

Workgroup Consultation Response Proforma

CM095: 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 stcteam@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 stcteam@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Andy Dekany	
Company name:	National Grid Ventures	
Email address:	andy.dekany@nationalgrid.com	
Phone number:	Click or tap here to enter text.	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input checked="" 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 STC Objectives are:

- efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act
- development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission
- facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity
- protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees

- e) *promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.*
- f) *facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;*
- g) *compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.*

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?	<div>Mark the Objectives which you believe the Original solution better facilitates:</div> <div> <div>Original</div> <div> <input type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E <input type="checkbox"/>F <input type="checkbox"/>G </div> </div>
<p>The proposal is purely for the purpose of facilitating CUSC modification CMP434. We do believe that the Original Proposal has the potential to better facilitate the Applicable CUSC Objectives. We do however have substantial reservations about the current position of the modifications as consulted upon. These must be addressed to ensure that the final package (including this CM095 modification) and associated Methodologies does meet the criteria to better facilitate the Applicable objectives.</p> <p>We are also mindful of the recent commissioning by the Secretary of State of advice from the Electricity System Operator on the pathway towards the 2030 ambition, with expert analysis of the location and type of new investment and infrastructure needed to deliver it. This has the potential to affect Connections Reform and we suggest that the further development of CMP434 should account for this work.</p> <p>We agree that the Connections Queue is in clear need of reform and the “first ready, first connected” approach is laudable. However, the approach taken with the modifications so far tries to treat all technologies the same. We feel that this is a fundamentally incorrect assumption, and that the sole focus on Land Rights at Gate 1 and Gate 2 across all technologies does not reflect the vastly different project development life cycles of differing technologies. Some technologies will require 10 or more years to develop their project from initial connection application to entering into operation. They are not so-called “zombie projects” but rather they need to be allowed to develop their projects, in many cases aligned with wider transmission reinforcement works, safe in the knowledge that their connection is not going to be arbitrarily removed simply because they have failed to meet a requirement years ahead of when they would normally need to.</p> <p>We feel strongly that the modifications as consulted upon could see certain technologies with low hurdles to securing land proliferate in the connection queue at the expense of others. This may result in a connection queue that will not deliver on a host of wider governmental objectives including net zero targets, security of supply and wider coordination between network build and new sources of energy both onshore and in the seas around Great Britain.</p>		

	We would strongly encourage ESO to take a materially different approach to establishing its “minimum viable product” approach to implementing TMO4+ via these modifications. It should focus on delivering technology specific solutions to the queue management approach rather than a “one size fits all approach”.	
2	Do you support the proposed implementation approach? (see page 12)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>The implementation approach aligns to CMP434. We have concerns about the proposed implementation approach for CMP434 and potential risks of unintended consequences due to the expedited process. Thus, we do not support the proposed implementation approach for this modification.</p> <p>This amendment introduces fundamental procedural change elements into the STC, the bulk of the critical policy related items are proposed to be contained in separate methodologies including (but not limited to) the Connection Network Design Methodology, the Gate 2 Criteria Methodology and the Project Designation Methodology. These methodologies are critical to the process proposed, yet their content is not yet known. Each of these methodologies will need to be developed, assessed and consulted upon in a very short period of time given the targeted 1 January 2025 implementation date. It is also true that in our view they will be each be complex and highly interactive with one another and that there will be insufficient time in which for industry to properly assist in their development and assessment. We challenge then the pace at which these collective elements are being developed and their proposed implementation.</p>	
3	Do you have any other comments?	
	We have no additional comments regarding CM095.	
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No
	No, it is our intention to raise any alternative requests via the CMP434 and CMP435 consultation process.	

