

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 usc.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 usc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Sam Aitchison	
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Which best describes your organisation?	<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> <p>Original <input checked="" type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D</p> <p>The current Proposal requires many changes to the Transmission licence and the obligations it imposes. However, under a batch process it has the potential for a more efficient discharge of the Licensee's obligations. The current proposal could be adjusted to create an even more efficient discharge. For example confirming POC and connection date at Gate 1.</p> <p>Under the current proposal, it does not better facilitate effective competition. It may even hinder competition with some clear preferential treatment for some projects and larger developers, with no clear justification. The non-codification of the capacity reallocation mechanism will give no clear indication of how a clear and effective competition can be facilitated.</p> <p>Under the current proposal it could create more work for implementation of the CUSC. The checking of Gate 2 criteria and the methodologies (and their review) will also require further administration of the CUSC arrangements.</p>
2	Do you support the proposed implementation approach? (see pages 59-61)	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>We agree with the Primary Process in its simplest format of creating a batched process with two Gates to allow for a better and more coordinated design. However, the proposal to not codify specific elements of the Proposal does not provide for a better approach than is currently used.</p> <p>There are some Elements of the proposal that should not be included, with current processes allowing for a minimum viable product. However, some of these Elements may create a further efficient process and so we would recommend the ESO raises these as separate code modifications.</p> <p>One of the biggest concerns of the proposal is the indicative nature of a Gate 1 offer. It seriously increases the initial risk of a project if the connection point has the potential to change. Putting agreements in place can cost £100,000's or £1m's for</p>

	<p>a project, and once through Gate 2 it could change significantly rendering the original land unviable. The 12-month exemption does not reflect the process of development and would no allow enough time to readjust.</p> <p>A forward looking M1 milestone is also something we strongly object to. IGP were part of the CMP376 workgroup that developed the Proposal for including milestone within all connection offers. It was decided that forward looking milestones would not appropriately reflect the development timeline of projects. To prepare and submit a planning application takes millions of pounds and is paid at risk. The current Proposal would expect this to come out at a much earlier stage of a project's life cycle, if it has a long connection date, and would see developers receive no return for much longer than would be acceptable. Even if a developer has enough funding to be able to develop the project, it may not be able take this level of liability for such a long period of time. It will restrict competition to only the very large companies that have enough income elsewhere. We also note the timeline for achieving the proposed forward-looking milestone is not achievable, especially when only an indicative POC is given. Whilst some initial planning surveys may be able to take place prior to land rights, they would be very limited in nature and scope.</p>	
3	<p>Do you have any other comments?</p> <p>If the final solution does include the Proposed non-codified Methodologies and Guidance documents, we would encourage a much greater engagement with industry. The ESO has stated that some Elements of the proposal were consulted on with industry after the large consultation on whether TMO4+ was the right solution 2023. However, IGP, who have one of the largest pipelines of solar and battery developments at Transmission level and are currently developing multiple NSIP scale solar farms across the UK, were not consulted.</p> <p>It is all well and good saying the ESO will consult on these documents, but it needs to be much clearer on how it intends to do this. However, to reiterate, we believe these documents should be codified further than is currently Proposed.</p>	
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p>	<p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section)</p> <p><input checked="" type="checkbox"/> No</p>
<p>We do not have the resource to be able to raise a WACM that would be comprehensive in its proposal, however, we will support others and suggest amendments as needed.</p>		

