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**](mailto: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.

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| Respondent Details |  |
| Name | Anthony Cotton |
| Organisation | Energy Technical & Renewable Services Ltd |
| Email Address | tony@energytechnical.com |
| Phone Number | 07774 102942 |
| Which category best describes your organisation? | Consumer body  Demand  Distribution Network Operator  Generator  Industry body  Interconnector  Storage  Supplier  System Operator  Transmission Owner  Virtual Lead Party  Other |
| Is this response confidential? | Yes – I do not wish for this response to be shared publicly; however I understand it will be shared with Ofgem  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**

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| 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* |

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| 1. 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* |

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| 1. 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* |

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| 1. 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* |

**Implementation Questions**

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

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| 1. 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** |
| *Yes in principle but there seems to be no consideration of the costs and risks to Developers and other Users. The changes being implemented are one of the most fundamental since the industry was privatised and many things are changing at once. There is no analysis of what this means for affected parties including investors (who are presumably expected to just proceed with whatever the outcome is) and the risk of an investment and development hiatus given the long delay from closing the system to new applications in October 2024 to getting offers late in 2025. It is noted that NESO has published analysis of the impact on the queue (Data Impact Assessment) but this avoids any discussion of costs and benefits focusing only on quantification of the impact on queue. It does not contain any consultation questions and the data sources listed are not all explicit or available to users for consideration. The assessment takes no account of Designation, Reservation or what developers real-world responses are likely to be in the face of the changes and thus seems to be of somewhat limited value in assessing the proposals.* |

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| 1. 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** |
| *There needs to be a clear statement that whilst the Methodologies are prepared under the Transmission Licence and referenced in the CUSC, they do not take precedence over the terms of the CUSC which is the key legal basis for the terms that bind Users of the transmission system. Equally it needs to be made clear that whilst the Guidance Documents can provide further detail and clarification they are subservient to the Methodologies and cannot override the CUSC.*  *There is a major gap in terms of the arrangements for Connection Point and Capacity Reservation. This appears to be a fundamental building block which is referenced throughout the CNDM but is explained in only high level terms with “examples” of how it might be used. It is clearly a very powerful tool (especially compared with Project Designation which is quite carefully described – even constrained in places – even though this seems to have fairly limited utility). There needs to be much more detail on this, such as how Users can apply for Reservation, the basis on which it is assessed and applied in practice, and any restrictions on its use. Ideally this would be by means of a separate Methodology, with its own objectives and guiding principles.* |

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| 1. 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** |
| *See comments in q 6 above* |

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| 1. Do you agree with our approach to managing project attrition between 2025-2030, and 2031-2035, 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** |
| *I think that there is risk in this approach as it assumes that when projects fail, or contracted MWs are reduced to meet planning, environmental or contractual requirements, there is an unlimited queue of projects to step in (this is particularly so in terms of MW or MWh reductions where the “bays” remain utilised, but by a smaller project). As such reductions are an inevitable part of the development process, it would surely have been prudent to apply a contingency element. Also it is unclear why a more creative approach to substitutions could not be applied as between similar technologies (eg onshore and offshore wind) and non-adjacent locations. There could also be substitution opportunities as between DNO areas, IDNOs and direct connections to the transmission system in the same or similar locations, which appears to be precluded by the methodologies.* |

**Connections Network Design Methodology**

You can find the relevant information in the [**Connections Network Design Methodology - Detailed Document**](https://www.neso.energy/document/346666/download)

