Public

Connections Reform webinar

22 January 2025

NESO
National Energy System Operator

Agenda

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Topic

1. Overview of overall design and CP30 permitted capacities
2. Overview of the proposed industry code changes
3. Overview of the proposed methodologies
    a) Gate 2 Criteria
    b) Project Designation
    c) CNDM
4. Arrangements for embedded customers
5. Next steps
6. Q&A

Overview of overall design and CP30 permitted capacities

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Consultation responses

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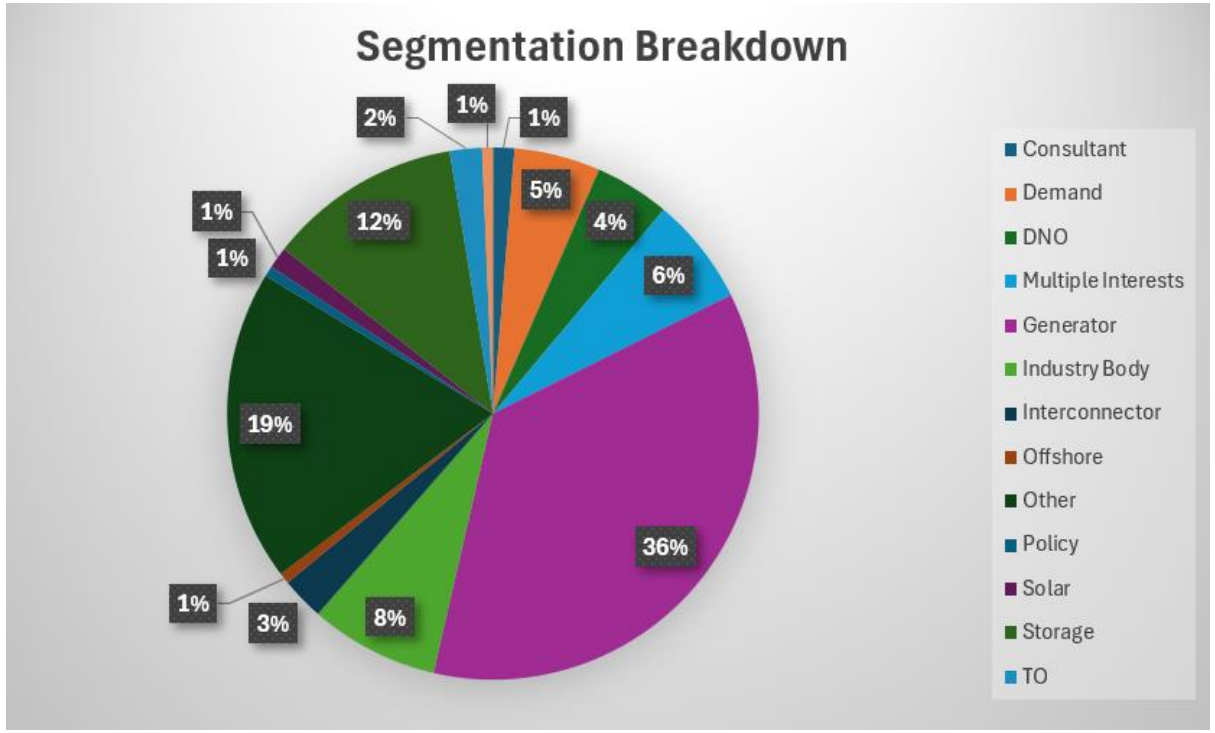
155 responses

Broadly supportive

Consultation Area	Positive Feedback %	Neutral Feedback %	Negative Feedback %
Policy	51.5%	25.5%	23%
Implementation	35%	47.5%	17.5%
Gate 2	45%	38%	17%
CNDM	48%	37%	15%
Project Designation	44%	45%	11%



Main non-supportive feedback

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- Granular CP30 Action Plan Alignment
- Liquidity in the market and project attrition
- Queue management and advancement – planning status
- Transparency / clarity in project designation

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Strategic Alignment Criteria

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Strategic Alignment Criteria	Protections	"Significantly Progressed"
a) Eligible for **protections**	1 — Projects contracted to connect by end 2026 that have met M2 and M7 (CMP435);	Planning obtained (M2) (and submitted, M1, by 20th Dec 24)
b) Aligned to the CP30 Action Plan	2a — Projects which are **significantly progressed** (CMP435);	CfD
c) Designated Project	2b — Projects which are **significantly progressed** (those who reapply in CMP434 only); and	Capacity Market
d) Not in scope of the CP30 Action Plan	3 — Projects which obtain planning consent after closure of the CMP435 Gated Application Window (those who reapply in CMP434 only).	Ofgem 'live' Cap and Floor
		Ofgem 'live' Merchant Interconnector

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Technologies in and out of scope of the CP30 Action Plan

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Technology	In scope of CP30 Action Plan?	Breakdown in CP30 Action Plan
Offshore Wind	Yes	GB-wide
Onshore Wind	Yes	Zonal*
Solar	Yes	Zonal
Nuclear	Yes	GB-wide
Low Carbon Dispatchable Power	Yes	GB-wide
Unabated Gas	Yes	GB-wide
LDES	Yes	GB-wide
Batteries	Yes	Zonal
Interconnectors	Yes	GB-wide
Transmission-Connected Demand	No	N/A
Wave	No	N/A
Tidal	No	N/A
Non-GB Generation	No	N/A

*Onshore Wind has a multi-zone breakdown to 2030 and then is amalgamated to a two-zone split (Scotland, England & Wales) for 2031-2035.

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Zones (for onshore wind, batteries and solar)

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Transmission Zones

Distribution Zones

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CP30 permitted capacities (GB level)

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Technology	Current Installed capacity (2024)[6]	NESO 'Further Flex and Renewables' Scenario	NESO 'New Dispatch' Scenario	DESNZ 2030 'Clean Power Capacity Range'[7]	2035 FES-derived Capacity Range[8]
Variable					
Offshore wind	14.8	51	43	**43 – 50**	**72 - 89**
Onshore wind	14.2	27	27	**27 – 29**	**35 - 37**[9]
Solar	16.6	47	47	**45 – 47**[10]	**45**[11]**- 69**
Firm					
Nuclear	5.9	4	4	**3 - 4**	**4 - 6**

Table excerpt from "UK Government: Clean Power 2030 Action Plan: Connections reform annex", December 2024

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CP30 permitted capacities (GB level)

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Technology	Current Installed capacity (2024)[6]	NESO 'Further Flex and Renewables' Scenario	NESO 'New Dispatch' Scenario	DESNZ 2030 'Clean Power Capacity Range'[7]	2035 FES-derived Capacity Range[8]
Dispatchable					
Low Carbon Dispatchable Power[12]	4.3	4	7	**2[13] –7**	**Up to 25**
Unabated gas	35.6	35	35	**35[14]**	Subject to separate NESO designation process[15]
Flexible					
LDES[16]	2.9	8	5	**4 – 6**	**5-10**
Batteries[17]	4.55	27	23	**23 – 27**	**24-29**
Interconnectors	9.8	12	12	**12 – 14**	**17-24**

Table excerpt from "UK Government: Clean Power 2030 Action Plan: Connections reform annex", December 2024

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CP30 permitted capacities (tx zones)

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Transmission network region	Solar (MW) 2030	Solar (MW) 2035	Onshore wind (MW)[22] 2030[23]	Onshore wind (MW) 2035	Batteries (MW)[24] 2030	Batteries (MW) 2035
N. Scotland	100	800	5,500	-	1,900	1,900
S. Scotland	600	800	8,800	-	3,900	3,900
N. England	500	1,400	-	-	800	800
N. Wales, the Mersey and the Humber	1,200	1,700	300	-	4,200	4,200
Midlands	4,000	5,200	-	-	1,300	1,300
Central England	2,100	3,300	-	-	500	500
E. Anglia	100	900	-	-	200	200
S. Wales and the Severn	1,100	1,300	1,300	-	900	900
S.W. England	300	300	-	-	400	400
S. England	200	200	-	-	100	100
South East England	600	1,100	-	-	1,700	1,700
GB total	**10,800**	**17,000**	**15,900**	-	**15,900**	**15,900**