Specific Workgroup Consultation questions

5	<p>Do you agree with the elements of the proposed solution?</p> <p>Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification CM095.</p> <p>Please provide rationale for your answer and any suggestions for improvement to each element?</p>
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Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>IGP does not agree that this Element is the most appropriate way of implementing the proposed solution. There are major concerns that the use of Methodologies does not allow for the appropriate level of industry consultation and input for what will be major sections of the Proposer's solution for implementing Connections Reform. For Example, the Gate 2 Criteria Methodology will set out the actual criteria that developers will need to meet to be able to move to Gate 2. Under the current proposal, whilst the ESO will be obliged to consult the industry, it has the potential that the solution will be very mis-informed and will not reflect how the development process actually works for the industry.</p> <p>Under the current system, the ESO does not have the power to change the entry requirements without a CUSC modification, for example the implementation of CMP427 to raise the bar to a requirement for a Letter of Authority (LoA). The ESO's original proposal would not have been appropriate without workgroup involvement.</p> <p>Further codification along with published ESO guidance and interpretation, would be a more appropriate.</p>	
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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>We agree with the implementation of a Primary Process and the basics of a batched process, to allow more of holistic design of the network. However, having an "indicative" offer as the outcome of Gate 1 is not appropriate. A project cannot be expected to progress with the development, with no confirmation of where it will connect on to the network.</p> <p>With the risk of the POC moving potentially kilometres away in the Gate 2 offer compared to that in Gate 1 its disincentivising the developer to progress with the project. This compounded by the fact that there will be no User Commitment, we foresee developers applying for more and more speculative applications (especially for BESS which requires a small amount of land) as they did throughout the 2-stage offer process.</p> <p>Also, an annual process for Gate 1 entry we feel is not frequent enough and will elongate an already more drawn-out connections process.</p>	
Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
No objections with the list of projects that this solution is applied to.	

Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>It is IGP's opinion that if the ESO wishes to raise this as potential change to the CUSC it should be raised as a separate modification. This goes above and beyond the MVP of Connections Reform.</p> <p>If this were to be included within final solution, it would need to be clarified as to why this different from Material Change, which is already defined, and what a "considerable impact" is. The clarification given by the Proposer that "a significant change would be one which has (or may have) a considerable impact on either the design or operation of the NETS" is not tangible and can be interpreted.</p> <p>It is also noted that the Proposer's clarification – "reasonable changes to the project site location due to normal project development would not be considered to be a significant change" – contradicts the reasoning for including Element 14 within the solution.</p>	
Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>We do not see how it creates a fair market when Interconnectors and OHAs are offered confirmed connection points and capacity at Gate 1 when others are only offered them on an indicative basis. For an NSIP scale solar project, for example, the land assembly can be just as complex if not more so and is still heavily dependent on the location of the POC.</p> <p>DFTC as a concept is a good idea. However, IGP are concerned as to how this will work in practice, if DNO's/iDNO's predict more capacity than is needed, this could detrimentally affect the Directly Connected Generation going through Gate 1. And if they underestimate the capacity, this will detrimentally affect their customers (Relevant Embedded Generation).</p> <p>It is unclear how Offshore projects differ from the primary process and we request further information on this. However, from our understanding of the Proposal, it is agreed for the Proposer to bring normal Offshore projects in-line with other projects going through the Primary Process.</p>	
Element 6: 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

IGP believes the frequency of the Gate 1 window is too low. It does not reflect the nature of the development process, which can be sporadic. A minimum of 3 windows per year and aligning these with the Gate 2 windows would be a more appropriate solution. We are also concerned at the statement that the ESO will keep the frequency of the Gate 1 window under “regular review”. It should be made clear as to how this will be reviewed, with a suggestion that regular feedback from customers should be sought. It is suggested that the frequency be codified to allow for a formal review if feedback is indicating a need for change.

A more regular frequency will negate the need for the suggestion by the workgroup of implementing a “deadline” rather than a window. On this basis the duration of the window is agreed, allowing an appropriate amount of time for competency checks, in an official manner.

The option to be able to go through Gate 1 and Gate 2 at the same time is agreed.

The main concern of the CMP434 proposal is in the contents of the Gate 1 offer. The Proposal of only offering indicative connection dates and connection points, offers a much higher risk for a project’s development at the early stage. With no indication of the works needed for the project to connect, it also offers no ability for a developer to be able to sensibly make a financial investment decision on whether to progress with a project or not.

We recognise the need for the introduction of the DFTC within the Gate 1 process. However, to allow these to be applied for without an application fee of any form seems to heavily favour an embedded application, not allowing an appropriate level of competition.

Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)

☒ Yes
☐ No

It is agreed that Element 7 should not form part of the solution. It was unclear as to how this differed from the normal resolution process. With the inclusion of a time period for competency within the Gate 1 window, there should be time to be able to go through the regular process.

Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)

☒ Yes
☐ No

A Longstop Date for the Gate 1 Agreements could be a good way of incentivising projects to progress. If this is going to be the case the suggestion, by the workgroup, of the deadline being at the point at which the applicant meets the Gate 2 criteria rather than acceptance of the Gate 2 offer, is much more in line with the development timelines. It is also not the developer’s fault the length of time it would take the TO and ESO produce the Gate 2 offer.

<p>The ESO discretion to be able to extend a projects deadline is fine. However, where a project has some land signed but insufficient to meet Gate 2, there should be a minimum percentage, below which ESO discretion may not be applied.</p> <p>This being said, with the Gate 1 offers only being offered on an indicative basis and not setting a queue position, does not set a high consequence for not complying with this forward-looking milestone. Projects potentially could continuously apply for Gate 1 applications with little to no consequence for not progressing.</p>	
<p>Element 9: Project Designation (see pages 17-18, 48-49)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>We understand the rationale and the potential need case that can be made for Project Designation and its associated Methodology. However, it moves away from the primary objective of this proposal, aiming for a first ready, first connected connections process. Rather it achieves a first needed, first connected system. If this is a proposal the ESO wishes to pursue, it is our belief that it should be raised as a separate code modification.</p> <p>It is unclear as to how a Designated Project differs from a project developed through the Network Services Procurement. If this Element were to stay in the Proposal, this would need clarification, with potentially much more tangible differences defined and codified. This could include the criteria or at least the definitions of the criteria's terminology (e.g. what does "materially" mean in "materially reduce system/network constraints"?).</p> <p>Whilst there is an obvious need for speed on a designated project, we deem it as unfair and uncompetitive that the project would be allowed to skip the Gate 1 process entirely. We also believe it is unfair that a project, unless it facilitates more capacity on the network, is allowed to 'skip the queue'. If a project, which is ahead in queue, is ready to connect first and is still able to connect ahead of a Designated Project, from a technical perspective, then it should be able to do so.</p>	
<p>Element 10: Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification CM095 – see pages 18-20 and the CM095 Workgroup Consultation, pages 6-10)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>The principle of this seems to be sound. However, we have noted that one of the arguments for including this for interconnectors and OHAs is because these projects are "unable to reasonably meet the Gate 2 criteria until they know their confirmed connection point". An argument could be made that this is true of any project looking to connect to the NETS. Therefore, the inclusion of these projects within this Element of the Proposal should be reconsidered.</p>	

Element 11: 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>There are several issues with current proposal of establishing Gate 2 and it's criteria.</p> <p>The first of which is that it is our opinion that the criteria should be codified. Under the current rules, the requirements for entry into the queue (i.e. LoA and application fee) are both codified. We fail to see a reasonable justification for changing this convention under the new process. Having the criteria set out in a Methodology does not allow for the appropriate level of industry scrutiny that such a pivotal and important part of the Primary Process should require.</p> <p>We agree that the minimum requirement for entry into Gate 2 should be projects which can demonstrate complete land right for the project.</p> <p>With respect to the change in redline boundary from LoA to Gate 2 application, the caveat of an "allowed change" under Element 4 of this Proposal should be removed from this Element. Under a normal development process, a change in the location is highly likely at such an early stage, when there are no legally binding contracts in place. Also, with the current Proposal including a Gate 1 offer that is only indicative, the effect on the change in location on the network would negligible.</p> <p>IGP is slightly confused as to the reasoning for including a minimum duration of an Option Agreement. As long as the developer is able to prove to the ESO, at any point that it may request, that they can still demonstrate the necessary land rights, then it should not matter to the ESO how or why the developer may structure its deal with the landowner. We would also be very nervous of introducing a minimum operation timeline, under the lease or purchase agreement. This is attempting to regulate how a developer structures its commercial and legal deal with a landowner, which is bilateral agreement of which the ESO is not party to. There are various scenarios where a developer may have to structure this deal with much shorter timescales before having to re-negotiate. For example, an overage over a piece of land may restrict the number of years a lease can be given for.</p> <p>11.3 Land Requirements</p> <p>We note that changes to the red line boundary through the planning process is almost an inevitability. There should be some flexibility to allow a developer to change the red line boundary throughout the planning process, as long as they are able to demonstrate the necessary land rights and are still able to achieve the M1 milestone. However, we understand and agree with the restriction on the allowed</p>	

changes to the original red line. The current Proposal does still need to be adjusted though.