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| 1. 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? |
| *I do agree with the approach in general but have a number of detailed comments as follows:*  *Section 2.2 Framework Objective “Consistency and Transparency” for this to be meaningful NESO should commit to the principles of openness and transparency embodied in the outcome of the Energy Data Taskforce Report which includes the Presumed Open default for data accessibility which “recognises that Energy System Data needs to be managed and that totally open is not always appropriate; however, this principle places the onus on data owners to “start from open” justifying why any restriction might be required”. This is clearly not occurring at present and should be embodied through the CNDM. To this end the data sets noted in sections 4.2.3 and 4.2.5 should be published except whether there is a clear objective reason for not doing so.*  *Section 5.5.5 appears only to say that if aligned to CP30 and meeting the readiness criteria, projects under construction and due to complete by end 2026 “will not be adversely impacted”. Surely it is the intention that all users with contracted completion dates, aligned to CP30 and meeting the readiness criteria will not be adversely impacted, and If we take it for read that any project under construction will have secured land, then the key question is what is the position of an under construction projects that does not meet CP30. Is NESO really reserving the right to cancel the contractual commitment to connect a party that is already under construction? This needs to be changed, and also the 2026 cut-off is too soon, I am aware of major projects already under construction that will commission in 2027.*  *Given the significance of the existing queue position and the planning status of projects, it is essential that NESO publishes this information for all users to review and correct where there are errors.*  *Section 5.20 does not refer to Reservations, it would be helpful to understand how these will fit in (noting that they are covered in 5.21). Could there be a case in Figure 11, where project 7 will still need to wait for Reinforcement C if capacity is reserved ahead of it? Or is that not possible? Also in Figure 11, can it be explained why project 1 no longer needs reinforcement, as it remains at the front of the queue, and before it did.*  *Section 5.21 the Reservations illustrated in figure 12 all have pre-TMO4+ queue positions, can you clarify where a non-project specific Reservation would fit in? Do the onshore non-project specific Reservations take priority over the project specific offshore Reservations, or do they go at the end?*  *Section 5.21.7 refers to a “separate process” for Offshore projects which are within scope of The Crown Estate and/or Crown Estate Scotland leasing rounds, can NESO confirm what this is and why?*  *Section 7.2.5 notes that the date the Gate 2 Readiness Criteria was met will be used in aligning the Gate 2 Tranche to the CP30 pathways. The process for doing this is unclear including what date this actually means (for any redline boundary area, is it the first land secured, the last land secured, or some kind of weighted average? Where additional land is added to the parcel (as allowed, for up to 50% of installed capacity), does this retrospectively adjust the queue position? Has NESO considered the administrative burden associated with checking all the land parcels in this way and/or considered asking Users to submit the date as part of the Gate 2 application?*  *Section 7.10.2 refers to a “separate process” for Offshore projects which are within scope of The Crown Estate and/or Crown Estate Scotland leasing rounds, can NESO confirm what this is and why?* |

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| 1. Do you agree with the approach to managing advancement requests? |
| *Yes in general, but my specific comments:*  *Section 5.25.9, why would not earlier advancement opportunities be discussed with the User, as the situation may have changed since the application for advancement was first made? Equally in section 5.25.11, why be so prescriptive, there may be good reasons to vary the date?* |

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| 1. Do you agree with the approach to reserving Connection Points and Capacity at Gate 1? |
| *Not as written, as it is unclear the basis on which many Reservations are made, that is, you have a non-exclusive list of examples, no process for Users to put themselves forward for Reservation or criteria upon which it is assessed. The drafting uses various words to describe the process in terms of “suitable for”, “required for” and even “would benefit from”, making in entirely unclear what is the intention. In fact this would seem to be a process whereby large amounts of capacity, bays and potentially substations could be reserved for projects or potential projects without any visibility to developers, which is likely to damage confidence in the fairness of the proposed arrangements.* |

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| 1. Do you agree with the approaches to reallocating capacity when 2030 pathway projects and 2035 pathway projects exit the queue? |
| *Yes in general, but my specific comments:*  *Section 7.13.3 notes that “Users may continue to request contestable assets for their connection under TMO4+ in accordance with the CUSC” and that “This request can be made upon application to Gate 2, or application to Gate 1 where eligible for Connection Point and Capacity Reservation”. How will Users know if they are eligible for Connection Point and Capacity Reservation, this is not detailed in the Methodology?*  *How are users going to signal their interest in advancement, as noted in Section 7.15.5?*  *Section 7.15.6 refers to the primary use for capacity reallocation, can you explain where else it will be used. Can you expand on what is meant by “limited circumstances” for 2035 pathways.* |

**Gate 2 Criteria Methodology**

You can find the relevant information in the [**Gate 2 Criteria Methodology- Detailed Document**](https://www.neso.energy/document/346656/download)