Table excerpt from "UK Government: Clean Power 2030 Action Plan: Connections reform annex", December 2024

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CP30 permitted capacities (dx zones)

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Distribution network region	Solar (MW) 2030	Solar (MW) 2035	Onshore wind (MW)[27] 2030	Onshore wind (MW) 2035	Batteries (MW) 2030	Batteries (MW) 2035
Scottish and Southern Electricity Networks (SSEN) – Scottish Hydo Electric Power Distribution (SHEPD)	1,100	1,700	3,500	-	900	900
SP Distribution (SPD)	1,100	1,800	2,700	-	800	900
Northern Powergrid (NPg)	4,400	6,500	1,900	-	1,900	2,100
Electricity North West (ENWL)	1,500	2,300	700	-	900	1,000
SP Manweb	1,500	2,200	1,000	-	400	500
National Grid Electricity Distribution (NGED)	13,900	19,900	2,400	-	3,000	3,600
UK Power Networks (UKPN)	8,100	11,800	900	-	2,100	2,400
SSEN – Southern Electric Power Distribution (SEPD)	4,600	6,200	100	-	1,200	1,400
GB total	**36,200**	**52,400**	**13,200**	**-**	**11,200**	**12,800**

Table excerpt from "UK Government: Clean Power 2030 Action Plan: Connections reform annex", December 2024

CP30 permitted capacities (onshore wind to 2035)

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GB region	Solar (MW) 2030	Solar (MW) 2035	Onshore wind (MW) 2030	Onshore wind (MW) 2035	Batteries (MW) 2030	Batteries (MW) 2035
Scotland	2,900	5,100	20,500	21,200	7,500	7,600
England and Wales	44,100	64,300	8,600	15,800	19,600	21,100
GB total	**47,000**	**69,400**	**29,100**	**37,000**	**27,100**	**28,700**

Table excerpt from "UK Government: Clean Power 2030 Action Plan: Connections reform annex", December 2024

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Liquidity in the market and project attrition

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The reformed connection queue will include sufficient projects and capacity

- ‘Protections’
- Permitted capacities use the top of the CP30 ranges to 2035
- SSEP to extend permitted capacities

	2030	2035
CP30 permitted queue capacities (GW)	120	225
Current queue with connection dates to end 2030 (GW)	210 (135 is ready)	
Potential future capacity of ‘ready’ projects with connection dates before end 2030 (GW)	150-170	

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Key building blocks to align connections reform with strategic energy planning

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	Variable	Definition	Options		
1	**Time horizon for determining "aligned" project**	Under what time horizon is alignment considered	2030	2035	2035+
2	**Approach for managing scope of the new queue**	How we determine the size and make-up of the new queue	Readiness based	CP30 Plan aligned projects prioritised, then followed by any other 'ready' projects	Only 'ready' CP30 Plan aligned projects or 'ready' projects not known or out of scope of CP30

Final recommendation, as included in consultation

Other assessed options

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Overview of three overall designs

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Three potential overall designs

1

New queue formed of:

i) 'ready' projects already in the queue

ii) 'ready' NESO designated projects

iii) then, any new 'ready' projects that 'align with' the CP30 Plan are prioritised In future Gate 2 windows

2

New queue is formed of:

i) 'ready' projects 'aligned with' the CP30 Plan (inc 'protected' projects)

ii) 'ready' NESO designated projects

iii) 'ready' 'tx connected demand', 'wave/tidal' and 'non-GB generation' projects (these are the technologies specifically outside scope of CP30 Plan)

Our final recommended design

3

New queue is formed of:

i) 'ready' projects 'aligned with' the CP30 Plan

ii) 'ready' NESO designated projects

iii) 'ready' 'tx connected demand', 'wave/tidal' and 'non-GB generation' projects (these are the technologies specifically outside scope of CP30 Plan)

iv) any other 'ready' projects

Overview of the industry code changes

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CMP435 (Gate 2 to Whole Queue)

Key Components	Why is this important?
Existing Agreement Timetable Publication and Application Window	When published this will set out when the application window will open and close, and other key dates/milestones. The application window will not be opened earlier than 4-weeks after the implementation date. It must be open for at least 2-weeks.
Multiple points/routes for Existing Agreements to become Gate 1 or Equivalent	As projects will lose their confirmed connection dates and connection points, and User Commitment / Finals Sums liability will no longer apply from acceptance of the contract variation (the security return process will also commence at this point).
Gate 2 Process, including Readiness Declaration and Original Red Line Boundary	Sets out the high-level requirements/process in relation to becoming a Gate 2 Project in respect of the new Methodologies.
Introduces Ongoing Gate 2 Compliance Requirements (and Potential Exceptions)	Details additional/amended ongoing compliance requirements for Gate 2 Projects connected to the Transmission System i.e. i) the earlier of the backwards looking M1 and forward looking M1 will be the Queue Management Milestone M1, and ii) whatever Installed Capacity MWs is eventually built within the Original Red Line Boundary, only 50% of that number can then be located outside of the Original Red Line Boundary.

Overview of the methodologies

Giving effect to Connections Reform

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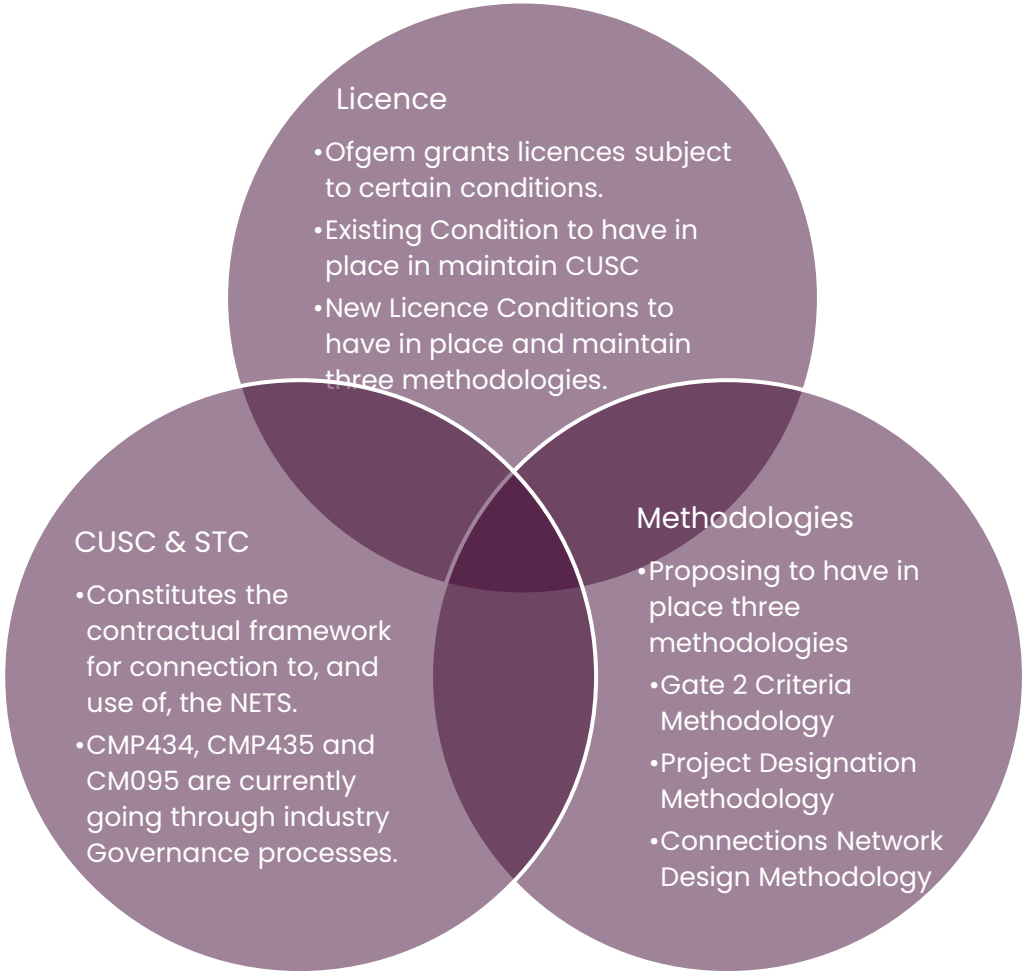

