

Public Connections Reform

Consultation Response Proforma

Your feedback is important to this process. Please take this opportunity to provide any feedback that you may have. To aid your response, each question is linked back to the relevant document for ease of reference.

Please provide your feedback using this Proforma and sending an electronic copy to box.connectionsreform@nationalenergyso.com by 5pm on the closing date of **2nd December 2024**.

We encourage early submission ahead of the deadline where possible to aid the processing of responses.

Respondent Details	
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Which category 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 type="checkbox"/> Interconnector <input type="checkbox"/> Storage <input checked="" type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner

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	<input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other
Is this response confidential?	<input type="checkbox"/> Yes – I do not wish for this response to be shared publicly; however I understand it will be shared with Ofgem <input checked="" type="checkbox"/> No – I am happy for my response to be available publicly

Section 1 – Policy

You can find the relevant information in the **Great Britain's Connections Reform: Overview Document**

1. Do you agree with our intention to align the connections process to Government's Clean Power 2030 Action Plan?

You can find the relevant information in **Section 2 Context**

Yes, we support aligning connections reform to the Clean Power 2030 Action Plan, provided users are informed of where and when generation capacity is required quantitatively. Transparency will be essential, especially in communicating how the capacity needed is calculated and projected, including the rationale for regional prioritisations, such as the preference for onshore wind over solar where applicable.

2. Do you agree with our proposal for overall design 2 (that the reformed connections queue should be limited to and prioritised to only include ready projects that align with Government's Clean Power 2030 Action Plan, NESO Designated Projects, and directly connected demand projects outside the scope of Government Clean Power 2030 Action Plan)?

You can find the relevant information in **Section 5 Our overall preferred connections reform design**

Yes, we agree that Design 2 is the most suitable option.

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However, it is equally important to provide strong reassurance to users unable to meet the 2035 pathway by publishing their relative queue position alongside other projects also outside the 2035 pathway. This does not necessarily need to be a Gate 2 offer like outlined in overall design 3; even a Gate 1 offer with relative queue positioning can significantly aid users in making informed decisions.

Some users who have recently entered the market have intentionally planned for connections post2035 as part of their business strategies. These projects should not be sidelined but rather reorganized in alignment with the requirements outlined in the next version of the SSEP. Thus, it is crucial to provide clarity on their position in relative queue (per technology and per zone) for post2035 pathways.

3. Do you think all 'ready' projects should be included in the reformed connections queue (overall design 3)? If so, how would you propose that we mitigate risks to consumers or developers of material misalignment to the SSEP?

You can find the relevant information in **Section 6 Assessment of alternative design for connections reform**

No, we do not believe that Overall Design 3 should be implemented.

4. Do you agree that the reformed connections queue should initially focus on the 2035 time horizon?

You can find the relevant information in **Section 4 Key building blocks for aligning connections to strategic energy plans**

Yes, NESO's proposal to extending the time horizon from 2030 to 2035 is a prudent choice.

Implementation Questions

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You can find the relevant information in the **Great Britain's Connections Reform: Overview Document**

5. Do NESO's preferred options against each of the variables discussed in the Overview Document best deliver efficient alignment to Government CP30 Plan?

You can find the relevant information in **Section 5 Our overall preferred connections reform design** and **Section 7 Further variables and options to align connections reform with strategic energy planning**

We agree with all options except for the approach to addressing undersupply.

Allowing substitution between adjacent zones would disadvantage users specifically targeting undersupplied areas. Instead, NESO could publish guidance identifying undersupplied areas while reserving the bay and network capacity, which would likely attract sufficient interest to fill the pots quickly. If, after a reasonable period, these pots remain unfilled, potential substitution can be considered as a secondary measure.

6. Do the methodologies deliver our preferred options against each of the variables?

You can find the relevant information in **Section 3 Overview of framework of codes and methodologies for connections reform**

Yes.

7. Are there key policy areas that are not covered by our preferred options against each of the variables or that would not be delivered by the methodologies?