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| 1. Do you agree with the following elements of this Gate 2 Criteria Methodology?    1. Gate 2 Readiness Criteria – Land (Chapter 4)    2. Gate 2 Readiness Criteria – Planning (Chapter 5)    3. Gate 2 Criteria Evidence assessment (Chapter 8)    4. Self-Declaration Templates (Chapter 9) |
| *a). Yes.* |
| *b). Yes in principle but it needs to be clarified that NESO’s intention is that Users following this option will need to provide a Red Line Boundary when confirming that they have achieved planning (milestone M2). If this really is the case there seems to be a bit of a disconnect, since the User will only acquire the compulsory acquisition rights upon grant of the consent, and actually securing the land will take some time if following this route (potentially several years). Users in this position might be better served persuading NESO to Reserve the capacity for them at Gate 1 and then secure the land in due course (using compulsory acquisition if necessary). However as noted elsewhere it is unclear how Reservation actually works in practice.* |
| *c). Yes, but in section 8.13, at the penultimate bullet, please clarify how NESO or the DNO/IDNO can confirm if the signatory is “authorised to sign”? Will they check the constitution of the company, previous board minutes etc? Surely it is only evidence that someone purporting to be authorized has signed, it will be impossible to actually check their authority (and from a legal perspective it may not matter anyway).* |
| *d). Yes, but it is suggested that in sections 9.1 and 9.2 after “explain any known overlaps” add “and reasons why land density is different from the Guidance”.*  *Also add a space for applicants to confirm the date the land was secured.* |

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| 1. 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? |
| *I am unsure how well this will work in practice, or if it is really needed, as noted above. Therefore do not see the need to extend the approach.* |

**Project Designation Methodology**

You can find the relevant information in the [**Project Designation Methodology - Detailed Document**](https://www.neso.energy/document/346661/download)

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| 1. Do you agree that the categories of projects that we have identified are the appropriate ones to potentially be designated? |
| *Yes but as it is a non-exclusive list then presumably NESO could use Designation for any purpose or project type.* |

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| 1. Do you agree with the proposed criteria for assessing Designated Projects? |
| *These seem reasonable as general principles but it is not clear exactly how they will be applied and objectively assessed, for example in section 2.2 C. a) what exactly is a “significant additional cost” and what is the counterfactual constraint cost to which it is being compared? In 2.2 D how would “benefits to consumers” be measured and whether a novel sub-type technology has been “successfully developed and demonstrated, is considered commercially viable”?* |

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| 1. Do you agree with the indicative process NESO will follow for designating projects? |
| *In section 4.1.4 I would like to see details of an appeals process to a third party, and don’t understand how the Methodology can simply state “Users have the right to appeal a NESO designation decision” but that “NESO will publish details of that appeals process”.*  *It is noted that a User who changes its project may lose Designation status but this needs to be put in the context of the wider “change” provisions (which remain unclear as they have yet to be published). Obviously a project which ceases to provide the benefits for which it was Designated could lose that status, and where Designation gave the User a benefit, that should be removed. But if the User’s change did not impact on Designation, or that the current queue position and/or connection date was not dependent on Designation as a matter of fact, then there should not be any consequences. NESO’s approach here should be clarified.*  *In terms of the information to be supplied by applicants for Designation, I felt that this was poorly thought out and drafted and in places required statements from the applicants which they could not provide such as “cost to the consumer” or “benefit to the consumer” (5.1.2, 5.1.4, 5.1.6), “[why] this technology may not have been included in the strategic energy plan” (5.1.5) We also did not understand why the User’s load factor assumption needed to align to the TNUoS arrangements (5.1.4).* |

**Additional Questions**

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| 18. Do you have any other comments (including whether there was anything else you were expecting to be covered in these documents)? |
| *I appreciate that these documents have been produced in haste but feel that they really needed more review and refinement prior to issue as a consultation. In places the methodologies are quite firm and prescriptive (both on Users and NESO/TOs) and in others only very general (even being written as a “proposal” rather than Methodologies). The CNDM itself is stated on page 3 and at para 1.1.2 that it is an “overview” of the approach – I would have expected the document to be much more than an overview, it needs to be a methodology to be followed by NESO and the TOs. All of this is extremely concerning given the significant financial stake that developers and Users have in the arrangements. Further comments of a typographical nature are detailed below, but as a more general point it is a pity that the expertise available amongst the user community was not used to discuss and develop the methodologies as they would likely have produced better and more balanced documents. The exception is of course the Gate 2 Methodology which was discussed in both CMP434 and 435 working groups and is all the better for it. There is also a significant drawback in this form of consultation (that is, issuing complex documents for a quite short consultation period and few relatively closed consultation questions), where there is only very limited interaction between affected parties, which would tend to have sparked new ideas and approaches.* |

