

National Energy System Operator NESO  
Faraday House  
Warwick Technology Park  
Gallows Hill  
Warwick, CV34 6DA

By email:  
cusc.team@nationalenergyso.com

Attn: Code Administrator

26 November 2024

Dear Code Administrator,

### **CMP435 Implementing Connections Reform Code Administrator Consultation**

SP Energy Networks (SPEN) represents the distribution licensees of SP Distribution plc (SPD) and SP Manweb plc (SPM) and the transmission licensee, SP Transmission plc (SPT). We own and operate the electricity distribution networks in the Central Belt and South of Scotland (SPD), and Merseyside and North Wales (SPM). We also own and maintain the electricity transmission network in Central and South Scotland (SPT). As an owner of both transmission and distribution network assets, we are subject to the RII price control framework and must ensure that we develop an economic, efficient and coordinated onshore electricity system.

This letter accompanies SPEN's CMP435 Code Administrator Consultation response and together they provide our views from both a transmission and distribution network operator perspective, with respect to the developing Connection Reform proposals.

Firstly, whilst we support the urgent nature of the Connections Reform proposals, the number of consultations and the window to allow stakeholders the opportunity to review and respond to this important consultation exercise has been challenging. Particularly for network operators across industry who are already under significant pressure due to the extensive Connections Reform programme and still processing high volumes of connection applications and mod apps. Whilst we are fully supportive of the urgent need for connections reform, we need to be able to execute these reforms to timelines which are mindful of colleagues' workloads and wellbeing, across all parties involved. This principle will also be important as the NESO and network operators seek to introduce these extensive new processes next year. Therefore, whilst we have prioritised our responses within this consultation exercise, we do not feel sufficient time has been given for us to accomplish Ofgem and NESO's objective of considering this and the other consultations as a complete package.

SPEN are strongly supportive of the need for Connections Reform and the objectives to be addressed by TMO4+ and alignment to Clean Power 2030 (CP30). The proposals set within CMP435 will facilitate a review of the existing connected background, removing stalled or delayed projects, and ensure projects are prioritised based on readiness. This will facilitate the design of a more coordinated system and potentially free up network capacity for projects proven to be progressing, helping to deliver CP30 and Net Zero ambitions.

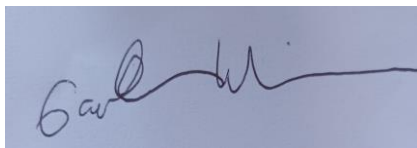
While we present our full response in the accompanying proforma, we would like to highlight some key points here:

- It is imperative that the NESO, TO's and DNO's have adequate timelines to undertake the required network analysis to deliver the 'Gate 2 to whole queue' exercise, factoring in the CP30 criteria to projects, and so would urge NESO to ensure realistic timelines are agreed as soon as practicable, to allow stakeholders a reasonable chance of delivering the largest and most significant network design exercise undertaken in GB.
- While we fully support the initiation of the 'Implementation Hub', the successful implementation of this proposal will only be possible if critical resource within the TOs and DNOs connections teams are freed from the ongoing workload associated with connections applications. SPEN therefore calls for a stop to the processing of all directly connected connections applications, embedded connection applications, material and 'significant' modification applications from 1st January 2025 to allow network operators the necessary timelines to review and amend our existing processes, ensuring we are ready for the introduction of the TM04+ model in Q2 2025, as per the current timeline.

We have provided some observations and comments on the Legal drafting of Section 18 in Appendix I attached. It would be helpful if these points were considered and addressed prior to moving forward with the proposal.

Please do not hesitate to contact me if you require any further information on any of our consultation responses.

Yours sincerely,



**Gareth Williams**

Commercial Manager,  
Transmission Commercial and Policy,

Network Planning and Regulation,  
SP Energy Networks

## **Appendix 1**

### **Comments on Legal Text as set out in Section 18**

<b>Proposal</b>	<b>Reference</b>	<b>Comment</b>
<b>Original</b>	18.5.1 and 18.5.7	We wonder if 18.5.1 and 18.5.7 are inconsistent with each other. Either it should be that only where an application is triggered by an Embedded Power Station renders that an Existing Agreement or it doesn't. I think perhaps the final sentence in 18.5.7 should include an additional "not" and therefore read "For the avoidance of doubt, a Bilateral Connection Agreement (or Modification or variation to it) with an owner/operator of a Distribution System and any associated Construction Agreement are not Existing Agreements where such agreements are <b>not</b> triggered by one or more Embedded Power Stations".
<b>Original</b>	18.8.2	Anybody with a Transitional Offer will have paid a minimum application fee. The intention is that they would have to pay a full application fee at the Gate 2 point to progress. 18.8.3 states that a Modification Application fee would be required. It appears from the legal text that this fee would be the same for an advancement or a Transitional Offer upgrade. We think it is important to make it clear that those with a transitional offer will need to pay for a full application.
<b>Original</b>	18.9a.1	This should refer to projects getting a "Gate 1 Existing Agreement" rather than a "Gate 1 Agreement".
<b>Original</b>	18.10.1.1	missing bracket ")" at the end of the sentence.
<b>Original</b>	18.10.1.1	"Declarations" as a defined term should be "Readiness Declarations".
<b>Original</b>	18.16.1	Un-embolden "for a" in the line 'triggered by <b>Embedded Power Stations</b> and the <b>Existing Agreements for a Project</b> with the <b>Embedded Power Stations</b> '.
<b>Original</b>	18.16.2.1	What is the "equivalent of a Gate 1 Agreement"? We think 18.16.1 is useful clarity for the treatment of embedded projects. However, there is uncertainty about what the "equivalent of a Gate 1 Offer" (as detailed in 18.16.2.1) will look like. The definitions make clear that only NESO can produce a "Gate 1 Agreement". As such, it is not clear what the 'equivalent' would be. We suggest this should be set out in more detail in the legal text