

## Workgroup Consultation Response Proforma

### CMP434: Implementing Connections Reform

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by **5pm on 06 August 2024**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details	
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<b>Which best describes your organisation?</b>	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

#### I wish my response to be:

(Please mark the relevant box)

☒ **Non-Confidential** (this will be shared with industry and the Panel for further consideration)

☐ **Confidential** (this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration)

#### For reference the Applicable CUSC (non-charging) Objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*; and
- Promoting efficiency in the implementation and administration of the CUSC arrangements.

\*The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

**Please express your views in the right-hand side of the table below, including your rationale.**

Standard Workgroup Consultation questions				
1	Do you believe that the Original Proposal better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input checked="" type="checkbox"/>D</td> </tr> </table>	Original	<input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
Original	<input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D			
<p><b>Objective A - The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;</b></p> <p><b>Positive</b></p> <p>We consider that if this change results in a licence change to the delivery timescales for the new connection process then this solution better meets Objective A. The new connection reform solution will immediately place the ESO at odds with the requirement under the transmission licence to provide a connection offer within 90 Calendar Days. The core principles behind the new connection process is to create a better delivery timeframe for the system operator to provide a good quality offer to the developer. We note that the two step offer process introduced between 2023 and 2024 was due to changes in the key factors in the connection process such as number of applications received, connection queue size, speculative capacity reserved and increased complexity of different types of technology connecting to the grid producing a complex contracted background which required the ESO to take more time to deliver a connection offer. This made it clear that the existing connection process is no longer fit for purpose.</p> <p><b>Objective B - Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;</b></p> <p><b>Negative</b></p> <p>The ESO is seeking to move to a '<i>First ready, first served</i>' connection process. If the new gated connection process produces the alignment of more progressed projects being connected more quickly then it will produce a more efficient system based on the correct competition incentives. It is debatable whether land rights and submission of planning consent alone are the correct incentives as there are many factors that make a viable project which includes aspects to the site, the latest technology, supply chain availability and funding for the project.</p> <p>NESO's designation of projects methodology is proposed under three extremely loose definitions that are subject to interpretation. This creates a greater potential for falling foul of the obligation to facilitate effective competition. We encourage the ESO to tighten the definitions proposed.</p>				

	<p>If the Authority approved methodologies (NESO Designation, Gate 2 Methodology and CNDM) sit outside of the code and their remit is expanded then should any competition issues emerge between different technology types, a governance process will have been introduced that leaves the developer without an appeal process or the ability of a developer to raise a change. We therefore consider that depending on the development of the remainder of this change, there is a possibility of this proposal embedding a governance process that is likely to deliver less effective competition rather than facilitating it .</p> <p><b>Objective C - Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency;</b></p> <p>Neutral. We are unaware of any changes that will impact compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</p> <p><b>Objective D - Promoting efficiency in the implementation and administration of the CUSC arrangements.</b></p> <p><b>Positive</b></p> <p>Under the current connection process, the ESO is creating connections offers against a constantly changing contracted background. Under the new solution, all connection applications are received upfront and are batched together. We expect this process to produce a better quality connection offer.</p> <p>TOs in the Workgroup have highlighted that the Gate 1 connection offer would be a light offer and would not require significant studies to be undertaken and that the Gate 2 connection offer would be where the majority of network design and impact studies would need to take place. The ESO should review the timeframes originally proposed for Gate 1 and Gate 2 to ensure they are still suitable to prevent introducing inefficiency in to the new connection process</p> <p>It is unclear whether the new connection process will increase efficiency in the implementation and administration of the CUSC arrangements. However, in the round so long as sufficient attention to detail is made to the development of the new connection process, this objective will be met.</p> <p>We are keen to see a well thought out solution implemented with a preference for the quality of the solution to be prioritised over the expedience of trying to meet a strict timetable.</p>	
2	<p>Do you support the proposed implementation approach? (see pages 59-61)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Yes, we agree that the new transmission connection process should be initiated on the 01 January 2025 but only if it does not affect the quality of the solution implemented. The opportunity to carry out a wholesale reform of the connection process does not come along regularly and we are keen that the industry and the ESO get the solution right.</p>
3	<p>Do you have any other comments?</p>	

	n/a	
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input checked="" type="checkbox"/> Yes (the request form can be found in the <a href="#">Workgroup Consultation Section</a> ) <input type="checkbox"/> No
<p>Following consideration of the consultation responses, if the proposer does not place an obligation within the code to bring the methodologies and guidance documents under open code governance at a future date, and if the longstop date for land rights submission and consenting timeframes are not modified to reflect the length of time it takes in practice for NSIP projects, then we will raise an alternate change.</p>		