You can find the relevant information in **Section 5 Our overall preferred connections reform design** and **Section 7 Further variables and options to align connections reform with strategic energy planning**

An additional important factor that should be considered is the interaction between transmission and distribution systems. This interaction is critical to maintaining balance

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and fairness in competition between transmission and distribution users. We appreciate the progress being made on the 'Distribution Forecasted Transmission Capacity' (DFTC) through a Grid Code modification and strongly encourage NESO to ensure this process remains highly transparent. It is essential to establish a code requiring Distribution Network Operators (DNOs) to publish their methodology for estimating DFTC. Furthermore, a code mandating DNOs to submit embedded projects that have met Gate 2 criteria in the next application window, along with clear guidelines, is equally important.

We would like clarification on how the transmission and distribution pots will be separated. Specifically, on:

- How will this separation impact the DFTC?*
- How will the authority determine the appropriate sizing of transmission and distribution pots within the same geographical area?*

8. Do you agree with our approach to managing project attrition between 20252030, and 20312035, whilst ensuring that the SSEP can deliver maximum benefits to GB consumers?

You can find the relevant information at **Section 7 Further variables and options to align connections reform with strategic energy planning**

We agree with the proposed approach. Substituting projects exiting the 2025–2030 queue with those from the 2031–2035 pot is a logical step. This ensures optimal utilisation of available capacity while awaiting the publication of the first SSEP and further analysis regarding the replacement or acceleration of projects within the 2031–2035 pots.

Connections Network Design Methodology

You can find the relevant information in the **Connections Network Design Methodology Detailed Document**

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9. Do you agree with the approach to applying the Gate 2 Readiness Criteria and the Gate 2 Strategic Alignment Criteria to the existing queue and future Gate 2 Tranches?

A. To Existing Queue

We agree on the three categories—planning obtained, planning submitted, and land rights.

However, retaining the existing relative queue order creates the possibility of positioning projects without approved planning early in the Phase 1 queue, which carries a higher risk of their planning being refused. The current capacity reallocation methodology proposes allocating capacity and bays to projects similar to those exiting the queue, substituting them in the same queue position. Retaining the existing relative queue increases the risk of more substitute projects leapfrogging several other "ready" projects already in the Phase 1 queue. This is unfair to those projects already in Phase 1 queue.

A more equitable approach would place such "not yet ready" projects after 'more ready' projects in the queue. Therefore, we support the proposed Alternative Approach 2 outlined on page 83. Reordering the queue solely based on planning status appears to better implement the "first ready, first connected" principle, supporting the goal of meeting CP30. This would more effectively demonstrate project readiness compared to retaining the existing relative queue, while also rewarding those who make their projects ready more quickly.

However, if NESO continues to use the relative existing queue position, we also do not agree with the current proposal of basing the embedded project queue on the date project progression was countersigned by NESO, as set out in 5.3.1. We have been experiencing delays in project progression outcomes due to the need for further discussions and clarifications between the DNO and NESO, and this is beyond user's

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control. The existing queue for embedded projects should instead be based on the date the DNO countersigned the original indicative offer.

B. To future Gate 2 Tranches

Yes. 7.2.5 in CNDM doc explained well.

10. Do you agree with the approach to managing advancement requests?

Yes, we agree. However, we prefer Alternative Approach 2 outlined on page 83 of the CNDM document, where queue formation is based solely on project readiness. In this case, the requested date should also be adjusted according to the planning status. For example, if a project requesting advancement has a status of "Planning Submitted," NESO should not advance this project ahead of those already in the queue with "Planning Obtained" status. While NESO may consider advancing such a project, it should be placed behind those with "Planning Obtained" status.

There is one exception NESO could consider: if a user demonstrates that the project is construction ready and only awaiting planning approval, despite its "Planning Submitted" status. In such cases, NESO could position this project among other "Planning Submitted" projects, provided a longstop date is applied. If the user fails to meet the longstop date, the contract should be terminated.

We also agree with the limited circumstances under which NESO would permit users to request reversion to their original connection date.