Specific Workgroup Consultation questions

5	Do you agree with the components of the proposed solution? Please provide rationale for your answer and any suggestions for improvement to each component.	
	Component A: Proposed Reformed Connections Process and Timescales,	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

including ESO/TO obligations (see pages 5-6)	
<p>The proposal is purely for the purpose of facilitating CUSC modification CMP434</p> <p>An annual process (as set out in Annex 4) potentially means a project that misses the annual application window could be forced to wait for up to 19 months for an offer, compared to the rolling current process that provides an offer after 3 months. This would appear to be unreasonable and is indeed unworkable for developers.</p> <p>Our view is that by aligning the frequency of the Gate 1 and Gate 2 cycles this would shorten the timescales for a developer to receive an offer and assist the developer in progressing their project in a timely manner.</p> <p>Any revision to the approach needs to ensure the STC arrangements remain consistent.</p>	
Component B: Connections Network Design Methodology (see pages 6, 8-9)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>We agree with the principle that this area be covered as a methodology since it might need a nimbler change governance procedure than that available under STC.</p> <p>The Connections Network Design Methodology is, in our view, one of the critical elements of the proposal. It will contain the details behind how capacity is first allocated (by reference to the original Gate 1 and Gate 2 connection applications) but also its subsequent reallocation following the success or failure of a project in the connections queue from meeting one or more of the subsequent milestones.</p> <p>We agree with the CUSC Working Group discussions for CMP434 and CMP435, that this is therefore a pivotal document that could result in the reallocation of millions of pounds of economic value between customers. However, as even a draft of the methodology has not yet been made available, we are unable to offer comments beyond its overall criticality to the process proposed to be introduced. The Connections Network Design Methodology is a key element of the overall package of measures seeking to reform the connections process, and it becomes difficult to assess CM095 holistically without sight of it.</p>	
Component C: Connection Point and Capacity Reservation (see pages 6-10)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We agree with the concept of extending the existing STCP bay reservation process to allow Connection Point and Capacity Reservation within the new Connections Reform process. Adopting this approach will ensure that the circular situation where specific project types e.g., Interconnector and Offshore Hybrid Assets (IC/OHAs) cannot progress as they require to know the specific connection site i.e., substation before being able to undertake the work necessary to move onto Gate 2 is avoided.</p>	

	<p>Whilst the process is stated as being included in Gate 1, we strongly feel that all activity normally undertaken at Gate 2 (including the creation of a TOCO by the Relevant Transmission Owner, and full assessment using CNDM) must be undertaken to ensure that the information provided within the Gate 1 Offer is as reliable as that within an equivalent Gate 2 Offer (since the associated IC/OHA project will be dependent upon that information).</p> <p>The proposal states that reservation will be for a limited time and includes references to how this will be controlled within the relevant Elements of the CMP434 Workgroup Consultation. It should be noted that these constraints should not be specifically codified in the STC.</p>	
6	<p>Do you agree that the Proposer has fully identified the high-level impacts (subject to legal text drafting) on the STC and STCPs as a result of the CMP434 Proposal? If you do not agree, what else do you think is impacted and/or needs to change? (see page 3)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>NGV are choosing not to directly answer this question as we are not party to the STC. The three Components which have been considered appear reasonable.</p>	
7	<p>In your consideration of the CM095 proposal, are there any potential risks for implementation which might also impact the CMP434 or CMP435/CM096 proposals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>The Industry is being given only 8 working days to assess the amendment proposal, digest the complex deliberations of the working group, assess impacts on the portfolio of projects they have planned and under development and assess if alternative approaches are likely to better facilitate the applicable STC objectives. These 8 working days are also falling across the summer holidays.</p> <p>Should the STC amendment then be approved there may be as little as a week between Ofgem decision and implementation with this week falling between the Christmas and New Year holidays when again many staff across the country will not be in the workplace. The implementation approach seems to be fraught with risk and therefore unsuitable for an amendment of such magnitude.</p>	

Other areas which we consider pose a potential risk to implementation are as follows:

- Failure to reach agreement with all the Transmission Owners (TOs) on the proposed approach.
- The detailed methodology for the Connections Network Design Methodology (CNDM) is yet to be developed. This could delay the implementation of Connections Reform for the proposed Go Live date of 01 January 2025, and impact the timing and quality of the proposed “Batched Assessment”
- Connection Point and Capacity Reservation arrangements are yet to be developed in full. This affects the proposed arrangements for the contents of Gate 1 Offers (and associated Transmission Owner Construction Agreements (TOCAs)) for IC/OHA projects. It is also linked to the Construction Planning Assumptions (CPA) that the ESO will provide to the TOs.