1. Gate 2 Criteria Methodology

Purpose: Establish what projects make it into new queue
Focus: Appropriate Land rights (including Development Consent Order (DCO) submission)

2. Project Designation Methodology

Purpose: Establish what projects are prioritised in the new queue
Focus: Which types of projects could be designated and prioritised

3. Connections Network Design Methodology

Purpose: Establish the ordering of the new queue and determine reinforcement works
Focus: Queue formation, study approach, capacity reallocation following termination

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Gate 2 Criteria Methodology

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Overall Gate 2 Criteria

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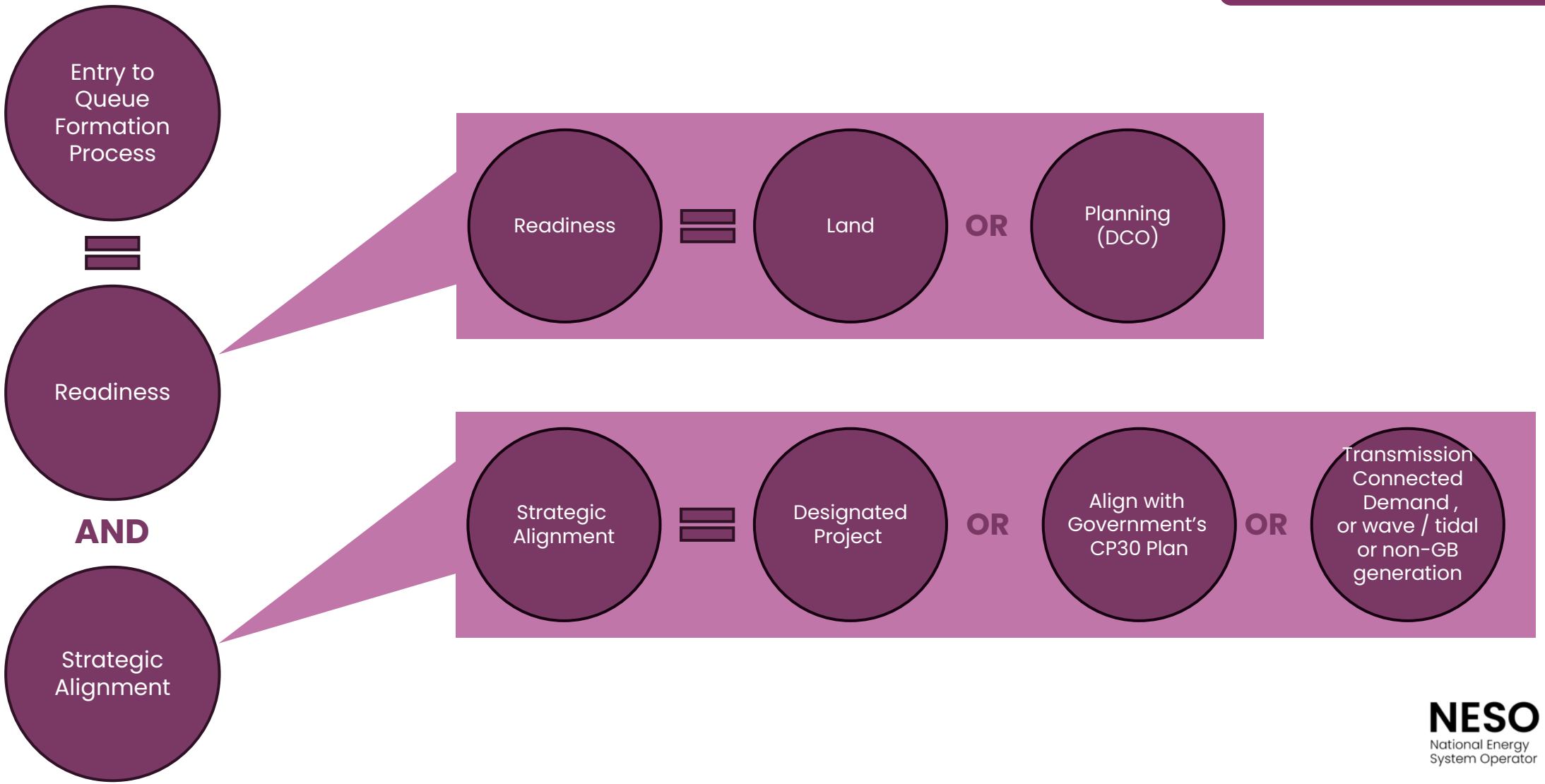

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Key Changes following consultation

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4 – Land Readiness

- Clarified that a Land option should have a minimum 3 year Option from the date the Option is signed
- Enhanced list of exceptions including a new exception (evidencing of the granting of a "Compulsory Purchase Order")
- Clarity on documentation required from INTOG projects

5 – Planning (DCO)

- Clarity on process where planning reference number not yet available
- Exceptional process where User provides evidence they need to follow an alternative planning process in order to be granted CPO powers to secure relevant land rights

6 – Strategic Alignment Criteria

- Evidence requirements and assessment notably on "protections" and evidencing technology type

8 – Evidence assessment

- Further detail provided on the assessment process for the Strategic Alignment Criteria (including who carries out each check)
- Additional clarity provided on when the initial checks are carried out in the process.

9 – Readiness Declarations

- Redrafted questions/statements in some areas
- Clarified where not mandatory to populate
- Added clarification notes to aid Users when populating
- Actual templates still to be created

Gate 2 Criteria Methodology: Readiness

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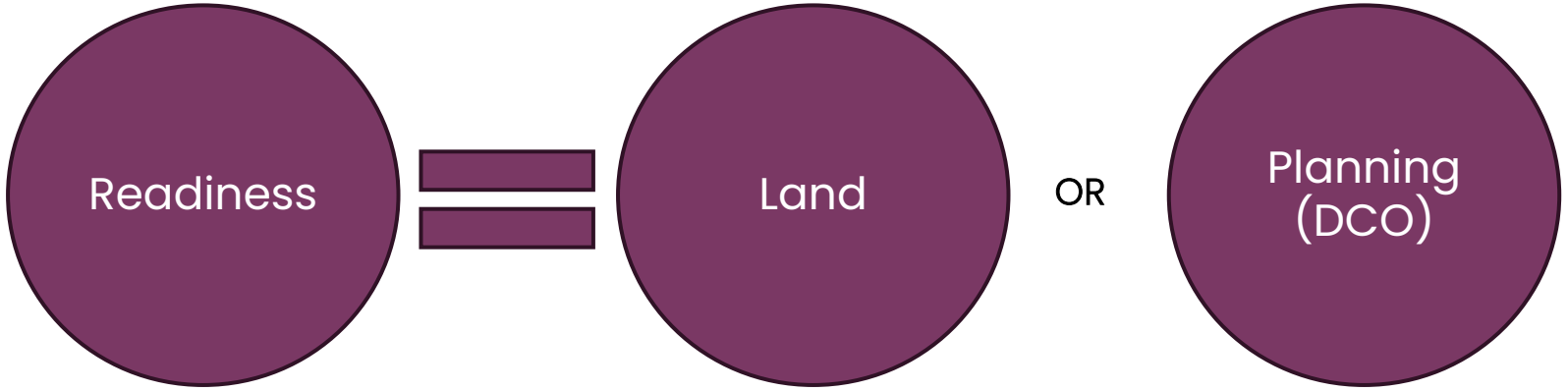

LAND (See Section 4)

- Meet Minimum acreage requirements (or Offshore equivalent); and
- Provision of Original Red Line Boundary for site on which project is located; and
- Secured Land Rights including evidence of exceptions (if applicable);; and
- Readiness Declaration (signed by a Director of the User applying).

