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# Policy and Guidelines for Managing Interactive Offers

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## Version History

Version	Issue Date	Comments
1.0	29/12/2020	Interim Interactivity Guide drafted as part of the Energy Networks Association Workstream 2 review of interactivity across industry.
2.0	15/10/2021	Revision and finalisation of the guidance document following CUSC Panel review of CUSC modification CMP370. The changes include the outcome of the Summer 2021 review outlined in version 1.0.
3.0	April 2025	Revision in light of Connections Reform introduced following approval of CMP434 and 435.

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## 1. Introduction

### 1.1 Purpose of this document

The purpose of this document is to outline the detailed process that National Energy System Operator (NESO) will follow when interactivity is identified by the Relevant Transmission Licensee, following the implementation of CMP434. This interactivity policy applies only to non-gated applications under the CUSC, regardless of technology type, generation, or demand capacity. Further details on gated versus non-gated applications are specified in NESO's Gated Modification Guidance.

### 1.2 Background

#### What is Interactivity?

There are potential occasions (expected to be very rare) where NESO may receive two or more non-gated applications to connect to or to use the same part of the existing or future National Electricity Transmission System (NETS) but where not all the applicants can be successfully accepted due to restrictions. Where this occurs, the affected non-gated offers will become interactive with each other and the resulting non-gated offers are referred to as Interactive Non-Gated Offers.

#### What applications does the Interactive Process apply to?

Connections Reform has introduced Gated Application Windows. Modification Applications submitted during these windows are assessed for their impact on the Transmission network in batches. This approach leads to fewer applications and offers becoming interactive since network designs are based on the assumption that all offers are signed. As such, the interactivity process under this guidance does not apply to gated applications.

Following the approval of CMP434 – Implementation of Connections Reform the Interactivity Policy only therefore applies to applications (and consequent offers) that have been identified as non-gated through the application of the Gated Modification Guidance<sup>1</sup>.

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<sup>1</sup> Examples of non-gated modification applications are decrease in Transmission Entry Capacity and removal of a Technology Type. Applications relating to embedded demand, which is out of scope of CMP 434, would also be non-gated.

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### Roles and responsibilities for the Interactive Process

Interactivity is identified by the Relevant Transmission Licensee during its network assessment of non-gated applications. Once interactivity has been identified, the Relevant Transmission Licensee will notify NESO by completing an interactivity proforma.

The administration of the Interactivity Process is managed by NESO and includes all aspects such as creating the Interactive Queue through to resolving which non-gated applications are successful (including processing and issuing any re-offer where appropriate).

## 2. The Interactivity Process

### 2.1 The Interactive Queue

There are potential occasions (expected to be very rare) where NESO may receive two or more non-gated applications to connect to or to use the same part of the existing or future NETS, but where not all the applicants can be successfully accepted due to restrictions. Where this occurs, the affected non-gated offers will become interactive with each other.

Where interactivity has been identified and the Interactive Queue has been established, each Affected Party will be included and assigned an Interactive Queue position.

The position of each Affected Party in the Interactive Queue is determined by their Clock Start Dates. The party with the earliest Clock Start Date is placed first in the interactive queue, followed by the party with the next earliest date, and so on.

In the event that two non-gated applications have the same Clock Start Date, NESO will use the following as the determining factors of who will have the higher Interactive Queue position:

- a) The date when competency has been declared; or
- b) where the non-gated applications have been declared competent on the same date, the date when the application fee has been paid; or
- c) where the application fees have been paid on the same date, the date when the non-gated application has been submitted to NESO.

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## 2.2 Early warning of interactivity

### Early warning before a non-gated offer has been issued

Where NESO has been advised before issuing a non-gated offer that interactivity may apply, NESO will aim to provide early warning to the Affected Parties through the issue of an Early Warning Letter. This letter will be sent after the Relevant Transmission Licensee has submitted a completed interactivity proforma to NESO.