TEC is not inherently linked to the amount of land you need for a project. The Energy Density Table developed through CMP427 was meant as guide for minimum acreage needed for a project to meet its TEC. Trying to link TEC back to restrictions on changes to a red line boundary is near impossible. TEC can be achieved in a plethora of ways. For example, on solar there are numerous oversizing strategies (which may change throughout the planning process) as well as strategies on yield. We would, therefore, suggest the restriction should be defined and examples given using acreages or hectares. A calculation of this should be calculated for the "original red line boundary" that is submitted with a Gate 2 application, most likely a self-certified figure. It can then be calculated using the appropriate percentage of how much further land you would be able to add into the project.

The argument used by the Proposer for not including "No more than X% change to the red line boundary once Gate 2 has been met", is that it "could allow developers to build 100% of the site outside of the original red line boundary". This does not seem to stack up. If you have a percentage that is not 100%, we're not sure how this can be possible.

11.4 Planning

There is a valid reason why, in the CMP376 workgroups, it was decided to not include the forward-looking milestones. The ESO can NOT expect projects that have connection dates far into the future to find ways around keeping their planning permission valid until they are able to construct. Requiring developers to find loopholes in the planning system is completely unreasonable!

Requesting a developer to front load the investment for a project that will not come to fruition for say 10 years into the future (i.e. paying c. £6-8m for a solar NSIP to gain planning permission), requires exceptionally more capital than it would if planning was done at a more appropriate time. It is money going out the door for a much longer period of time, which is not a sustainable model for smaller developers, who may still be funded well enough to progress the project. This restricts the competition significantly within the development industry.

It would also be unreasonable to request the developer to re-submit planning if it expired. This is not an easy or cheap thing to do and, again, restricts competition.

If the Proposer was insistent on this section of the element staying in, it would need a very large re-think as to how it is implemented. Firstly, if the Proposer is expecting the projects will have different forward-looking milestones, dependent on

which planning regime they are going through, the ESO needs to be confident that it has covered all basis for this. For example, already missing from the current list is DCO planning for Wales (solar projects >350MW). The Proposer should also clarify whether the project needs full planning permission or outline approval.

Secondly, the concept of starting planning in parallel with attaining land rights is impossible under the current proposal. With Gate 1 offers not confirming the POC to the NETS, restricts the amount of investment a developer can put into a project. This is the argument used to justify the inclusion of Element 5 for OHA's as this would be the same for any DCO project. The milestones should, therefore, discount the assumption of starting planning prior to receiving and accepting a Gate 2 offer.

If the Proposer decides to change the Gate 1 offer to include firm connection points and a better understanding of the financial commitment needed for the connection, it may be possible to progress planning in parallel to greater extent. Although it would still be fairly limited with no binding agreement with the landowner.

It is also unclear and will need further detail to understand who, how and why a specific planning regime has been chosen for the forward-looking milestone, especially when they will be significantly different timescales. Will it be developer nominated or ESO imposed? There are pros and cons to both, but the overriding factor may be that some projects do in fact have an option as to which one they follow. For example, an energy scheme that has the ability to go through Town and Country Planning (TCP) is able to request the option to utilise the DCO process, if they feel it is necessary, via a Section 35. It will also need clarification on co-located projects, for instance BESS would usually be under TCP but if it is co-located with solar >50MW it could potentially go through the DCO process.

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

☒ Yes
☐ No

There is very little change from the current process beyond creating a more batched assessment approach. We see a batched process to be a positive as it will allow the TO's a better overview of the network and more holistic view to its solutions.

However, the process is due to take over a year in from start to finish, which we see as being very drawn out. We believe it should be a much shorter period, perhaps by shortening the application period slightly. We would also recommend including one further Gate 2 application window.

Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)

☐ Yes
☒ No

We firstly, question the reasoning for the difference in treatment of checking evidence provided by Large Embedded Generators compared to Small and Medium Embedded

<p>Generation, both with BEGAs. As they are both connecting at Distribution, they should be checked with the relevant DNO or iDNO.</p> <p>A Self-Declaration Letter with sampling checks of evidence, in our eyes, defeats the point of requesting the evidence in the first place. If the ESO are looking to implement the criteria it is currently suggesting, it would seem highly unfair if in the unlikely event a project snuck through to Gate 2 without actually meeting the criteria. We, therefore, believe the ESO should be prepared to check for all connections. If it does not have the necessary workforce to be able to do so, it should be prepared to source this. Evidence checking is an essential part of this code modification.</p> <p>With the location of a project being a key consideration under the current proposal, it is quite surprising to us that within the declaration letter the Proposer is not requesting the site(s) address.</p> <p>Duplication of option/lease areas is a very real possibility and should be considered when looking at the duplication checks. For example, a wind project co-located with a solar project with separate connections. There should be something within the letter that allows the developer to explain the reasoning for the duplication or cross-over and to self-declare that it will not affect its ability to connect one or the other or both.</p>	
<p>Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>The first thing to note on this Element, is that if the offer at Gate 1 were to include a firm connection point and date, this would be unnecessary.</p> <p>ESO will need to clarify, before this Element can be agreed, what would happen if the developer notified the ESO on, say, the last day of the acceptance period for Gate 2 that they wish to have this 12-month grace period? Perhaps a way around this would be to automatically include the revised clauses in the Gate 2 offer for projects that have changed POC from Gate 1.</p> <p>Once a project has been able to agree the new land for the project, we fail to see the need for a Modification Application. Nothing has changed in the offer and the ESO has already agreed the project can change the land. An Agreement to Vary would therefore be a more appropriate implementation. It could potentially cause an unfair advantage to those that had progressed through Gate 1 earlier than another project but then both projects go through Gate 2 at the same time.</p>	
<p>Element 15: Changing the offer and acceptance timescales to align with the Primary Process timescales</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

(e.g. a move away from three months for making licenced offers) (see pages 29, 42-46)	
<p>We recognise the need for a longer period of time for the TO's to assess grid applications when in a batch process. However, we caution how much of an extension is given, as this will lengthen the time to receive viable offers which developers can act on. It could potentially slow down the whole development process.</p>	
<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>CNDM is one of the most central Elements to the current proposal. Setting out how the ESO and TO's will reallocate capacity that has been released by terminated projects will define how the ESO proposes to move away from the first come first serve model. To not codifying this Element and not even publish and get workgroup comments on the CNDM prior to the conclusion to this workgroup, is sidestepping the crucks of how this proposal will work in practice. This will likely lead to a very chaotic first round, whether CNDM is approved by the authority or not.</p> <p>The "capacity reallocation mechanism" should, first and foremost be a defined term. As already expressed by some workgroup members, the significance of the reallocation could millions of pounds of impacts on developers and subsequently billions of pounds to consumers. If ESO were to get the reallocation incorrect or against industry expectations, and it does not codify the methodology then, in our opinion, it leaves them highly vulnerable to legal action.</p>	
<p>Element 17: 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)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>DFTC is not clearly an integral part of this Code Modification. There is potential for the use of the existing process (however flawed that may be) to be able to fulfil the process of getting Gate 1 and/or 2 offers. Or it could use an adapted version of Element 18 for Gate 1.</p> <p>Suggesting the DFTC will only be codified in the medium term demonstrates it is not substantial for this code mod. To be able to utilise the DFTC, it must be codified.</p> <p>We also query why Large Embedded Generators would be excluded from DFTC. They connect, utilise and have a significant effect on the Distribution network and</p>	

