

**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)

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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> <p>Original <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D</p> <p>We do not believe that the current proposal meets the objective of better facilitating effective competition.</p> <p>We are concerned that the current requirement for a forward-looking planning application, which does not take into account a project's energisation date, will result in unwarranted changes to normal project development even for viable projects. This is especially true for Town and Country planning which has a 3-year validity period and can't be extended. A result of this is that a project with a connection date of 7+years from the Gate 2 offer will potentially have its planning expire before the project has started construction. Whilst this can be partially mitigated, it will bring significant extra unnecessary costs to projects on leases and sites works. Potential mitigations are laid out on Page 45 of the consultation document however these are currently not part of the proposal and have not been fully explained to understand their suitability.</p> <p>This requirement potentially disadvantages prudent, long-term developers which have built a large portfolio stretching many years, helping to meet Government's net zero and long term security of supply ambitions, and will result in planning works that wouldn't normally be done in the early stages of a project. We would recommend that the recently implemented Queue Management milestones which are backwards looking from the connection date and take into account of the time period between offer and connection date be used.</p> <p>The potential technology change restrictions listed in Element 4 of the consultation are unclear and potentially impede normal project development where a single technology becomes a hybrid project without a change in TEC for example. With regards to any technology definitions, we would like to be able to scrutinise the ESO's detailed proposals (which are not finalised) to ensure they do not unintentionally prohibit or restrict changes within the same class of technology.</p>
2	Do you support the proposed implementation approach? (see pages 59-61)	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Whilst we understand that ESO believes in the need for a fast implementation of this modification in order to improve connection timelines onto the network, the decision date</p>

	<p>for the modification of 13<sup>th</sup> December with an implementation date of 1<sup>st</sup> January leaves very little time for companies to adapt and fully understand the requirements ready for the first application window. This is compounded by the fact that alternative proposals could be accepted by the authority.</p> <p>This period also coincides with the Christmas period in which many companies have a significant portion of their staff on leave.</p>	
3	<p><b>Do you have any other comments?</b></p> <p>This workgroup consultation has very little detail on a number of key aspects. We have no legal text to review and to enable us to fully understand what is being implemented and whether we agree with it.</p> <p>We have a quite a major concern about the ESO's general approach to this proposal, which is to lightly codify key aspects of this proposal. A number of these aspects are quite fundamental changes to how industry works. There then appears to be a general reliance on unpublished guidance documents which the wider industry will have less ability to challenge if concerns are raised.</p>	
4	<p><b>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</b></p>	<p><input checked="" type="checkbox"/> Yes (the request form can be found in the <a href="#">Workgroup Consultation Section</a>)</p> <p><input type="checkbox"/> No</p>
	<p>We are looking to raise alternatives relating to the following:</p> <ul style="list-style-type: none"> <li>• Changing Planning milestones from forward-looking to backward-looking</li> <li>• Removal of red line boundary restrictions</li> </ul>	

### Specific Workgroup Consultation questions

5	<p><b>Do you agree with the elements of the proposed solution?</b></p> <p>Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification <a href="#">CM095</a>.</p> <p>Please provide rationale for your answer and any suggestions for improvement to each element?</p>	
	<p><b>Element 1:</b> Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
	<p>We have serious concerns with the ESO's approach of lightly codifying the Methodologies and relying on guidance documents. The items included in the Methodology are fundamental to the modification and as such, if not accepted have the potential to delay the go-live date.</p> <p>The ESO format proposed for consultation on the Methodologies does not force the ESO to take alternatives from the wider industry to the authority for consideration. It currently only states that an external consultation will be included.</p>	