### Specific Workgroup Consultation questions

p5	<p>Do you agree with the elements of the proposed solution?          Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification <a href="#">CM095</a>.          Please provide rationale for your answer and any suggestions for improvement to each element?</p>	
	<b>Element 1:</b> Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>There are three methodologies being proposed by the ESO to be placed in Authority approved methodologies which sit outside of the CUSC with separate governance, namely NESO Designation for priority projects (giving the ESO complete control over capacity reallocation), Connection Network Design Methodology (CNDM) (Gate 1 indicative connection offers) and the Gate 2 Methodology (gives the ESO complete control over reordering the connection queue). We understand that the ESO is also not ruling out placing new obligations into the methodology that are not contained in the CUSC.</p> <p>These documents give the ESO an unprecedented level of control over the makeup of the connection queue, whilst leaving developers little/no input into a methodology which significantly affects their projects. This relative imbalance of power is likely to create unnecessary additional risk in project development, which inevitably translates to increased consumer cost.</p> <p>From a legal perspective, we consider that the use of guidance to implement the methodology proposals rather than via the code is problematic. Strictly, guidance itself cannot impose enforceable obligations on a party in the same way as an obligation under statute/code or contract. There would need to be a legal mechanism by which adherence to/compliance with the guidance was made binding on parties. We are further concerned that should the guidance be written in such a way that it could give rise to a disadvantage for a particular project in certain circumstances, ordinarily a party would have the ability to utilise mechanisms under the code to make a change or appeal which would no longer be the case if it did not sit under open governance. Given the short timeframes to</p>		

develop this solution, there is a real risk that a hastily drafted document that can change at the ESO's will, can result in a project having to change its entire strategy. As a result, we believe the use of guidance in lieu of the CUSC is entirely inappropriate – adding unnecessary risk and consumer cost.

This proposal is an unwelcome departure from the purpose of code reform to simplify the codes and to set up a best practice overarching governance framework for code managers. We consider that all obligations should sit within the industry code and the guidance notes should provide a practical explanation on how it applies to different technology types. For new entrants to the market, we consider the proposed approach to not be transparent if there is not an obligation in the code to direct the new entrant to the relevant guidance. In fact, this new connection process with it's myriad of guidance documents is creating increased complexity and may act as a barrier to market entrants. Furthermore, the consolidation of both the DCUSA and the CUSC under code reform, will provide a unique opportunity for a whole system connection management process to be introduced to these combined codes that could be essential to the future work being undertaken by NESO as the FSO.

We are keen for the detail behind the three methodologies and guidance documents to be in place in time for the issuing of the code administrator consultation to allow parties to comment on the detailed final solution. If the ESO does not change its approach following consideration of the workgroup consultation responses, taking in to consideration the expedited timescales, we will consider raising a code modification to place an obligation on the ESO to implement the obligations in to the CUSC within a specified timeframe which should allow the ESO sufficient time to develop their solution.

**Element 2:** Introducing an annual application window and two formal gates, which are known as Gate 1 and Gate 2 (i.e. the Primary Process) (see pages 11, 35-36)

☐ Yes  
☐ No

Unable to comment, yes or no. On page 40 of the consultation, it states '*It was noted that the Transmission Owners would not be providing or be expected to provide any substantive analysis of the applications / submission received at Gate 1*'. The original TMO4 proposal expected for a more detail co-ordinated network design to occur between application submission and Gate 1 with a transmission works register detailing the opportunities for the project to advance which took the 6 months from March to October to process but this is now a light offer more akin to Step 1 of the Step 2 offer process. It is not clear to us whether the six months are needed between March and October for this lighter offer. It would be good to further explore what the TOs intend to deliver in the timescales and whether extra time may be better allocated to the Gate 2 process. This information is likely to be more forthcoming once the TO's have drafted their Connection Network Design Methodology (CNDM) which we would encourage the ESO to have in place prior to the code administrator's consultation so that it can inform and demonstrate the reason behind the timeframes proposed.