The Early Warning Letter is intended to alert the applicant that their non-gated offer may be issued with a shorter acceptance period in comparison to a Standard Non-Gated Offer. The acceptance period will vary depending on the recipient: a developer will have 30 days to accept an offer, while a Network Operator will have 45 days. For further information about acceptance periods see section 3 below.

The Early Warning Letter will advise that NESO will be unable to accommodate any request for an extension to the acceptance period beyond the date provided in the non-gated offer.

### Early warning after a Standard Non-Gated Offer has been issued

Where one or more parties have already been issued with a Standard Non-Gated Offer and it is likely that these may become interactive with another applicant's non-gated offer once issued, NESO will aim to simultaneously notify all applicants of the potential interactivity. For those already in receipt of a Standard Non-Gated Offer, this alerts the applicant(s) of the possibility that the acceptance period may be reduced to a maximum of 30 (or 45) calendar days. The 45 calendar day acceptance accommodates the processes a DNO will need to follow.

## 2.3 Unconditional and Conditional Non-Gated Offers

The terms 'Conditional' and 'Unconditional' relate to the type of non-gated offers that Affected Parties may receive in relation to interactivity.

### Unconditional Non-Gated Offers

An Unconditional Non-Gated Offer will be issued to the Affected Party first in the Interactive Queue. It is possible that there can be more than one Unconditional Non-Gated Offer within the same Interactive Queue. An Affected Party that has been issued with an Unconditional Non-Gated Offer has the right of first refusal in respect of the

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terms of that Interactive Non-Gated Offer. An Unconditional Non-Gated Offer is not dependent, or affected by, the acceptance or non-acceptance of non-gated offers issued to the other Affected Parties within the Interactive Queue.

Any non-gated offer issued prior to the Interactive Queue being established will have been issued as a Standard Non-Gated Offer on standard acceptance terms. Interactivity is triggered when the first Conditional Non-Gated Offer in the queue is issued. Once Interactivity is triggered, these non-gated offers will become Unconditional Interactive Non-Gated Offers. See section 2.4 below for details of changes that may occur to the acceptance period.

### Conditional Non-Gated Offers

Conditional Non-Gated Offers are made on the premise that Non-Gated Offers ahead of them in the Interactive Queue will not be accepted. The terms in the Conditional Non-Gated Offer reflect this.

The non-gated application that triggers the Interactivity Process and establishes the Interactive Queue will be issued a Conditional Non-Gated Offer. All subsequent non-gated offers made in relation to the same Interactive Queue will also be issued as Conditional Non-Gated Offers.

Where all Unconditional Non-Gated Offers have been accepted so that no further Conditional Non-Gated Offers may be accepted, all recipients of Conditional Non-Gated Offers will be notified that their non-gated offer will be re-offered with revised terms, irrespective of acceptance status.

Affected Parties who have been notified with a re-offer will have the opportunity to retain their queue position based upon their original Clock Start Date. See section 4 below.

## 2.4 Interactivity where a Standard Non-Gated Offer has been issued

Interactivity is triggered when the first Conditional Non-Gate Offer is issued. Any Standard Non-Gated Offers issued before interactivity is triggered will have 3 months to accept the offer. The acceptance period will only change once interactivity has been triggered.

If further non-gated applications become interactive with an already issued non-gated offer, then, where possible, NESO will issue Early Warning Letters to all Affected Parties.

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Once interactivity is triggered, the Affected Party with a Standard Non-Gated Offer will receive a Final Interactivity Notification, which will set out revised terms for acceptance, which will include:

- the date by which acceptance must be received by NESO in order for the acceptance to be valid;
- the Interactive Queue position of the non-gated offer; and
- confirmation of the type of offer applicable. For the avoidance of doubt, non-gated offers issued as a Standard Non-Gated Offer that then become interactive will always be classified as an Unconditional Non-Gated Offer.