<p>Under the proposed process industry does not have an ability to formally raise their own alternative solutions for review by the authority should concerns be raised (as per the current CUSC Mod process).</p> <p>We believe that the 3 methodologies should be sufficiently codified in the CUSC. Any subsequent modifications that are required in the future can be covered by a separate CUSC modification using the current process which allows industry to formally raise alternatives.</p>	
<p><b>Element 2:</b> 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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Whilst we support the requirement for a new process, we have some concerns about what has been proposed.</p> <p>The Gate 1 annual application window means that projects that are ready for a grid application mid-year, now have to wait until the next year to submit an application and then wait 9-10 months in the batch process to receive an offer. If either the application that is received is deemed to have not met the Gate 1 or 2 criteria, the offer returned is not satisfactory to the developer, or the offer needs amendments because of incorrect information from National Grid, a developer will not have much time to resolve the offer issues with National Grid. Should resolution not prove possible then the developer would need to apply through the next application window or worse case the developer may miss the application window and have to wait an additional year. This would add significant delays and uncertainty to projects.</p> <p>With the Gate 1 batch assessment for the year not starting until April we recommend that the acceptance period be extended past December of the previous year to allow more time to review and accept the offers. This is especially significant if a developer applies for Gate 1 and Gate 2 together. A fast disagreements resolution process has been de-scoped from this proposal which could potentially have mitigated some of these concerns.</p> <p>We currently find that the offers received in the current process often contain errors or areas that require further protracted negotiations. This is in an environment in which ESO regularly grant extensions to the statutory 90-day acceptance period. We have serious concerns that in a batch assessment acceptance period, ESO will not have the capacity to resolve the issues in the acceptance window.</p> <p>Importantly this methodology as it stands does not appear to meet the objectives of A and B outlined above.</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>The proposal is quite clear on which projects need to go through the primary process. This section would benefit from further clarification on this applying to both licenced and unlicensed iDNO connections.</p>	

<p>More guidance is required on significant modifications which we have highlighted in Element 4 below.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>This concept in its current form is quite vague and the consultation outlines that the final legal text may even change the definitions further.</p> <p>We do not agree with the ESO approach of using guidance documents which are out of scope of this modification and won't be published until after the implementation date. This is especially true for concepts which are quite fundamental to normal project development.</p> <p>Whilst some guidance has been provided, this is classed as a work-in-progress and doesn't answer some of the questions about what constitutes a significant change.</p> <p>For example,</p> <ul style="list-style-type: none"> <li>• We do not know what modifications we can make to our existing projects (due to CMP435 applying to current connections) without impacting our queue position.</li> <li>• The potentially significant criteria has no guidance on what would make something significant vs non-significant.</li> <li>• We do not know what would constitute a 'reasonable' change to the project site location which would make it not significant.</li> <li>• The proposal states that a significant change at Gate 2 will be processed in the next gate 2 window, however, the ESO has the right to process it through the next Gate 1 window if it is deemed extremely significant. We have no guidance or information on what is classed as extremely significant.</li> <li>• A number of points such as TEC and CEC reduction at Gate 1 and Gate 2 application are still classed as TBC.</li> </ul> <p>We recommend that the criteria for a significant change should be given more firm definitions than the current 3 bullet points outlined on page 12 of 64 and reconsulted with industry. This Element should also be codified.</p>	
<p><b>Element 5:</b> Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>With regards to Offshore projects, the interaction between Gate 1 and future seabed leasing processes is currently unclear. It is not clear whether developers must secure Gate 1 in order to be eligible for a particular leasing round or if they would be disadvantaged if they chose not to. For example, if a developer anticipated applying for Gate 1 and 2 at the same time after a leasing round, would this disadvantage their position in the connection queue relative to others who had already applied for Gate 1?</p> <p>There are costs involved in applying for Gate 1, alongside uncertainty around the T&amp;Cs and liabilities once it has been secured. If (for example) 20 developers apply for Gate 1 in</p>	

<p>anticipation of a new leasing round, all requiring Letters of Authority from TCE, but only three offshore wind leases to be awarded, the overall administrative burden would become large and costly.</p> <p>Given recent government announcements with respect to TCE and GB Energy, interactions between these proposals and the future framework for offshore development needs to be fully considered and rationalised.</p>	
<p><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)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>As stated in Element 5, clarifications are needed around the Offshore Letter of Authority process and the conditions that will be applied. This effectively makes TCE and CES the gatekeepers to any developer wanting to secure a Gate 1.</p> <p>For onshore, the process is relatively clear at setting out the requirements for Gate 1. As stated in Element 1 above, we have concerns about the windows proposed and the capacity of the ESO to resolve any queries or issues before the next application window and the possibility of extending the acceptance windows.</p>	
<p><b>Element 7:</b> Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>With the short timescales involved to review and accept offers it is unclear if the current CUSC disputes process is fit for purpose in this process.</p> <p>Whilst the proposal states that an informal fast track resolution process will be developed, the details of this have not been presented for wider industry to review.</p> <p>A codified process detailing the rights and responsibilities for each party should be developed for the benefit of both developers and ESO.</p>	
<p><b>Element 8:</b> Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We agree with the need for a Gate 1 longstop date in order to prevent projects remaining in Gate 1, potentially indefinitely, with no recourse to be removed.</p>	
<p><b>Element 9:</b> Project Designation (see pages 17-18, 48-49)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>We do not disagree with the concept that is being proposed and that this concept is helpful in relieving network constraints in a timely manner.</p>	