PLANNING (See Section 5)

- Submission of (and validation of) application for planning consent for projects following the Development Consent Order (DCO) process; and
- Readiness Declaration (signed by a Director of the User applying);

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Gate 2 Criteria Methodology: Strategic Alignment

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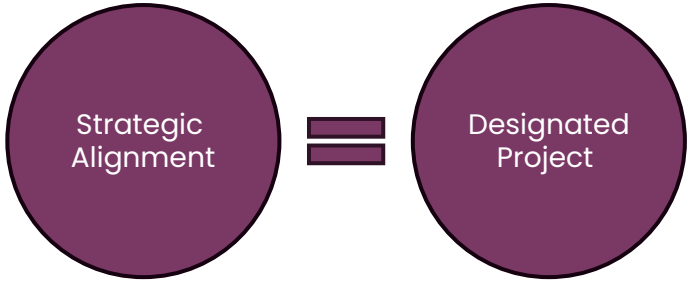

Criteria c
- Separate process as described in the Project Designation Methodology

OR

Meet relevant 'protections'

and/or*

Within CP30 'permitted capacities'

Align with Government's CP30 Plan

Criteria b
- Users can provide evidence if they believe they are eligible for one of the "protections"
- Users need to confirm the Transmission Entry Capacity/Developer Capacity that they are seeking "protections" against on the Readiness Declaration they submit.
- Users need to provide technology type (if seeking "protection" 3 or if not seeking protections, evidence supporting they are the technology they are seeking Gate 2 for)

OR

Transmission Connected Demand , or wave / tidal or non-GB generation

Criteria a or d
- Users need to provide technology type (and evidence supporting this)

*This is "or" for protections 1, 2a and 2b. Protected projects still count towards the permitted capacity, however this 'or' means they are allowed to exceed it

This is "and" for protection 3

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Gate 2 Criteria Evidence Assessment – Strategic Alignment - Protections

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Summary of evidence required to be provided by the User

Protection Clause 1: Projects connecting by end 2026 (CMP435)

- Must have a connection date on or before 31 December 2026; and
- Provide evidence of meeting Queue Management Milestone M2 and M7

Protection Clause 2a: Projects which are significantly progressed (CMP435)

- Provide evidence of meeting Queue Management Milestone M1, noting this must also show this was submitted to the Statutory Planning Authority on or before 20 December 2024; and
- Provide evidence of meeting Queue Management Milestone M2; or
- Provide evidence of holding a "live" Contracts for Difference Contract; or "live" Capacity Market Contract; or "live" Cap and Floor arrangement or Merchant Interconnector approval (via the relevant exemptions process with the Authority)

Protection Clause 2b: Projects which are significantly progressed (those who reapply in CMP434 only))

- Provide evidence of holding a "live" Contracts for Difference Contract; or "live" Capacity Market Contract; or "live" Cap and Floor arrangement or Merchant Interconnector approval (via the relevant exemptions process with the Authority)

Protection Clause 3: Projects which obtain planning consent after closure of the CMP435 Gated Application Window (those who reapply in CMP434 only)

- Provide evidence of meeting Queue Management Milestone M1, noting this must also show this was submitted to the Statutory Planning Authority prior to the closure of the CMP435 Gated Application Window; and
- Provide evidence of meeting Queue Management Milestone M2; and
- Provide evidence of technology type

User will need to confirm the Transmission Entry Capacity/Developer Capacity that they are seeking protections against; and for protection clause 3 evidence of technology type on the Readiness Declaration they submit

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Current Policy next steps

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Minimum Acreage

- Annual review of the Minimum Acreage values brought forward (from March 2025 to January 2025). Review encompasses transmission and distribution connected projects.
- Publish the Offshore Energy Density Table at the same time as we conclude the wider review.
- Letter of Authority Guidance to be updated

Queue Management

- For those seeking readiness via planning, confirm how we will mitigate any unintended consequence related to potential non-compliance with Queue Management M3 and share next steps in Q1 2025.
- Queue Management to be updated notably re: ongoing Gate 2 compliance

Readiness Declaration Templates

- Formal templates that Users will need to populate for submission within a Gated Application Window will be appended to the Gate 2 Criteria Methodology
- Not seeking any further substantive information/evidence from Users than that set out in Gate 2 Criteria Methodology

Evidence Assessment

- Keep under review if we can bring forward any of the detailed assessment checks prior to the Gated Design Process

Project Designation Methodology

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Project Designation Overview

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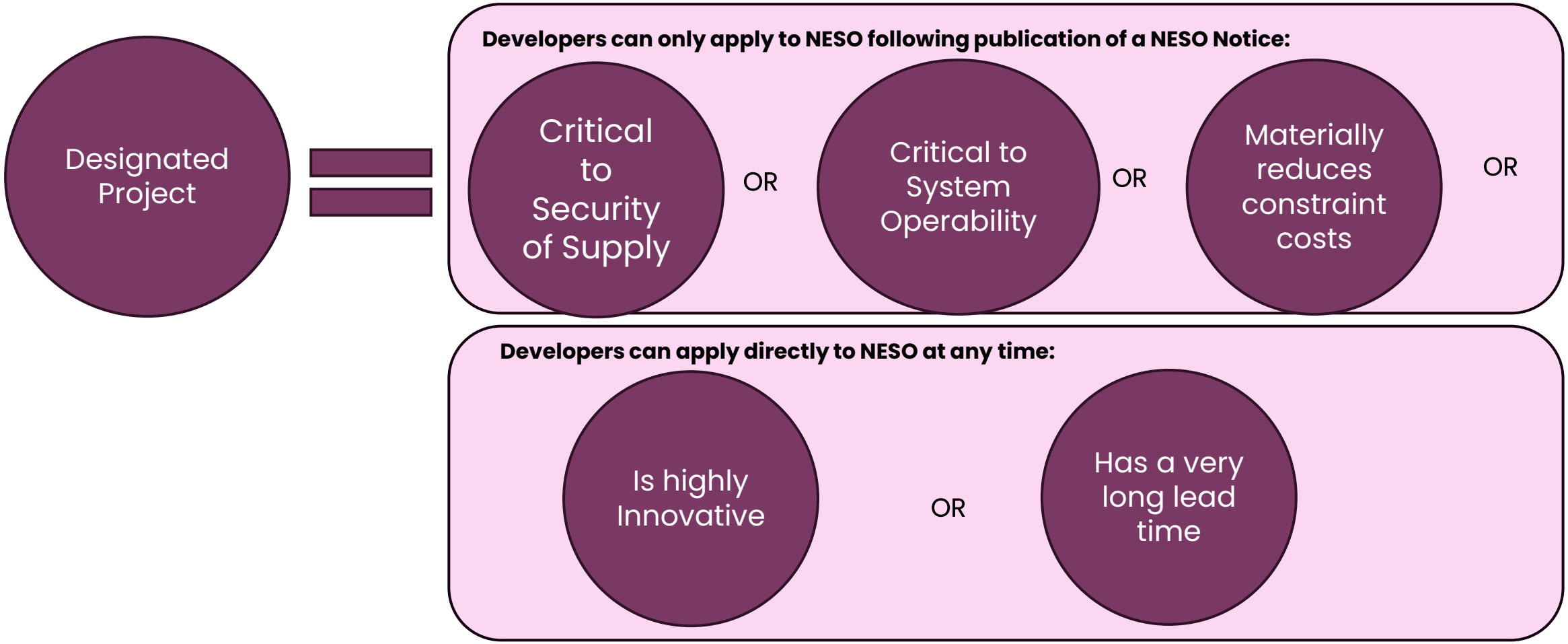