The direction forged by the transmission acceleration action plan speeding up the building of infrastructure for projects to connect to, should not be let down by a poorly timed connection process that introduces inefficiency to the deployment of

<p>projects to the grid. It is therefore essential that the gates in this annual connection process are appropriately timed. Once the rationale behind the timeframes is demonstrated, the answer to this question is 'Yes'.</p>	
<p><b>Element 3:</b> Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Whilst the workgroup has considered in detail projects that will go through the primary process, less consideration has been given to those that will fall in to the primary process from the transition process. The transition process has been subject to changes in it's proposal over the last few months with contract modification applications no longer being required to go through a separate process following completion of competency checks on/by the 31<sup>st</sup> of July. We encourage the ESO to provide a clear indication of the final agreed transition process with Ofgem as soon as possible as it is now already August.</p>	
<p><b>Element 4:</b> Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>This code change has better defined under what circumstances a significant contract modification application impacts the contracted background and is deemed significant as there was no guidance within the existing code. However, it does not go far enough as it does not require the ESO to state the planning assumptions on which it has made the connection offer.</p> <p>Partial Or Full Technology Type Change (Annex 5)</p> <p>For example, a project that was not interested in increasing TEC but wanted to introduce a demand based battery on a different running regime under their project, would need to be confident that the station for the original connection had been assessed to be running all the time. Otherwise the request would change the running regime resulting in an impact on the network and requiring a significant contract modification application.</p> <p>An offshore wind farm project may be open to introducing a demand based battery to the project at a much later stage in the offshore wind project due to the difference in development timescales for each of these technologies. The project is less likely to risk it's business case if batteries are considered significant contract modifications that you can only apply for annually. Therefore, we encourage the ESO to share their planning assumptions for the connection offer and let the project know in the optioneering choices at the start of the project, whether a change in technology such as a battery addition will be considered to have a network impact.</p> <p>If the significant contract modification process is overly prescriptive, there is the potential for restriction in innovation and changes to projects at a later stage that might have provided greater system benefit.</p>	
<p><b>Element 5:</b> Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>



<b>Offshore Wind Projects</b>  In regards to the primary process, it is not clear to us from this consultation whether offshore wind projects are required to provide a Letter of Authority (LoA) at grid connection application or at Gate 1 as no submission process has been detailed. We have assumed that the LoA is provided at Gate 1. Otherwise if an auction occurred in March, the project would be waiting until January of the following year to apply for a connection and potentially would not sign a Gate 1 offer until the end of the year creating an almost 2 year delay in the process. This would go against the prevailing direction of reform which has been hard won under the Winsor review which sought to reduce timescales from 14 years to 7 years for building network infrastructure. We would therefore recommend/ agree that the LoA is provided at Gate 1 and that the ESO more fully set out the LoA submission process for receiving the Gate 1 offer in October for offshore wind projects.	
<b>Element 6:</b> Setting out the process and criteria in relation to Application Windows and Gate 1, including introducing an offshore Letter of Authority equivalent as a Gate 1 application window entry requirement for offshore projects (see pages 15-16, 39-40)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
We remain concerned that the timeframes for the gated windows may not be appropriate especially when there are proposals for attrition rates being added as if there is a full contracted background at Gate 1 which will not be evident until land rights are submitted at Gate 2. We recommend the ESO revisits these timeframes to ensure they are appropriate in line with our response to Element 2.  Please see our response on the Offshore wind projects LoA for Gate 1 at Element 5.  DFTC pages 39-40  If the existing process of statement of works and project progression which is paid for by the user is just paid for at a later point then we do not see the need for the DFTC to be charged for.  Different networks charge different amounts for connection to the network so it is currently not a level playing field. The concerns raised may not be for DFTC alone, it may denote the need for a wider piece of work to create levelized charging across the networks as opposed to concentrating on one charge alone.	
<b>Element 7:</b> Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We are used to working with CUSC 7 Dispute Resolution processes. Therefore, we have no opposition to the descope of this newly proposed dispute process.	
<b>Element 8:</b> Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
RWE considers that a longstop date of 4 years for directly connected onshore projects from the contract acceptance date is preferable if a project is only required to have a Letter of Authority (LoA) at grid connection application. It will take on	