<p>However, we <b><u>do not believe</u></b> that this element should form part of this CUSC modification proposal.</p> <p>The criteria in which this will be based on is not part of this proposal and will be part of a separate consultation. We have very limited details of what will be included in this Project Designation criteria and how this will affect our portfolio and future projects.</p> <p>We agree with what was raised by the workgroup that this item is not vital to the proposal. This element would give the ESO significant powers to prioritise certain transmission connections without a dispute process if our projects were impacted negatively.</p> <p>We are also concerned that, as with many elements of the proposal, that ESO does not plan to codify this within the CUSC.</p> <p>If this element is to be retained in the proposal, we recommend including an explicit reference to Nuclear in the designation considerations. We would expect the size and network contribution to be significant enough that any nuclear site would be a key driver of decisions in any batching process, and the ESO may find it helpful to recognise this in its policies in advance to prevent unintended outcomes.</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 type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
<p>We understand the ESO's justification for this proposal and note its intention that "<i>this will only be used in limited circumstances</i>". We would like to see an explicit acknowledgement from the ESO that any decisions made to reserve connection points and capacity should be transparent to industry and open for scrutiny. We would also reiterate our points made later in element 16 with regards to the discretion for ESO to reallocate capacity, which could be substantial following the non-progression of the types of projects covered by this element.</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 type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>We believe that the restrictions to building outside the red line boundary are unnecessary and the value of 50% of the TEC inside the red line boundary that can be built outside appears to be an arbitrary requirement. So long as the connection point and infrastructure remain unchanged, the precise location of the generation build has no impact on the network. Technology/economical restrictions on the developer will mean that the generation has to be built within a reasonable distance and to appropriate codes/standards.</p> <p>We also believe the ESO should engage with Government on its siting and allocation policy for new conventional and small modular reactor nuclear sites, which may not work with the red-line boundary restrictions proposed here. Units may change orientation or position</p>	

across each site in response to economic, planning, or political drivers. As above, if there is no material change to the connection point or network impact, these locational restrictions are unnecessary.

The requirement for forward planning milestone will result in planning works that wouldn't normally be done in the early stages of a project if a project has a connection date a significant number of years into the future. We do not agree with the ESO proposal of assuming that some of the land and planning work are done in parallel and therefore reducing the timescale for this milestone even further.

Matters such as the duration and timing of some surveys, for example, are out of a developer's control. As an example, most breeding bird surveys are required to be carried out over two breeding/nesting seasons. The design of the planning proposal then needs to respond to the findings of the surveys and consultation feedback. Further, EIA applications can be complex and can protract the pre-application stage of preparing an application.

One comment we have in respect of DCO planning is whether the crucial date could not be when the DCO application is submitted, but when the applicant commences its preliminary discussions with PINS. This shows serious intent to deliver a project and may be more suitable than setting a deadline for submission of the application itself on the basis that DCO applications are complex (for example, the DCO application for Sizewell C was 55,000 pages long) and it is perhaps unrealistic for anyone to assume that all DCO applications would be submitted within a set time period after Gate 2 Offer stage.

We would recommend that something similar to the recently implemented Queue Management milestones which were backwards looking from the connection date and took into account of the time period between offer and connection date be used.

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

☒ Yes  
☐ No

Whilst the process itself, as it is currently presented, is relatively clear within the consultation, there is still uncertainty how the ESO will look to codify the process and the legal text.

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

☒ Yes  
☐ No

We have no issues with the Criteria Evidence Assessment.