	<p>so it should be the DNO that brings this to ESO. They have a direct relationship, but this could be the same for a small/medium embedded generator if they so wished.</p>		
	<table border="1"> <tr> <td data-bbox="260 300 1086 501"> <p>Element 18: 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)</p> </td> <td data-bbox="1086 300 1465 501"> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> </td> </tr> </table>	<p>Element 18: 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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
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	<p>The main concern of this Element is the lack of licence obligation for a DNO/iDNO to submit a customer's self-declaration at the earliest possible Gate 2 window.</p> <p>Project Progression timescales are getting ever longer, with some DNOs/iDNOs gathering delaying projects going through until the DNO/iDNO has enough projects to warrant going back to the ESO. There needs to be more commitment from DNOs and iDNOs</p>		
6	<table border="1"> <tr> <td data-bbox="260 779 667 1344"> <p>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)</p> </td> <td data-bbox="667 779 1465 1344"> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> </td> </tr> </table>	<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
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	<p>Element 4 – defining Significant Change as part of code mod that is looking to implement a first ready, first connect process is unnecessary. The restriction of what changes a project can make, beyond what it can do today, is beyond the scope of this Proposal.</p> <p>Element 7 – we agree with the Proposer's suggestion that is Element should no longer form part of the solution. Existing methods of disagreement should suffice for this Proposal. If it needs changing in the future, then a separate Code Modification should be raised.</p> <p>Element 9 – trying to add in a loosely defined check list for what the ESO would deem an important enough project, to potentially connect ahead of everyone else but not to be included in other existing processes (e.g. Network Services Procurement). The idea of creating a batched process is to create more of level playing field for all projects so having projects that have priority in a particular batch doesn't make sense. This would such a significant change to BAU, even after the rest of this mod is implemented that it should be raised as a separate modification.</p>		

	<p>Element 11.4 – the basic principles of Element 11 are fine. However, the change to a forward-looking milestone could have a large detrimental affect on the competition within the industry.</p> <p>Element 14 – this would be completely superfluous to the code modification if projects received a confirmed POC and connection date at Gate 1.</p>	
7	<p>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?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Element 8 – a restriction on projects in Gate 1 so that they can't just sit this pool is essential for the process to be successful.</p> <p>Element 16 – CNDM and the Capacity Reallocation Mechanism is an essential part of the proposal. Without a fully-fledged working of how this will work, and it being codified, there will be significant challenges against the ESO from Developers who feel they have been treated unfairly.</p>	
8	<p>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?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Gate 1 done correctly is an important step for the TO's to better plan the network design. If a project meets both criteria at the same time, it should be able to go through both at the same time, but it shouldn't be able to skip through Gate 1.</p> <p>However, if Gate 1 is highly indicative and does not require too much studying from the TO's, as is currently proposed, it is a completely unnecessary stepping stone that is not worth the paper it will be written on.</p>	
9	<p>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?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Under the current Proposal, there are several groups of projects discriminated against. DFTC has the potential to give an unfair advantage to distributed</p>	

	<p>connected projects compared to directly connected ones. If this is the case it will significantly reduce competition.</p> <p>The forward-looking milestone M1 discriminates against smaller developers. To pay millions of pounds of upfront costs to submit planning and gain permission and then not get any returns on this investment for 5-10 years if the connection is further in the future is restricting cashflow into the business. Only very large-scale developers, will be able to withstand this liability on their balance sheets for such long period of time.</p>	
10	<p>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).</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
	<p>a) It is unclear what the idea is here. If it is just looking to extend the M1 milestone slightly further into the future by aligning slightly more with other milestones through the planning application process. This is not significant enough mitigation.</p> <p>b) No comment – need further understanding</p> <p>c) We are not sure how this different from the current proposal. The Milestones are only set at Gate 2, which is when the confirmed POC and connection date are met. Even if they are confirmed at Gate 1, and if the connection date is far in the future, there should be no expectation for a developer to get planning ahead of when it is needed.</p> <p>d) This could be an acceptable mitigation and has the most sensible outcome in our opinion. This would still have to be considered and developed carefully to remain appropriate.</p> <p>e) This is completely unacceptable. Requiring projects to resubmit planning would have a massive impact on the market and would also drain already strained planning resources unnecessarily.</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 type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
	<p>It is difficult to say whether it should be included or not as it is still not clear enough as to how it would work and if it will be codified to the necessary extent. It would</p>	

	certainly make the process much smoother for all stakeholders, but under its current guise it is not essential for the first-round next year (1 st January 2025).	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>All these methodologies should be codified to a much greater extent. The lack of formal industry engagement on each of these will be greatly challenged, by developers, for such significant instruments of the change in process. CNDM and Gate 2 criteria specifically should be codified, as the existing processes are already codified.</p>		