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Connections Network Design Methodology

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Key Changes following consultation

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Sections with key changes

5.3 Application of the Gate 2 Readiness Criteria to the existing queue

- Clarity on 'existing relative queue position'

5.4 Application of the Gate 2 Strategic Alignment Criteria to the existing queue

- Accounting for protections
- Referencing the CP30 Action Plan

5.7 Aligning the queue to the CP30 Action Plan

- Changes to final queue order after planning sort applied
- Further clarity on 'Step 5'
- Confirmation that 'Phase 2' projects will not be restricted to >2031 dates

New sections

5.14 Rebalancing zonal capacities to account for protections

5.18 Publishing the queue revision outcome

Appendix 1 Queue formation for embedded projects

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Aligning the queue to CP30 Action Plan

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After applying the Gate 2 Readiness Criteria, the process below will be used to determine the projects that meet Strategic Alignment Criteria b):

1. Form a sub-queue for each technology in each zone (e.g. Solar in Transmission Zone T1)

2. Identify projects that are eligible for 'protections'

3. Assign these projects to a phase, based on their contracted connection date, or advancement date where requested*

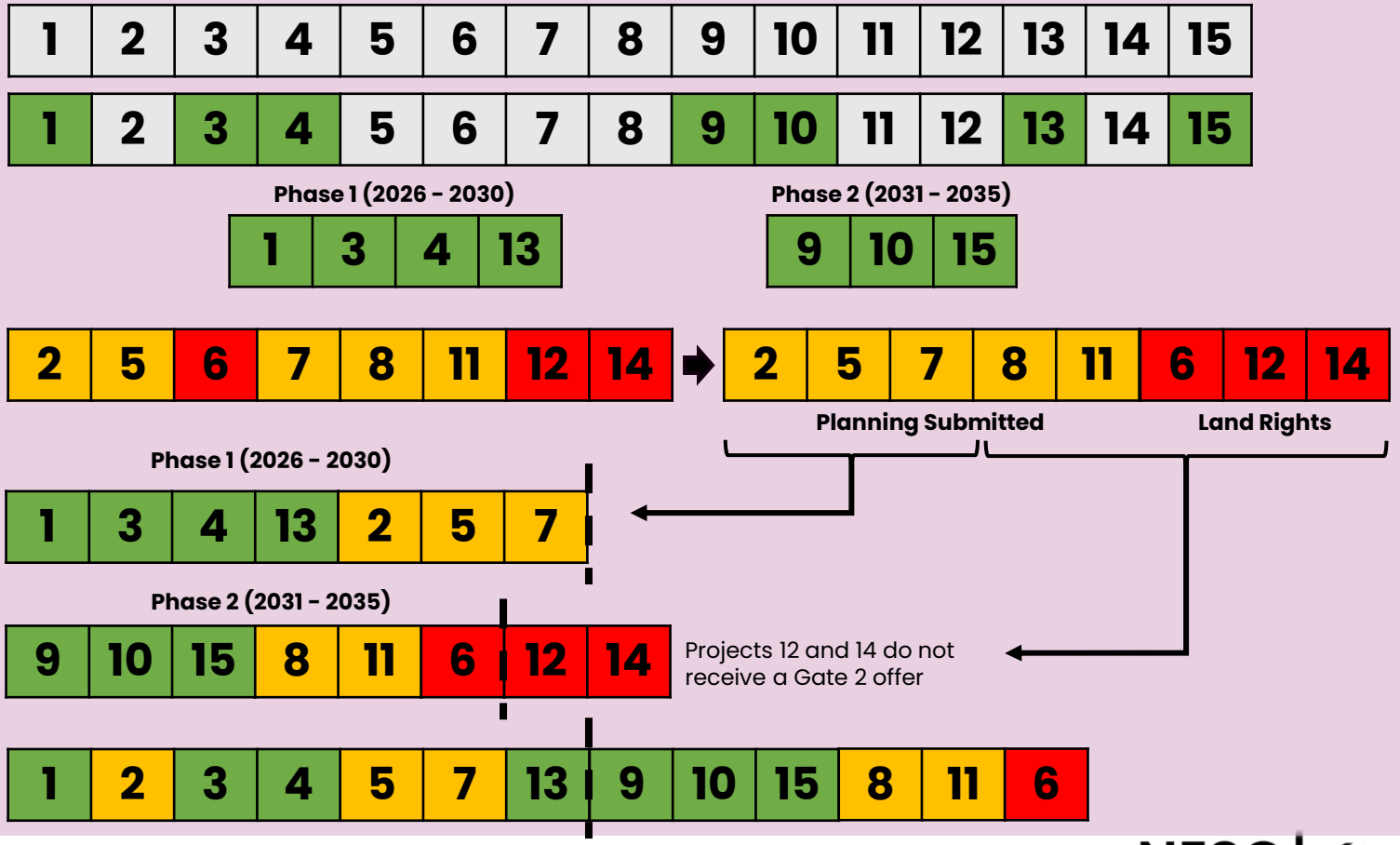
4. Determine the planning status of the remaining projects and order them based on this planning status

5. Relevant TO/DNO identify any network limitations preventing advancement (prior to detailed network study)

6. Where remaining projects have an existing or requested date of 2030 or earlier, add them to Phase 1 until the permitted capacity is reached

7. Add the rest of the remaining projects to Phase 2 until the permitted capacity is reached. Any exceeding this will not receive a Gate 2 offer

8. Return Phase 1 projects to existing relative queue positions and recombine Phase 1 and Phase 2



*if the 2030 permitted capacity is reached at this stage, all remaining 'green' projects will be allocated to Phase 2, even if this results in the 2035 permitted capacity being exceeded.

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Rebalancing zonal capacities to account for protections

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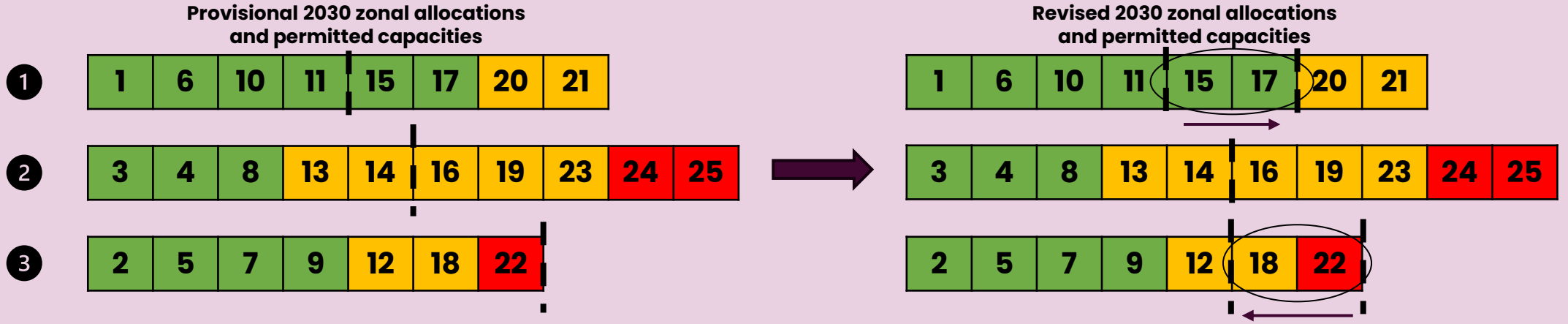
For each technology with a zonal breakdown, the GB-wide queue will be divided into zones and aligned to the CP30 Action Plan as outlined in Section 5.7. In the following example, there are 25 projects in the GB-wide queue for this particular technology, which are split across 3 zones.
For simplicity, each project is assumed to have the same 100MW capacity.