When a Standard Non-Gated Offer has **more** than 30 (for developers) or 45 (for Network Operators) calendar days left in its acceptance period when interactivity is triggered, the acceptance period will be reduced to 30 (or 45) calendar days from the Final Interactivity Notification being issued.

In the event that there are **fewer** than 30 (or 45) calendar days remaining for acceptance at the point interactivity is triggered, then the acceptance period will remain unchanged.

Where interactivity is triggered, NESO will be unable to accommodate requests for extensions to the non-gated offer acceptance period set out in the Final Interactivity Notification.

### 3. Acceptance

Where an Interactive Non-Gated Offer has not been accepted within 30 (or 45) calendar days, the non-gated offer will lapse. For the avoidance of doubt, the acceptance period cannot be extended beyond the date stated in the Final Interactivity Notification (or the Interactive Non-Gated Offer).

An Interactive Non-Gated Offer will be considered to have been accepted if the Affected Party has signed and returned undated copies of each agreement to NESO before the end of the offer acceptance period. NESO will then review the acceptance by all Affected Parties and contact all Affected Parties to confirm their status and next steps.

#### 3.1 Process following acceptance

For those Affected Parties that have been notified that they have secured their non-gated offer on the terms set out in their Interactive Non-Gated Offer, NESO will then



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counter-sign the agreement(s) forming a valid contract between the applicant and NESO.

If an Unconditional Non-Gated Offer is accepted, the NETS will be unable to accommodate Conditional Non-Gated Offers. In this case, the Affected Parties will be informed of the possibility to retain their Interactivity Queue position and receive a non-gate re-offer.

## 4. Non-Gated Re-offers

### 4.1 Non-Gated Re-offers where Interactivity has been resolved prior to the expiry of the acceptance period

Where an Unconditional Non-Gated Offer has been accepted, which causes the interactivity process to be resolved early (i.e. before the expiry of acceptance period for the last offer in the Interactive Queue), all Affected Parties in the Interactivity Queue will be notified of the possibility to receive a non-gated re-offer with revised terms.

