

National Grid ESO
Faraday House
Gallows Hill
Warwick
CV34 6DA

By email:
cusc.team@nationalgrideso.com

Attn: Code Administrator
06 August 2024

Dear Code Administrator,

CMP434, CMP435, CM095 and CM096 Connections Reform Code Modification Consultations

SP Energy Networks (SPEN) represents the distribution licensees of SP Distribution plc (SPD) and SP Manweb plc (SPM) and the transmission licensee, SP Transmission plc (SPT). We own and operate the electricity distribution networks in the Central Belt and South of Scotland (SPD), and Merseyside and North Wales (SPM). We also own and maintain the electricity transmission network in Central and South Scotland (SPT). As an owner of both transmission and distribution network assets, we are subject to the RIIIO price control framework and must ensure that we develop an economic, efficient and coordinated onshore electricity system.

This letter accompanies SPEN's workgroup consultation responses to CMP434, CMP435, CM095 and CM096 and summarises our views from both a transmission and distribution network operator perspective, with respect to the developing Connection Reform proposals.

SPEN is strongly supportive of the need for Connections Reform and the objectives to be addressed by TMO4+ and the code modifications CMP434/CM095 and CMP435/CM096. These proposals will move us from a 'First Come, First Served' to a 'First Ready, First Connected' approach, which is a positive development. However, with a current GB-wide connections queue of over 700GW, we do not believe that the TMO4+ proposals currently go far enough. We are of the opinion that the proposer's solutions must be enhanced, prior to the implementation of TMO4+, to ensure we are efficiently delivering a network that will align with Clean Power 2030 and Net Zero targets. Resulting in a streamlined connections process to accelerate customer connection dates, where possible, and providing a level-playing field for differing technologies and projects with direct or embedded connections.

Refinement of the Gate 2 Criteria

Principally, amongst our concerns is the proposed Gate 2 criteria, which we consider is currently too low. SPT's own RIIIO-T3 project data, along with the ESO's RFI (including submissions by SPM and SPD of embedded generators), indicates that the number and capacity of projects expected to meet Gate 2 by the 'go-live' date will be significant, with high volumes of smaller projects and in particular short-duration BESS and solar projects,

likely to meet this Gate 2 criteria by the end of 2024. This risks bringing a technology mix to the revised connections queue which does not align with Net Zero network requirements.

SPEN is therefore calling for the Gate 2 criteria to be further enhanced to include strategic alignment with the Clean Power 2030 and Net Zero targets. We are proposing that technology specific caps should be applied ensuring that the outputs of the 'Gate 2 to Whole Queue' exercise delivers a revised connections queue aligned with Government's 2030 and Net Zero ambitions. The Gate 2 to the Whole Queue exercise is a key connections reform intervention. Our proposal to strengthen the Gate 2 criteria must therefore be undertaken, prior to implementation of CMP435. It is imperative for customers and investor confidence that this level of intervention to the contracted background is only carried out once, and as thoroughly as possible.

Indicative Timelines for Gate 1 and Gate 2

SPEN is strongly of the view that the proposed indicative timelines for the gated process and 'Gate 2 to Whole Queue' exercise need to be reconsidered. The timelines do not address our existing concerns regarding current licensed STC timescales being increasingly challenging, given the volume and complexity of connection applications received. The proposed timelines are not evidence based and should be modelled on current application volumes, the extent of the analysis work required by the ESO and TOs at Gate 1 and Gate 2, as well as our understanding of those projects which will meet Gate 2.

The TM04+ model will only deliver the much-needed reforms to the current connections queue for customers, if the ESO and TOs have adequate timelines to undertake the required network analysis required to support the TM04+ model.

Implementation of the TM04+ Model

The volume of outstanding work still to be progressed to support the TM04+ model is considerable. This includes the development of key Methodologies, Guidance and licence changes. We note that there also remains significant uncertainty around the arrangements for Distribution projects and the process which DNOs need to implement. The current timelines to introduce the TM04+ model on 1st January 2025 now seems unrealistic, given that the ESO, TOs and DNOs need sufficient time to implement and embed these new processes within our organisations, whilst customers need sufficient time and support from the ESO and TOs to familiarize themselves with these new connection processes.

Finally, whilst we support the urgent nature of the Connections Reform proposals, the timeline of eight working days to allow stakeholders the opportunity to review and respond to this important consultation exercise has been challenging. Particularly for parties across industry who are already under significant pressure due to the extensive code working group programme. Whilst we are fully supportive of the urgent need for connections reform, we need to be able to execute these reforms to timelines which are mindful of colleagues' workloads and wellbeing, across all parties involved. This principle will also be important as the ESO and network operators seek to introduce these extensive new processes next year.

Please do not hesitate to contact me if you require any further information on any of our consultation responses.

Yours sincerely,



Lynne Bryceland

Head of Transmission Commercial,
SP Energy Networks