**Element 14:** Gate 2 Offer and Project Site Location Change (see pages 28, 46)

☒ Yes  
☐ No

We agree with the principle that this is required, should the Gate 2 substation be in another location than is applied for. There is concern that due to requiring land/site boundary changes this therefore opens up further engagement/development work. In this instance we believe that the 12-month period is inadequate to resolve the issues, especially for technologies like onshore wind and solar due to large amounts of land



required/ number of potential landowners to negotiate with. We recommend that a 24-month period time frame would be more suitable.	
<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We agree that this proposal would require changes to the current codified process.</p> <p>There is a lack of detail and legal text available in this consultation to assess the impact of what change is being proposed.</p>	
<b>Element 16:</b> Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Whilst we agree with the concept of the CNDM which will define the process of how the ESO and TO's assess our connection applications; the proposed introduction of the CNDM has so little detail that it is hard to assess.</p> <p>This is concerning due to the fact that if CNDM is not approved as planned then it has the potential to delay the go-live date for this modification.</p> <p>It is concerning that the solution is not looking to be codified considering the implications of the ESO having the power for 'capacity reallocate' without it being on a first come first serve basis. We are unable to assess how this could be used by the ESO to potentially favour different technologies and effect the electricity market.</p> <p>More information is urgently required for industry to suitably assess ESO's proposal for CNDM and its suitability/ potential effects.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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<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
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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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> <li>• Red-line boundary restrictions following Gate 2 – see reasons outlined above.</li> <li>• Technology switching restrictions – see reasons outlined above.</li> <li>• Element 9 – Project designation for the reasons outlined above.</li> </ul>		
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 checked="" type="checkbox"/> No
<p>We believe that the lack of detail and guidance on key elements means that the current proposal does not meet the requirement of a minimum viable product. Several key concepts are in guidance documents which may not be produced until after the implementation date and no legal text is available. Where guidance is available, it is a work in progress with items TBC.</p> <p>In order to meet the requirement of a minimum viable product we believe that the key concepts and details need to be fully described with accompanying legal text in order for industry to fully understand what is being proposed.</p> <p>These are so crucial to the function of the proposal that it <b><u>is not</u></b> acceptable to leave these ambiguous.</p>		
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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	relevant Gate 2 and Gate 1 criteria?	
	<p>We do not believe that Gate 1 should be mandatory.</p> <p>If a project meets the Gate 2 criteria, the developer has already undertaken substantial cost and efforts to meet the criteria. If a project is ready for Gate 2 it could apply in the next Gate 2 window, which happen multiple times a year. This would significantly reduce the delay of having to wait for the next Gate 1 window and then the batch assessment.</p> <p>To make Gate 1 mandatory is introducing delays and inefficiencies into the process and is not meeting objective A &amp; B of efficient discharge and facilitating effective competition.</p>	
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>Small transmission projects (such as small BESS projects) with a short build time and connection date far into the future will either fail the planning requirements because of Town and Country planning 3-year implementation or take on additional costs with leases and contractors to mitigate the requirements. We do not believe this is justified and that a better planning process like the one introduced in Queue Management would be more suitable.</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>We believe that the need for the proposer to include mitigations to planning requirements, because of the nature of forward-looking planning milestones, shows that this is the incorrect route to include the planning milestones. We believe that backward looking planning milestones are more sensible and should be considered rather than potential mitigation to a flawed forward-looking system.</p>	
11	Do you agree that DFTC should be included as part of CMP434? If not, do you	<input type="checkbox"/> Yes <input type="checkbox"/> No

	believe that the reformed connections process can function without DFTC? Please justify your answer. (see pages 30-34, 51-53)	
	-	
12	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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Yes, we believe that these elements <b>should be codified</b> and any modifications that are required to alter these elements are done via CUSC modifications.</p> <p>These methodologies have the potential for the ESO to allocate GWs of TEC with, as of yet, an undefined processes and route to appeal by developers.</p> <p>It is especially concerning in the 'consultation and approvals process' being proposed for the Methodology that - <i>"the Proposer does not expect there would be any opportunity for industry to propose Alternatives or to raise their own modifications to the proposed Authority approved Methodologies."</i> (Page 10 of consultation).</p> <p>Without robust codification whilst defining the solutions and reliance on guidance documents leaves the process vulnerable to future additional changes or amendments by the network companies without sufficient oversight.</p>		