically secured through options to lease or purchase agreements. CPO rights for DCO projects are generally used for ancillary elements such as cable routes, access rights, biodiversity net gain, or offsite mitigation.

Given this, we believe that any applicant using the DCO Planning Route must also be required to demonstrate that they meet the Land Readiness Criteria specifically for the site of the generating equipment. This ensures that projects progressing through Gate 2 have realistic and tangible prospects for delivery.

We are also concerned about the implicit assumption that all DCO projects will ultimately succeed. This assumption risks encouraging a greater number of speculative applications through the DCO process. By their nature, DCO projects take significantly longer to consent—often 2–3 years—compared to approximately one year for projects submitted under the Town and Country Planning Act. Over-reliance on DCO projects to achieve the 2030 targets introduces significant risk, as delays inherent in the DCO process could hinder timely project delivery.

Public

Additionally, we believe the proposed methodology does not adequately account for planning issues specific to transmission-connected projects, where development timelines may not align with planning consenting processes. These mismatches could create a bottleneck in planning applications, further complicating and delaying the delivery of critical projects.

Instead of using planning as a gating item, we believe the proposed financial instrument provides a more effective tool to ensure a project's commitment and viability. By focusing on financial readiness, the process would avoid creating unnecessary jams in the planning system while maintaining a robust mechanism for confirming project commitment.

To mitigate this, the criteria should account for the inherent risks and timelines associated with DCO projects and ensure balanced consideration of alternative planning routes that can achieve the same outcomes within shorter timeframes.

Please insert your answer here for c). Gate 2 Criteria Evidence assessment, we have no further comments. We are satisfied that this has been developed through the code modification process with appropriate stakeholder and industry engagement, ensuring a robust and collaborative approach.

Please insert your answer here for d). Self-Declaration Templates, we do not have any further comments.

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 **do not agree** with limiting the alternative route for meeting the Gate 2 Readiness Criteria solely to projects seeking planning consent through the Development Consent Order (DCO) route.

While we acknowledge the importance of the DCO process for larger or more complex projects, we do not believe it should be the exclusive pathway. The DCO route is inherently lengthy and resource-intensive, often taking 2-3 years to secure consent compared to shorter timelines for planning applications under the Town and Country Planning Act. This creates a risk of delays that could hinder progress toward achieving the 2030 targets.

Furthermore, restricting the alternative route to DCO projects could unfairly disadvantage projects that are otherwise capable of meeting readiness criteria through more straightforward planning mechanisms. A more inclusive approach that accommodates other planning consent routes would ensure a fairer, more efficient process while fostering a wider range of viable projects to meet critical system needs.

It is also important to note that the DCO process applies only to England. In Scotland, projects over 50 MW are processed through the Energy Consents Unit (ECU) under the Electricity Act 1989, which similarly allows for compulsory purchase acquisition of land. In Wales, such

Public

projects are governed by the Infrastructure Wales Act 2024. Limiting alternative routes exclusively to DCO applications inherently excludes equivalent processes in Scotland and Wales, creating an imbalance and risking the marginalisation of projects in these regions.

If NESO are to introduce a planning route, then we believe a more inclusive approach that considers the planning frameworks of all devolved nations is essential to ensure parity and fairness across Great Britain.

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? Slide 9

Disagree. As stated in our response to CMP434, we consider that the Project Designation powers remain ill-defined and could be exploited to allow unfair advantages to certain projects. We do not fully support the proposals for designation, as we believe the categories are too broad and subjective.

Introducing a designation process risks creating significant market intervention, potentially prioritising certain projects at the expense of others. This approach could undermine the fairness of the queue system, disincentivise investment in non-designated projects, and create broader uncertainty for developers. Such knock-on effects would ultimately impact the investability of the sector as a whole.

In our view, NESO's current proposed categories for designation represent an unnecessary intervention that introduces complexity without clear added benefit. They are too broad, and we believe that most projects could make a case to be considered against one or more of the outlined categories.

We believe the Connection Point and Capacity Reservation proposals included in the Connections Network Design Methodology sufficiently addresses the needs of projects with the characteristics identified in the proposed 5 categories. For example, the Connection Point and Capacity Reservation framework would provide mechanisms to manage projects with long build times and those critical to supporting long-term system needs. However, we would reiterate that we do not support using this mechanism for addressing under-supply, due to concerns over lack of transparency and how this would be applied.

16. Do you agree with the proposed criteria for assessing Designated Projects? (*chapter 3, slide 14 onwards*)

Public

Disagree. We do not agree with the proposed criteria for assessing designated projects. The criteria lack a robust evidence base and clear, quantifiable assessment metrics, relying instead on subjective and overly qualitative measures. This approach raises significant concerns about consistency and transparency in the evaluation process.

We believe that these criteria would effectively grant NESO the authority to “pick winners,” allowing them to justify prioritising certain projects for designation at the expense of others in the queue. This approach risks sidelining projects that also contribute meaningfully to Clean Power 2030 objectives and the development of an efficient electricity system.