The 25 projects are allocated provisionally to each zone. Projects 15 and 17 exceed the 2030 zonal permitted capacity but are 'protected'. **The projects in the provisional allocations with the latest queue positions (projects 18 and 22) are removed** to accommodate projects 15 and 17 being added. This results in the revised zonal allocation.



The 2030 permitted capacity for each zone is now recalculated as shown in the table.

This process would be repeated for the 2035 permitted capacity for each technology with a zonal breakdown. Projects 18 and 22 would be reconsidered for alignment to the 2035 requirements.

Zone	2030 Permitted Capacity	Total Capacity of 'Protected' Projects	Adjusted 2030 Permitted Capacity
1	400 MW	600 MW	600 MW
2	500 MW	300 MW	500 MW
3	700 MW	400 MW	500 MW

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Publishing the queue revision outcome

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5.18.2 Based on the outcome of the Gate 2 Criteria assessment and as soon as reasonably practicable, the following will be published for each zone by NESO to the extent it is practicable (and where it does not result in individual projects being identifiable):

a) MW volume of projects that are expected to receive a Gate 2 offer, broken down by allocations to Phase 1 and Phase 2
b) MW volume of projects that are expected to receive a Gate 1 offer (or, for small and medium embedded Users, revert to an existing DNO offer)
c) MW volume of 'protected' projects deemed to have met Strategic Alignment Criteria a)
d) Detail of any substitutions made to account for 'protected' projects or undersupply
e) Detail of any changes made to the permitted capacity in the zone as a result of substitutions
f) MW volume of 'project specific' Gate 1 reservations and the reasons for these
g) MW volume of 'non-project specific' Gate 1 reservations (including undersupply) and reasons for these
h) MW permitted capacity (per technology) remaining that is available for future Gated Application Windows
i) Total MW volume of designated projects and reasons for these

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Queue Formation for Embedded Projects

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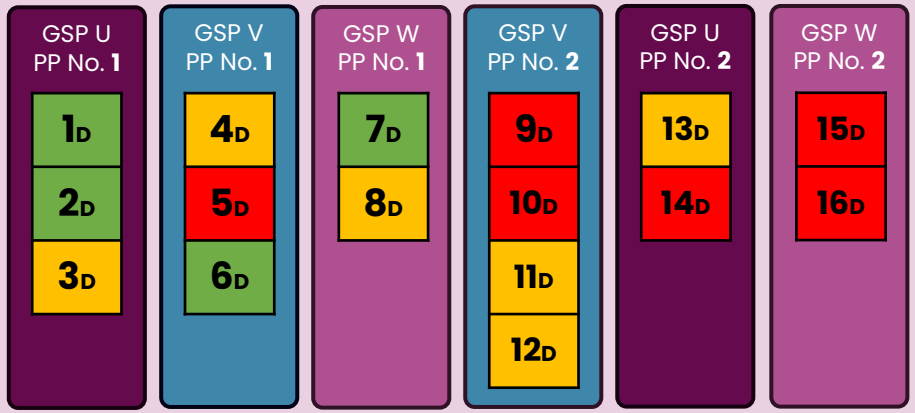
This appendix outlines how Project Progressions in the existing queue are treated when aligning a DNO sub-queue to the CP30 Action Plan in Gate 2 to Whole Queue. It also shows how a Distribution sub-queue and Transmission sub-queue would be combined by NESO following these exercises, which is illustrative of how the 'GB-wide' queue will be reformed before the Existing Application Gated Design Process commences.

After applying the Gate 2 Readiness Criteria as outlined in Section 5.3, the following projects are deemed to have met this criteria and are now subject to assessment against the Gate 2 Strategic Alignment Criteria b).

Below is an example of Project Progressions at 3 GSPs, where two Project Progressions are associated with each GSP.



In this example the NESO Countersignature Date of each Project Progression results in the following order:

1. Grid Supply Point U, Project Progression No. 1
2. Grid Supply Point V, Project Progression No. 1
3. Grid Supply Point W, Project Progression No. 1
4. Grid Supply Point V, Project Progression No. 2
5. Grid Supply Point U, Project Progression No. 2
6. Grid Supply Point W, Project Progression No. 2

The projects in these Project Progressions have had their 'protection' or planning status determined and can now be assessed against the Strategic Alignment Criteria. This follows the process as outlined in Section 5.7 for steps 1 to 5 thus for simplicity, the example on the following page starts from step 6.

Figure A1: Establishing the example embedded generation sub-queue

Queue Formation for Embedded Projects

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Figure A4 below shows an example of how the sub-queues would look once combined. This ordering would be based on the NESO Countersignature date for both the Transmission Projects and the Project Progressions.

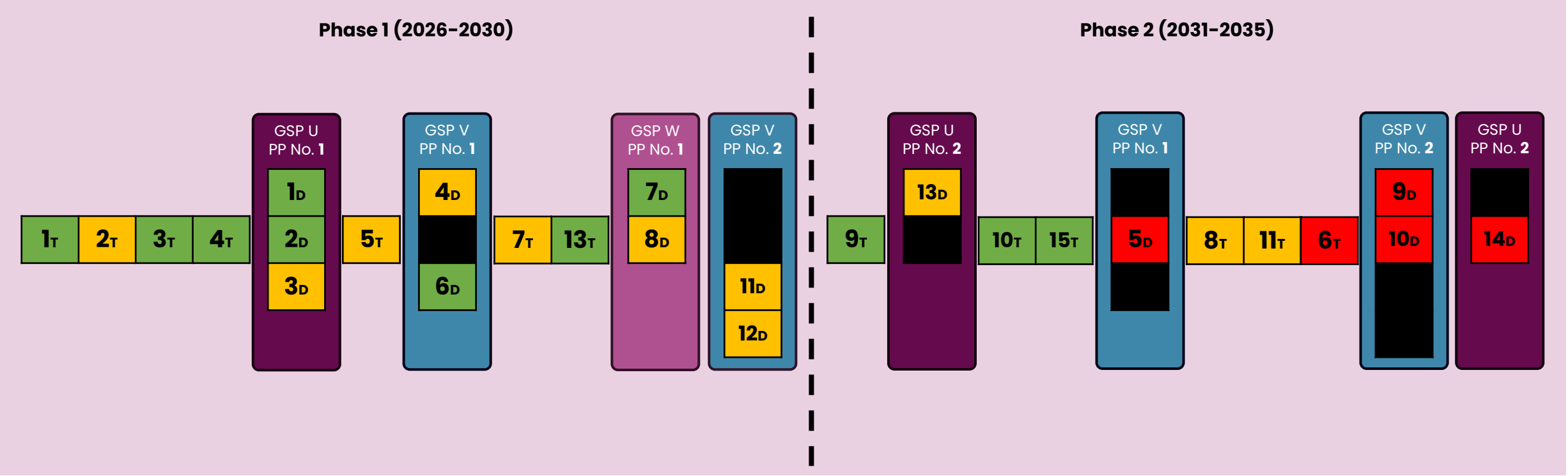

Figure A4: Result of combining the Transmission and Distribution sub-queues

Arrangements for embedded customers

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Connections Reform for Distribution Customers