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NESO should consider allowing users to swap their queue positions if both parties agree that the swap provides mutual benefits. Of course, NESO would need to assess whether the technology, capacity, and Point of Connection between the projects proposing the swap are similar and do not introduce additional constraints to the network. This approach could allow one project to advance while giving other projects more time to meet their milestones when facing obstacles.

11. Do you agree with the approach to reserving Connection Points and Capacity at Gate 1?

We agree with the approach for reserving capacity and connection point outlined in section 6.3.1 of the CNDM document for both known and as yet unknown projects. However, there is a lack of clear guidance on when capacity and connection point should be reserved for as yet unknown projects or allocated to projects of other technology types that are required to meet a later pathway.

Additionally, reserving capacity and connection point for as yet unknown projects to address undersupply areas fosters market competition, which is preferable to the zonal substitution approach outlined in section 5.16 of the CNDM document. Zonal substitution should only be implemented if there are specific planning obstacles or other restrictions within the zone. These circumstances can be identified if no applications are received by NESO or DNOs within a reasonable period after undersupply zones are published.

12. Do you agree with the approaches to reallocating capacity when 2030 pathway projects and 2035 pathway projects exit the queue?

A. Approach to reallocating capacity when 2030 pathway projects exit the queue

Yes, we agree with approach outlined in section 7.15 and 7.16 of the CNDM document.

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B. Approach to reallocating capacity when 2035 pathway projects exit the queue

No, we do not agree with the approach outlined in section 7.17.3 of the CNDM document. This approach is unfair to projects behind in the same queue, as the connection date remains far off, providing NESO and users with sufficient time to amend contracts. If a project in the 2035 pathway is advanced to fill a gap in the 2030 pathway or exits the queue, this should benefit the projects behind by reducing reinforcement costs due to fewer constraints.

Given the extended timeline, NESO can still reorder the queue while considering the earliest feasible connection dates users can achieve. NESO could then amend contracts annually, following a reassessment of reinforcement requirements based on any changes in the queue. This reassessment and contract revision process should continue annually until the end of 2029, by which point the 2030 pathway should be finalised and fixed.

From 2030 onward, the 2035 pathway queue can be firmed. If any project leaves the queue after this point, replacements can be sourced from future applicants in subsequent Gate 2 application windows.

Gate 2 Criteria Methodology

You can find the relevant information in the **Gate 2 Criteria Methodology Detailed Document**

13. Do you agree with the following elements of this Gate 2 Criteria Methodology?

- a. Gate 2 Readiness Criteria – Land (Chapter 4)
- b. Gate 2 Readiness Criteria – Planning (Chapter 5)

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- c. Gate 2 Criteria Evidence assessment (Chapter 8)
- d. SelfDeclaration Templates (Chapter 9)

Please insert your answer here for a).

Yes

Please insert your answer here for b).

Yes

Please insert your answer here for c).

For the majority of this yes, but we do not agree to the proposal under section 8.8 Initial Checks (Outcome) "All Users who don't meet the Gate 2 Readiness Criteria initial checks by the end of the Gated Application Window can dispute that decision but won't be included in the Gated Design Process."*

There is no proposal from NESO on how an applicant will be treated if they win the dispute process e.g. if NESO is found to have made an error in the first round of checking. As it currently stands in the proposal, if you won a dispute you wouldn't get put back into the gated design process so you would suffer a penalty/miss out. This seems unfair to applicants who successfully dispute the decision.

Please insert your answer here for d).

Yes

14. Do you agree that the alternative route of meeting the Gate 2 Readiness Criteria should be only limited to projects that seek planning consent through the Development Consent Order route?

Please insert your answer here

Yes

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Project Designation Methodology

You can find the relevant information in the **Project Designation Methodology Detailed Document**

15. Do you agree that the categories of projects that we have identified are the appropriate ones to potentially be designated?

Please insert your answer here

16. Do you agree with the proposed criteria for assessing Designated Projects?

Please insert your answer here

17. Do you agree with the indicative process NESO will follow for designating projects?

Please insert your answer here

Additional Questions

18. Do you have any other comments (including whether there was anything else you were expecting to be covered in these documents)?

Please insert your answer here