Furthermore, we believe the criteria could place battery energy storage systems at a disadvantage. In our experience, NESO does not fully understand or appreciate the comprehensive range of services and benefits that batteries can provide, such as their full ability to deliver grid stability and constraint management services. This issue is compounded by the novel and rapidly evolving role of battery systems within the energy market. As technology and capabilities advance, batteries are increasingly demonstrating their critical value in supporting both system efficiency and the achievement of Clean Power 2030 goals. However, the criteria as proposed do not seem to reflect this progression, potentially limiting the recognition and prioritisation of battery storage projects.

17. Do you agree with the indicative process NESO will follow for designating projects?
(chapter 4, slide 23 onwards)

Disagree. We do not support the Project Designation Methodology in principle and disagree with the indicative process presented by NESO. The designation process itself lacks clarity, creating an opaque framework that introduces unnecessary market intervention. This opacity, and the impact of designated projects on others in the queue, risks fostering uncertainty, discouraging investment, and undermining confidence in the market.

The indicative process appears heavily weighted in NESO's favour, granting it significant unilateral decision-making authority with minimal visibility or transparency for stakeholders. Our primary concerns are as follows:

1. **Lack of Transparency:** The proposed methodology does not provide sufficient clarity on how decisions are made, what criteria are prioritised, or how stakeholder input is considered. While the process outlines a right to appeal, the criteria for overturning decisions remain vague, which could undermine confidence in the system. We are concerned that the point of appeal remains within NESO.
2. **Limited Stakeholder Engagement:** NESO retains ultimate decision-making authority, with limited mechanisms for meaningful engagement or the ability to challenge its decisions. We don't feel the proposed consultation mechanism is sufficient and this will favour larger organisations with the ability to monitor and respond to, possibly several, additional consultations. This centralisation of power risks creating an opaque system that favours NESO's preferences over market-wide needs and equitable treatment of projects.

Public

3. **Potential for Delays:** The absence of definitive timelines for decisions introduces uncertainty for developers. While NESO suggests a typical timeframe of 4–5 months, the lack of fixed deadlines risks further delays, which could negatively impact project planning and investment.

Additional Questions

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

2027 projects and projects with Capacity Market contracts for 2028/29 Delivery Year: NESO has stated that projects under construction and due to connect in 2026 or earlier are unaffected by these changes. We strongly encourage NESO to extend this exemption to include projects with 2027 connection dates, as we will be seeking to reach financial commitment on these projects during 2025, before the Gate 2 to Whole Queue process has concluded and offers are made.

In addition to those projects with 2027 connection dates, we are seeking for this protection to extend to projects with Capacity Market agreements for the 2027/28. These projects will face Capacity Market termination fees if they are unable to secure grid connection offers as part of the Gate 2 to Whole Queue exercise.

The 2027 extension is critical, as many 2027 projects are already well advanced. Transmission-connected storage projects typically require a two-year construction timeline, preceded by at least one year for procurement, offtake agreements, and detailed engineering. As a result, we are already progressing 2027 projects to meet these requirements. This underscores the importance of ensuring the connections process supports such timelines to avoid delays that could hinder the deployment of critical storage capacity.

As outlined in NESO's own plans, there is likely to be a 12-month period of extreme uncertainty, with Gate 2 offers not expected to be issued until late 2025. Failing to address this would significantly jeopardise the viability of these projects, which are essential for delivering on Clean Power 2030 targets while maintaining investor confidence. If the extension does not include 2028 projects, then we would seek for the Capacity Market Rules to be amended so termination fees do not apply.

Queue Transparency: NESO and DNOs must provide a combined list of projects by CP2030 region and status before the Gate 2 process begins to ensure industry transparency and mitigate the risk of disputes or legal challenges.

Data Quality and Transparency: There are significant limitations in data quality, particularly regarding locational accuracy. Methodology documents should include data quality assurance measures and plans to improve accuracy. Enhancing data visibility should be a top priority throughout the process.

Public

Co-location and Hybrid Projects: Greater clarity is needed on the treatment of co-located projects, including the share of technologies like solar and battery, and their system impacts. Co-located projects should be assessed based on their system behaviour and impact, but the complexity and lack of data in accurately evaluating capacity allocation against pathways remain unaddressed.

Prioritising larger projects: We believe NESO should prioritise larger projects in their connections reform to ensure maximum system benefit and progress toward CP30 objectives. Larger projects often deliver a more substantial impact on overall system reliability and efficiency. In respect of energy storage, these projects often have robust design and operational capabilities, ensuring a higher standard of reliability. We also feel that larger projects achieve better utilisation of the network. By example, Tertiary Winding projects should be removed from the queue as they occupy critical land around substations that would be better utilised for cable routes supporting larger projects with secured land. These small-scale projects not only constrain vital substation land but also represent an inefficient use of the network, diverting resources away from projects with greater system benefits.