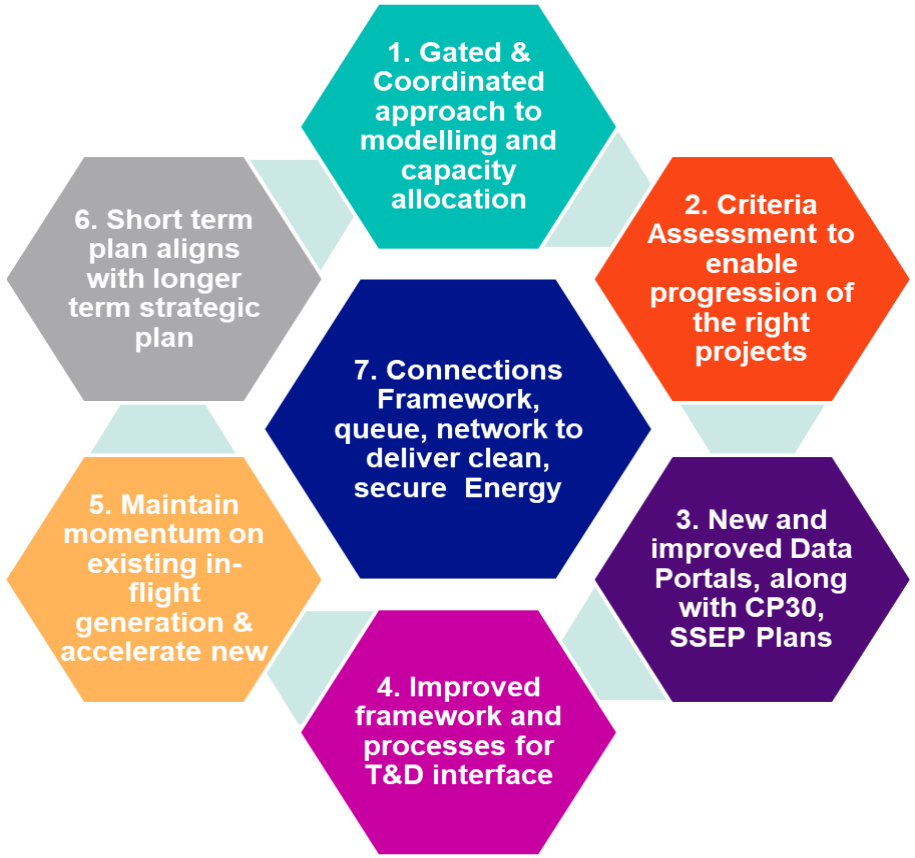
Kyle Smith- Head of Connections- ENA

Su Neves e Brooks- Head of Connections Reform and Strategy- NGED

Laura Henry- Senior Connections Reform and Strategy Manager- NGED

Sarah Kenny-Levick- Senior Connections Reform and Strategy Manager- NGED

Benefits of TMO4+ to the DNO network

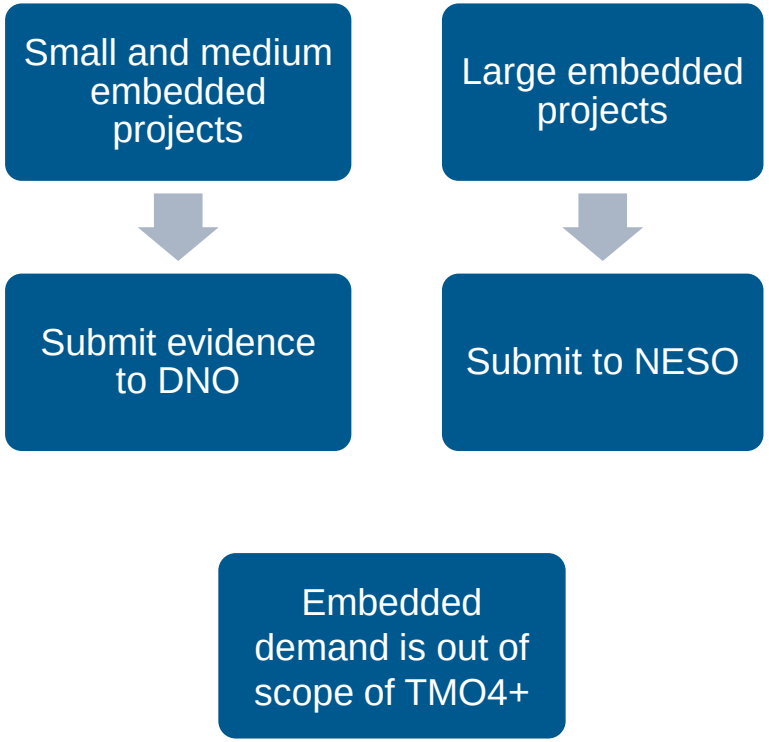


Note: DNOs will only be able to send offers to our customers once they are received from NESO to the DNO

1. **Coordinated modelling and study** of applications by NESO & TOs[1]. through new window process
2. Ability to **accelerate needed projects** to deliver at pace and support reduced queue more effectively
3. Updated **information** will deliver **value and transparency** to customers
4. Simplified processes will drive **faster and more collaborative implementation** of changes
5. **Prioritisation of projects to deliver CP30 and protection** for projects that are progressed
6. Development of projects that **deliver to GB energy needs** and longer-term consumer value
7. **Right sized generation queue, framework and network** designed to deliver Net Zero efficiently

[1]No DNO windows – year-round application at distribution still applies

Gate 2 Methodology- DNO process



Gate 2 Evidence		Checks to be carried out by DNOs
Verification of Director(s) that signed the Readiness Declaration Letter	→	DNO check- Send to NESO
Secured land rights	→	DNO check
Red line boundary	→	DNO check- send to NESO
Secured Land Rights meet minimum parameters	→	DNO check
Alignment with 2030 pathway	→	DNO check- send to NESO
Designated project status	→	As set out in the Project Designation Methodology

NESO will conduct duplication checks using the red line boundary

Roles of the DNO in CNDM / Queue Filtering & Reordering

1. Conducting the **Gate 2 Readiness Criteria Initial Checks** for relevant projects in the existing distribution queue and in future Gate 2 application windows, and informing NESO of the outcome

2. **Provisionally assessing** relevant projects in the existing distribution queue and in future Gate 2 application windows against the Gate 2 **Strategic Alignment Criteria** and making a recommendation of strategically aligned projects to NESO for final determination

3. **Reviewing advancement** requests made by Users with existing agreements and providing a 'DNO maximum advancement date' where required

4. **Determining suitable projects for capacity reallocation** when a distribution-connected project exits the queue and engaging with relevant IDNO(s) where required

5. Supplying NESO (for onward sharing to the relevant TO) with the necessary **project data** to conduct the Gated Design Process

- The DNO's remit is to provisionally set the CP30 strategic alignment (NESO confirm), for all small & medium, regionally allocated CP30 embedded generation (**wind, solar, storage (but wind 2031-35) is split in 2 regions only, Scotland, then E&W**).
- NESO will strategically align all large embedded projects (wind, solar, storage) and all technologies that have GB wide capacity allocations (**offshore wind, gas, nuclear, long duration storage**).
- **Wave and tidal** technologies are not part of the CP30 plan and can continue to apply freely with no cap to technology capacities.
- Capacity allocations for IDNOs and T-IDNOs will come from the DNO regional allocations. NESO will conduct an alignment process between the IDN and DNO parties.

How do the protections play out for tech limits?

Technical Limits Customers – Delivering before 2027

Non-Firm Date	Firm Date	M2 by May 2025	M7 by May 2025		
■	■	✓	✓	=	Current Dates Protected
■	■	✓	✓	=	Non-firm date protected Firm date may change, 2035 position
■	■	✓	✓	=	

Tech limits is seen as a key tool the DNOs can use to manage acceleration of connections.

Advancement may be able to bring projects forwards, and there may also be cases where projects move back.

We expect that in the main, owning to the benefits of a smaller queue, the case where current connection dates move back, should be minimal.