<p>average 2 years for Heads of Terms (HoTs) to be agreed and a further two years to negotiate a lease agreement. The standard process introduced by this change should not be set up to terminate projects negotiating under standard timeframes by introducing too short a timeframe such as 3 years from contract acceptance.</p> <p>The introduction of a longstop date provides landowners with a negotiation strategy where they can withhold agreements until close to the deadline to increase the price of the land they are selling. This policy may have long term consequences for the cost of the project and ultimately for the cost to the consumer. It is also worth noting that projects pursuing the use of compulsory purchase orders will be able to meet this burden of proof more easily than those negotiating with multiple landowners for their small scale project that do not hold a generation licence and therefore do not have the luxury of compulsory purchase powers. This would include projects that are less than 50 MW and any projects that are 50 -100 MW that are subject to a licence exemption.</p>	
<p><b>Element 9:</b> Project Designation (see pages 17-18, 48-49)</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
<p>Under the reform of the transmission connection process, the ESO is looking to propose three new definitions to be added to Section 11 of the CUSC under the '<i>Interactivity Policy</i>' to allow the ESO to give the projects that meet these definitions (Security of Supply, Materially Reduce System/ Network Constraints and Critical to System Operation) the first right to refusal for an advanced connection date.</p> <p>We consider that the definitions proposed are too open to interpretation and recommend that a tighter more granular definition is defined.</p> <p>Please see response to Element 1 in regards to the implementation approach.</p>	
<p><b>Element 10:</b> Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification <a href="#">CM095</a> – see pages 18-20 and the <a href="#">CM095 Workgroup Consultation</a>, pages 6-10)</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>We are supportive of connection point and capacity reservation to maintain the integrity of the design for offshore wind projects and for the building of transmission infrastructure by CATOs to reach net zero more quickly.</p>	
<p><b>Element 11:</b> Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (see pages 20-24, 42-46)</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>We are supportive of the Gate 2 criteria proposed subject to the initiating planning consent milestone one continuing to be calculated backwards from the construction completion date rather than forward from contract acceptance. Why?</p> <p>A project will only be able to provide a realistic timeframe for submitting planning consent once the real substation location for the project to connect to is known. This information is not likely to be available until after the Gate 2 full connection offer has been received and agreed with the developer. Therefore, we consider the</p>	



requirement for a project to advise when they will submit consent should sit separately as a Post Gate 2 requirement in the ESO's proposal if retained. For all planning schemes, a longstop date of 5 years for submitting planning consent is preferential to the two years proposed in the ESOs table. This forward calculation is not reflective of the development lifecycle of a project in the same way that existing connection queue milestone 1 is when calculated backwards from the construction completion date. The ESOs 2 year proposal conflicts with the length of time required for surveys which for NSIP projects, alone are required to run for two years. A developer is unable to do meaningful work on a cable route design unless they know the cable route which may be up to 50km in length. Developers need to design around the optimal route before contracting for surveys which will need to go around aspects such as environmental areas of interest, housing.... The surveys are seasonal so the developer may have to wait 6 months before they can survey and the lead in time can be longer due to the limited number of specialists that can carry out the survey.

We also do not consider that there is any great benefit to be gained from separating out the timescales for the different planning regimes as the time taken will also differ by technology. For example, a solar project is likely to take less time than an offshore wind project. Also Section 36 is the Scottish equivalent of an NSIP/ DCO and we do not understand why a different timeframe of one year is applied to this process and three years to the NSIP process in England and Wales.

There is a risk in asking a project to submit and agree planning consent too early in the projects lifecycle that the planning consent is no longer valid for the wind farm the project is finally looking to build. For example if consent has been given for smaller wind turbines whose technology and size has been surpassed. The wind farm then requires a greater number of wind turbines to be placed on the sea bed than is necessary so there could be greater environmental impacts. This proposal could embed a connection process that causes a less efficient wind farm to be built and the costs for that would likely be passed on to the consumer.

We consider the ESOs proposal in this instance to be a misunderstanding of the development life cycle of a project and that the longstop date for compliance would be better served by the deadline being calculated in line with connection queue milestone 1.

**Element 12:** Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)

☒ Yes  
☐ No

We are supportive of the updated process which appears to allow for projects that hold existing land rights to apply straight to a Gate 2 connection offer and for those projects that have yet to negotiate land rights to accept a Gate 1 offer and have three optional Gate 2 windows a year to submit their land rights to receive a full connection offer. However, we encourage the ESO to review the timeframes provided based out the outcome of discussions with the TOs on the CNDM.

For distribution projects, will the ESO consider placing an obligations on the DNO's to submit Gate 2 applications as soon as a User has demonstrated meeting Gate 2 criteria. We know from experience that they have not always been very efficient at submitting SoW's requests when Users have signed agreements.