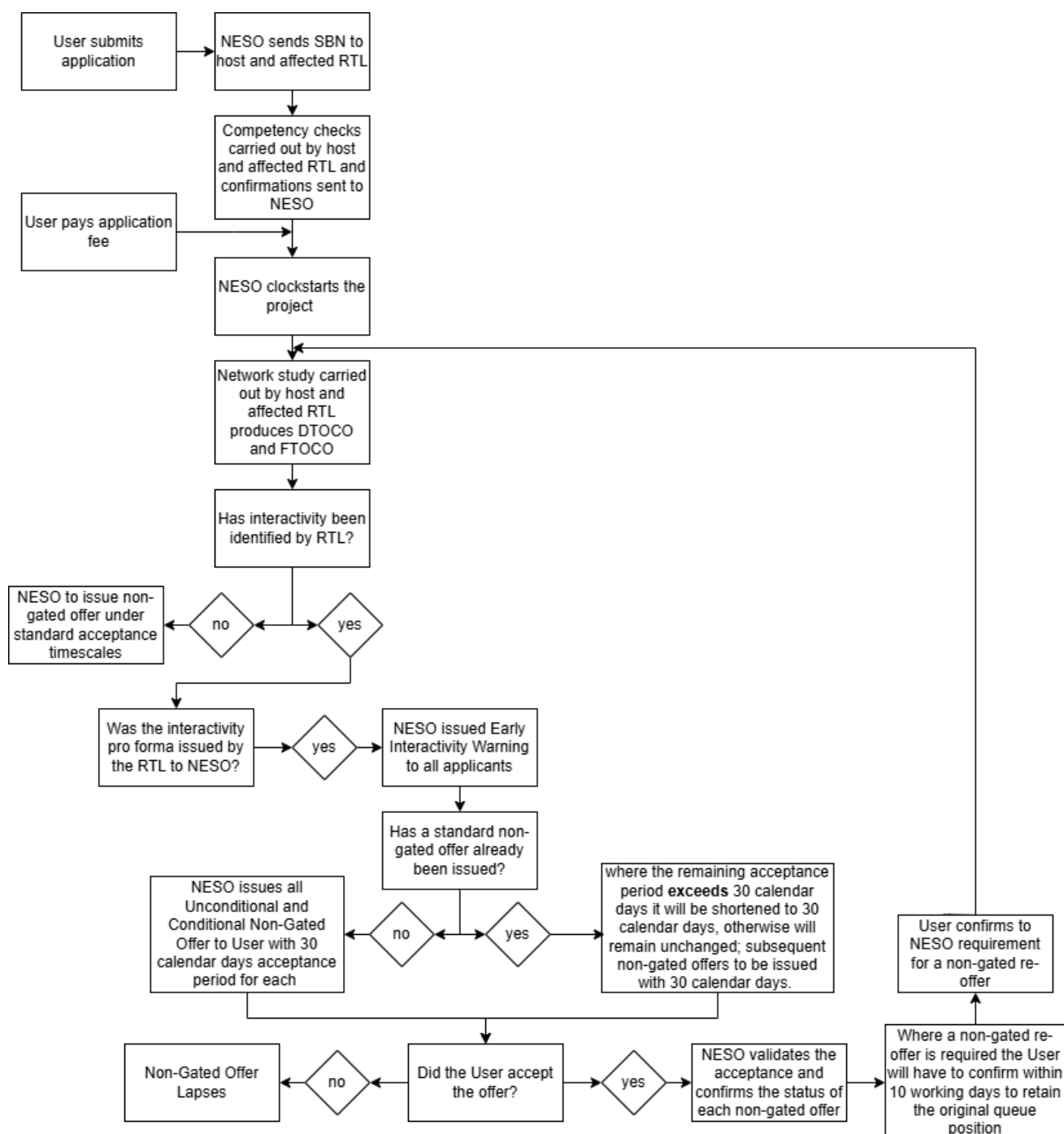
The Affected Parties will be required to confirm in writing (by email) within 10 working days of the notification of their wish to receive a non-gated re-offer for their original application. Where changes are required by the Affected Party, they will be required to reapply and will be issued with a new Clock Start Date.

### 4.2 Non-Gated Re-offers where Interactivity is resolved following the expiry of the acceptance period

Affected Parties that were issued with a Non-Gated Offer and chose not to accept it within the acceptance period will need to reapply should they wish to proceed with a connection. In the case of any subsequent interactivity, the queue position for these Affected Parties will be based on the new Clock Start Date.

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## Appendix 1: Interactivity Process Map



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## Appendix 2: Acronyms and Definitions

Term	Definition
Affected Party	An applicant who has received an Interactivity Notification and has an allocated position within an Interactive Queue
Affected Transmission Owner Connection Offer (ATOCO)	The connection offer issued to NESO by the affected Relevant Transmission Licensee (If any), which subsequently forms the terms of the offer issued to applicants in their Interactive Non-Gated Offer
Calendar Days	Every day on the calendar, including weekends and public holidays.
Clock Start Date	The date when NESO receives both: <ol style="list-style-type: none"> <li>1. confirmation from the Relevant Transmission Owner(s) that an application is technically competent; and</li> <li>2. the application fee has been received from the applicant.</li> </ol>
Conditional Non-Gated Offer	An Offer that is dependent on some or all offers within the Interactive Queue not being accepted in order to secure the terms set out in the Interactive Non-Gated Offer
Connection Planning Assumptions (CPA)	Connection Planning Assumption - the provision for the Relevant Transmission Licensee to request data under the terms of System Operator Transmission Owner Code (STC) to allow the data to be shared
CUSC	The Connection and Use of System Code. This constitutes the contractual framework for connection to, and use of, the national electricity transmission system
Developer Acceptance Period	<p>The amount of time developers have to accept their Interactive Offer.</p> <p>This will be 30 calendar days from the date of the offer being issued where it is issued as an Interactive Offer.</p> <p>Where interactivity being triggered following the issue of a Standard Offer, this will be either:</p> <ul style="list-style-type: none"> <li>• a maximum of 30 calendar days where the remaining acceptance period exceeds 30 calendar days; or</li> <li>• where fewer than 30 calendar days remain, the amount of days that are left.</li> </ul>
Developer Applicant	<p>An applicant other than a Distribution Network Owner.</p> <p>This can be for an application for use of, or connection to, the distribution or transmission network.</p>
Distribution Applicant	An applicant that is applying to connect to the distribution network
DNO	Distribution Network Operators own and operate the power lines and infrastructure that connect homes and