M1 = planning submitted
M2 = Planning achieved
M7 = Financial investment Decision taken
May = assumed to be the close of the Gate 2 evidence window (TBC)

■ Current Date Pre-2027
■ Current Date 2027+

Technical Limits Customers – With Planning submission by 20 Dec 2024

Non-Firm Date	Firm Date	M1 by 20/12/24	M2 by May 2025		
■	■	✓	✓	=	2035 position Firm & non-firm dates may change
■	■	✓	✗	=	2035 if M2 by CMP434 window, reapply – needed to be in 435 process*

*Capacity subject to GB capacity availability

Helpful FAQs for Distribution Customers

- **Treatment of Hybrids** – hybrids may be split if part of the project meets alignment, but not another
  - Import + Export: will count towards regional allocations for both technology
  - Export Only (import behind meter): will count towards non-BESS tech only
- **Allowable changes** for queued projects - current guidance needs reviewing, minimal changes expected, and one change has been identified to align the red line boundary with the CUSC
  - Capacity: can reduce capacity (import or export) if no change in voltage at PoC, cannot increase capacity (import or export)
  - Connection point/Point of Supply: Customer can change connection point to within development boundary – where identified at application. A change of connection point outside development boundary can only be made if triggered by 3rd party outside NGED/customer control
  - Point of Connection/PoC: Not allowed unless triggered by 3rd party outside NGED/customer control which may include the G2WQ process for CMP435.
- **Protections and capacity allocations**
  - Project protections can take the technologies above their capacity allocated per region – if these projects fall away the capacity/projects will not be replaced until the capacity falls below the regional allocation again.
- **Unsuccessful projects at distribution** – the DNOs are still designing what happens to customer contracts in the case where they have not met the gate 2 criteria. We expect securities to fall away and be refunded, if applicable, in the case of the project being unsuccessful.
- **Advancement –** projects can request advancement and PoC changes at the point they submit gate 2 evidence. Advancement considerations will consider network capability and the queue ordering as set out in the CNDM documented process. It may be possible that a non-firm advancement can be made through technical limits for new and existing TL applications.
- **Phase 1(2030) & 2(2035) -** in all cases other than projects up to and including 2026 with M7, the 2030 and 2035 timeframes for connection dates are guidelines until the relevant network studies / enabling works have been completed and identified. Depending on the outcome of the CNDM process – projects will be assigned to either phase 1 (2030) or phase 2 (2035).

NESOs Pause| What it means for DNO customers

Scope

- Applications to DNOs can still be made during the pause
- Above 1MW projects are in scope of the pause and cannot be sent to NESO
- Embedded demand and projects below 1MW are out of scope of the pause

Project Progressions

- Reasonable endeavours to submit Accepted Distribution Offer's to NESO before the 29th of January.

Two step offers

- DNOs continue to work with NESO to resolve outstanding issues with Modification Offers

Next steps

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Plan and next steps

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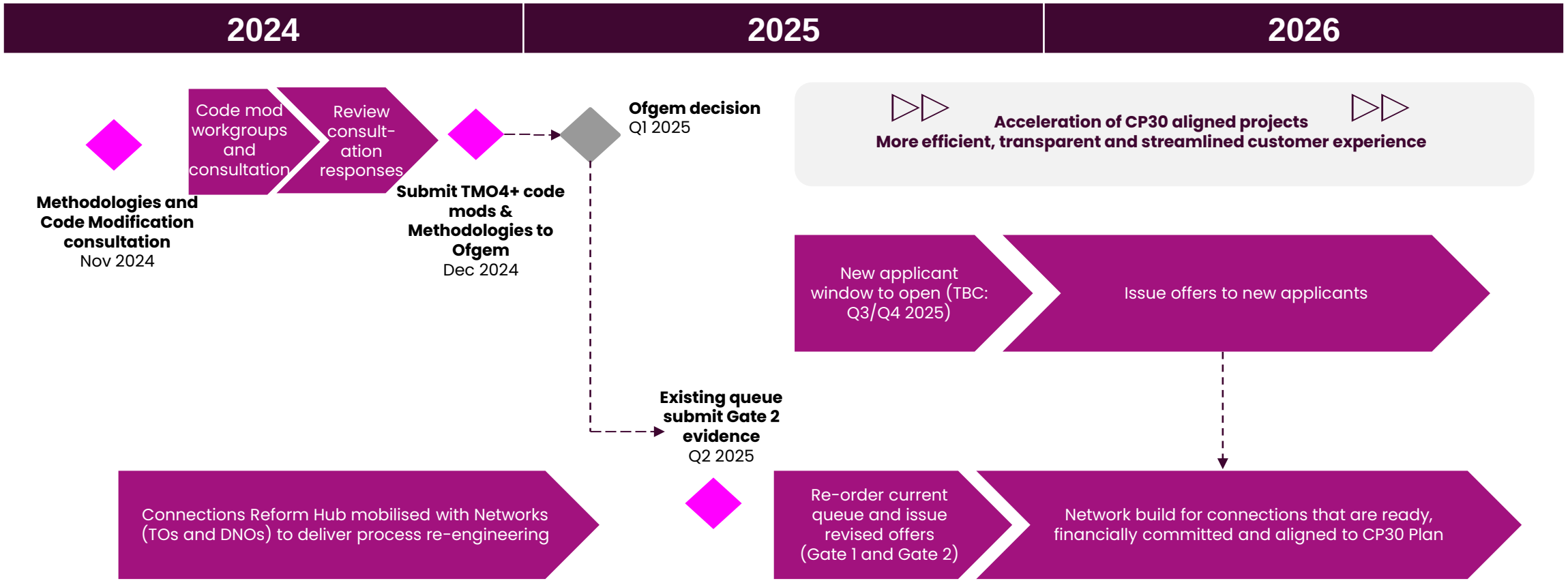

This plan is indicative and subject to change. NESO will continue to work closely with Networks to define Implementation timelines.

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Financial Instrument

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Financial Instrument

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- The initial proposal we shared in our call for input is being amended based on the feedback received.
- We aim to have the modification in place for G2TWQ but until we have finalised the proposal we cannot finalise our implementation plan and timeline. We will continue to share progress, but intent is to raise a modification in February.

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Accelerated Storage policy

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Accelerated Storage – Tranche 2

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What is the accelerated storage policy?

- Removes the requirement for certain non-critical enabling works to be complete before storage users can connect under a non-firm connection arrangement.
- Applicable for transmission-connected energy storage. Large embedded may be considered under this initiative depending on their network connection

What is happening with tranche 2?

- Tranche 2 were the remaining England & Wales Expression of Interests that were not considered in tranche 1 of the roll out of the policy
- Tranche 2 was put on hold until the Clean Power 2030 Action Plan had been published
- Given the publication of Clean Power 2030 Action Plan, NESO & NGET have jointly decided to not proceed with the delivery of tranche 2

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CMP446: Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment (TIA)

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What is CMP446?

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- Connections Action Plan (CAP), published in November 2023 under 3.5b requested networks to "assess and review the thresholds for Transmission Impact Assessments (TIA)s

- A subsequent review by the 3 onshore TOs, has proposed:

    - **England & Wales** (E&W) – analysis carried out by NGET supports an increase in the lower threshold to at least 5MW.
    - **Scotland, South** – current lower threshold of 200kW strikes the right balance between accelerating connections ahead of Transmission Reinforcements.
    - **Scotland, North** – threshold can be raised to 200kW for the majority of GSPs (mainland) in the SSEN Transmission network. This change has since been implemented.

- A code modification is needed as the CUSC specifies the 1MW limit.
- NGET are unable to raise a CUSC mod; Therefore NESO has acted as the proposer on their behalf.
- For further information see https://www.neso.energy/document/351456/download.

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Q&A

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Visit **sli.do** on your device and enter the code **#Reform** to share any questions.

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