<b>Element 13:</b> Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Whilst we have no concerns with the criteria for the assessment, we do consider that directors will have a vested interest in a project being successful. Therefore, there may be a conflict of interest that could cause a director to suggest that they had sole land rights for the development site should it be considered that the ESO would not carry out any random checks. We therefore suggest that the ESO carry out randomised checks on the evidence of the land rights provided to prevent gaming. For example, checks could be made on what the lease is for, the lease period and the termination clause within the lease agreement.</p>	
<b>Element 14:</b> Gate 2 Offer and Project Site Location Change (see pages 28, 46)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>We have a preference for the Gate 2 offer to provide a connection location that is suitable for the project as it may not be suitable for a project to change site at short notice over a 12 month period as negotiating a lease often takes at least two years. We would be uncomfortable with this being considered a standard approach as the siting of an onshore wind project is governed by the speed of the wind to maximise output and not by where the substation is located. However, we appreciate the flexibility proposed.</p>	
<b>Element 15:</b> Changing the offer and acceptance timescales to align with the Primary Process timescales (e.g. a move away from three months for making licenced offers) (see pages 29, 42-46)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>We are supportive of a change to the timeframe for the development of a connection offer so long as the process produces a better quality connection offer than the existing status quo process.</p>	
<b>Element 16:</b> Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>We consider that the CNDM should sit under the CUSC and be subject to open governance. Please see our response to element 1.</p>	
<b>Element 17:</b> Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission process for Distribution Network Operators (DNOs) and transmission connected Independent Distribution Network Operators (iDNOs) to forecast capacity on an anticipatory basis for Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations aligned to the Gate 1 Application Window (see pages 30-33, 51-53)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>There is a forward looking element to week 24 data which could be explored for the purposes of replacing the DFTC. It covers multiple years which should provide more insight and be better for forecasting purposes.</p>	

	<b>Element 18:</b> Set out the process for how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria (see pages 33-34, 51-53)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Please see response to question 17.		
6	Are there any elements of the proposal which you believe should not be included as part of this proposed solution, which the Proposer believes represents the 'Minimum Viable Product' reforms required to the connections process? If not, why not? (Please note the element number in each of your responses if applicable)	<input type="checkbox"/> Yes <input type="checkbox"/> No
The size and scale of this change makes it difficult to fully understand all the content that needs to be delivered as part of this MVP as the concepts are not sufficiently developed. It is therefore hard to conclude whether there is enough content, let alone what may need to be removed.		
7	As per question 6, are there any additional features which you believe should be included as part of Minimum Viable Product reform to the connections process?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Please see response to question 6.		
8	Do you agree that the Gate 1 process should be a mandatory process step, or do you think Gate 1 should be an optional process step with projects being able to apply straight into the Gate 2 process if the project meets both the relevant Gate 2 and Gate 1 criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We consider that it would be beneficial that if the project has signed land rights that the developer can apply for both Gate 1 and Gate 2 without incurring unnecessary delay. As Gate 1 is now proposed as a light holding offer, we see no reason why the Gate 1 offer would need to be accepted first.		

9	Do you believe that the proposed Gate 1 and Gate 2 process could duly or unduly discriminate against any types of projects? If so, do you believe this is justified?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>If an obligation is not placed on the DNO's to submit Gate 2 applications as soon as a User has demonstrated meeting Gate 2 criteria then embedded connections could be unintentionally discriminated against.</p> <p>Undue discrimination could occur through the NESO designation methodology if the criteria is not sufficiently defined to prevent challenge and how the final CNDM (Gate 1) and Gate 2 methodologies are drafted which are currently proposed to sit outside of the CUSC.</p> <p>Although land rights are as technologically neutral a solution as possible when selecting from evidence provided through connection queue milestones, there is still the opportunity for discrimination. For example, regional discrimination could occur when like for like projects are negotiating for land rights. England and Wales tends to have smaller parcels of land and therefore more land owners to negotiate versus Scotland where the land tends to be of a more significant size and therefore negotiations may be quicker due to their being less landowners to negotiate with. There is no perfect solution and given that the rules of engagement with the connection process will have been published upfront, we would like to think that it would not be considered undue discrimination.</p>		
10	Please provide your views on the proposed options ((a) to (e) on page 45) to mitigate the risk of requiring a developer to submit their application for planning consent earlier than they would in their development cycle (with the risk this consent could expire and any extension from the Planning Authority is not automatic).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>a) Forward Looking M1 Milestone takes into account expected decision timelines and validity of such planning consent with the idea that planning does not expire before planning conditions are discharged.</p> <p>There is a risk in asking a project to submit and agree planning consent too early in the projects lifecycle that the planning consent is no longer valid for the wind farm the project is finally looking to build. For example, if planning consent has been given for smaller wind turbines whose technology and size has been surpassed. The wind farm then requires a greater number of wind turbines to be placed on the sea bed than is necessary so there could be greater environmental impacts. This proposal could embed a connection process that causes a less efficient wind farm to be built and the costs for that would likely be passed on to the consumer.</p>		

To mitigate this risk, RWE has a preference for the backstop date to be 48 months back from the construction completion date as per connection queue milestone one.