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	commercial properties to the National Electricity Transmission System
DNO Applicant	An applicant that is a Distribution Network Operator
DNO Acceptance Period	<p>The amount of time DNOs have to accept their Interactive Offer.</p> <p>This will be 45 calendar days from the date of the offer being issued where it is issued as an Interactive Offer.</p> <p>Where interactivity being triggered following the issue of a Standard Offer, this will be either:</p> <ul style="list-style-type: none"> <li>a maximum of 45 calendar days where the remaining acceptance period exceeds 45 calendar days; or</li> </ul> <p>where fewer than 45 calendar days remain, the amount of days that are left.</p>
DTOCO	Draft Transmission Owner Connection Offer (see the definition for TOCO below)
Final Interactivity Notification	A notification issued by NESO to an applicant that currently has a Standard Offer that inform them that they are now interactive with one or more other offers
FTOCO	Final Transmission Owner Connection Offer (see the definition for TOCO below)
Early Warning Letter	The notice confirming that a Non-Gated Offer is an Interactive Non-Gated Offer
ENA	Energy Network Association
NESO	National Energy System Operator
GSP	Grid Supply Point
Interactivity Process	The process NESO will follow to manage Interactive Non-Gated Offers.
Interactive Non-Gated Offer	An offer identified by the Gated Modification Guidance as not subject to the Gated Process, which duplicates the works of a previously issued offer.
Interactive Queue	<p>The created by NESO as part of the Interactivity Process.</p> <p>Each applicant affected by Interactivity will be allocated a queue position, which is based upon the applicant's Clock Start Date. See Section 2.1 for further information.</p>
NETS	<p>National Electricity Transmission System.</p> <p>This refers to the whole of the Electricity Transmission System within Great Britain.</p>
Network Headroom	This is the amount of unused capacity available on the network at a given point in time.
Regional Development Programme	Regional Development Programme.

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Relevant Transmission Licensee	<p>This is the host transmission owner and where applicable, the affected transmission owner. This will be either:</p> <ul style="list-style-type: none"> <li>• Scottish Hydro Electric Transmission plc (Scotland);</li> <li>• SP Transmission plc (Scotland); or</li> </ul> <p>National Grid Electricity Transmission plc (England and Wales).</p>
Standard Connection Non-Gated Offer	<ul style="list-style-type: none"> <li>• An offer issued by NESO where no interactivity has been identified at the point of issue.</li> </ul>
Transmission Owner Connection Owner (TOCO)	The connection offer issued to NESO by the host Relevant Transmission Licensee, which subsequently forms the terms of the offer issued to applicants in their Interactive Offer
Transmission Owner Connection Agreement (TOCA)	A TOCO that has been signed by both NESO and the Relevant Transmission Licensee
Transmission Applicant	An applicant that is applying to connect to the transmission network
Unconditional Non-Gated Offer	An Offer that is not subject to the Gated Process and not dependent on some or all non-gated offers within the Interactive Queue being accepted in order to secure the terms set out in the Interactive Non-Gated Offer
Working Days	Every day on the calendar excluding weekend and public holidays