- b) Consider using the 10% developer spend route that the Low Carbon Contracts Company use for CfD Contracts.

The 10% developer spend route is only for after you are awarded a CfD. It's known as the milestone delivery date (MDD) and needs to be met 18 months after CfD award. It can be met by developer spend (i.e. 10% spend) or proving contracts are in place that meet 10% of overall project costs.

Therefore, this is a financial measure that occurs closer to the projects Final Investment Decision (FID) in the connection process than to the requirement to submit consents. It will only apply to those project that utilise the CfD for funding and therefore will not act as a catch all for the applicants in the transmission connection process that may use other funding such as Power Purchase Agreements (PPA's), capacity market.....

Given the ESO's licence obligation to not unduly discriminate between technologies, although this would be a useful measure, the ESO would need to consider how they wanted to apply it.

To enter a CfD, a project needs to already have it's planning, land rights and an eligible grid date. Therefore, this proposed measure would not act as a barrier to entry at an early stage in the projects life cycle to remove speculative projects. It is notable that projects that have agreed planning consent are generally considered to be heavily invested projects that will seek to meet their connection date. The ESO needs to consider whether they think this additional measure is worthwhile given the level of commitment of the project at this stage and the potential for doubling requirements that already exist under connection queue milestone 7 on project commitment, the evidence for which has a broader application than just the CfD.

- c) Forward Looking M1 Milestone time period only starts from when the TO have confirmed the location of their substation, where this is reasonably required for the developer to prepare and submit their planning application. Note this only applies in England and Wales as in Scotland typically, the Transmission Owner consents the cable route.

A project will only be able to provide a realistic timeframe for submitting planning consent once the real substation location for the project to connect to is known. This information is not likely to be available until after the Gate 2 full connection offer has been received and agreed with the developer. Therefore, we consider this requirement should sit separately as a Post Gate 2 requirement if the ESO's proposal is retained.

For NSIP projects, an average longstop date of 5 years for submitting consent is preferential to the two years proposed in the ESOs table. The ESOs proposal conflicts with the length of time required for offshore surveys which alone are required to run for two years. A developer is unable to do meaningful work on a cable route design unless they know the cable route. The developers need to design around the optimal route before contracting for surveys which will need to go around aspects such as environmental areas of interest, housing.... The

	<p>surveys are seasonal so the developer may have to wait 6 months before they can survey and the lead in time can be longer due to the limited number of specialists that can carry out the survey. Hence, the need for a longer timeframe for any longstop date applied.</p> <p>d) The M1 Milestone remains backwards looking from the Completion Date if a project's Completion Date is more than X years away.</p> <p>RWE has a preference for the backstop date for projects that are above 5+ years to be 48 months back from the construction completion date as per connection queue milestone one. This provides sufficient time for the project to meet it's planning consent in line with the projects lifecycle.</p> <p>a) Include a rectification period for a developer to resubmit their application for planning (M1) if the permission expires before the Completion</p> <p>Under the existing connection queue milestones, projects are already able to prevent termination if they can prove the delay has been caused by third parties. Under the existing legal text, we do not consider there would be cause for a need for a rectification period.</p> <p>If a forward looking milestone was introduced for planning consent which caused the project to apply for DCO twice, the costs to reach DCO under NSIP projects is significant and any request to meet this requirement twice could make the project unviable.</p>
11	<p>Do you agree that DFTC should be included as part of CMP434? If not, do you believe that the reformed connections process can function without DFTC? Please justify your answer. (see pages 30-34, 51-53)</p> <p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p>
	<p>We agree that some form of forecast whether it is the DFTC or based on week 24 data should be included to allow embedded distribution projects to apply for connections throughout the year rather than wait for the transmission annual application window.</p>
12	<p>The Proposer intends to set out supporting arrangements for TMO4+ via a combination of guidance and methodologies (e.g. DFTC, CNDM, Project Designation, Gate 2 Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55)</p> <p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>



	Please see response to element 1.
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