**Additional Drafting and Typographical Comments**

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| **Overview Document, References to IDNOs and General Points** |
| *The overview document needs to say at the outset that references to “DNOs” also includes Transmission Connected IDNOs (save where otherwise stated). I note that this type of statement is included in the CNDM, whereas the Gate 2 Criteria Methodology carefully states in numerous places “DNO/Transmission Connected iDNO” (which would be simplified if the suggested statement was included there). The Project Designation Methodology refers only to DNOs, it is assumed to also mean Transmission Connected iDNOs, but that should be explicit.*  *All documents need to be reviewed to ensure that correct defined terms are used with capitalisation, and a general statement added to say that capitalised terms not defined in the Methodologies take their meaning from the CUSC (but with the further caveat that new or amended CUSC definitions are considered to apply on the assumption that NESO’s Original proposals in CMP434 and CMP435 are approved by Ofgem if the Methodologies are to be brought into force).* |

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| **Connections Network Design Methodology** |
| *Section 4.2.3, add “List of Project Specific Reserved Bays and Reserved Capacity” and “List of Non-Project Specific Reserved Bays and Reserved Capacity.*  *Note that in respect of “Project Development Status” NESO should explain how they will establish this (and at what point in time it refers to).*  *Once these lists (including the “original queue position” dates) are published Users should then have an opportunity to challenge them if incorrectly recorded.*  *Section 5.4.3, as the Methodology will be finalised after the CP30 plan is finalised it is assumed that this will be updated to conform to the plan.*  *Section 5.4.5 add in the arrangements for IDNOs which I understand are different.*  *Section 5.4.8 can NESO explain what “reasonable” means in this context?*  *Sections 5.8.1 and 5.8.2 would appear to be in conflict.*  *Section 5.10.2, can NESO confirm whether this means that demand projects outwith the plan will have a higher or lower priority than the demand projects that are in the CP30 plan, and if how such priority will be determined? As embedded demand projects are being assessed on a BAU basis it is in any event assumed that these have a higher priority than both, but it would be helpful to have this confirmed.*  *Section 5.11 can you please define “Hybrid project”? I assume it is different to “Offshore Hybrid Asset” referenced in section 6.3.5.*  *Section 5.12.2 says “Users that have requested a change in technology as part of their Modification Application are in most cases likely to be moved to this revised queue position”. Can you explain why this is “most cases”, and under what circumstances they would not?*  *Section 5.13 can you please define “Holding Agreement”?*  *Section 5.18.4, assuming that the CUSC arrangements still take priority over the CNDM, the text should say that categorisation into enabling and wider works will be “in accordance with* *Connect and Manage Arrangements (as defined in CUSC)”.*  *Section 5.19, figure 10 needs more clarification, especially the significance of the “blue” projects and why projects 7 and 9 are not eligible for early connection under technical limits*  *Section 5.20.6, the hyperlink to 5.18.3 does not contain an example of how this works.*  *Section 5.20.9, the hyperlink to 5.21 does not contain an explanation of the concept.*  *Section 6.3.1 does not seems to be correct, would it be more correct to say that a Gate 1 offer will be based on the previous Gate 2 assessment process made to projects of a similar technology and capacity, connecting in the same or nearby location. It then follows for section 6.3.3 that the indication is of what the User would have received had it met Gate 2 in the previous round, and not the next one in the future? The hyperlink at the bottom is not right.*  *Page 52 has the same section number (6.3) as page 51, and the next page should be 6.5.*  *Section 6.3.4, add at the end “if the offer is accepted”.*  *Section 6.4, a paragraph should be added to note that Generation Users subject to Wider Cancellation Charges will be liable for the costs associated with Anticipatory Investment.*  *Section 7.1 it would be helpful to state that this is for new applications from 2025.*  *Section 7.3.1, item 6 on the list, can you clarify that this queue is then added to the end of the queue already formed under CMP435?*  *Section 7.10.3, assuming that the CUSC arrangements still take priority over the CNDM, the text should say that categorisation into enabling and wider works will be “in accordance with* *Connect and Manage Arrangements (as defined in CUSC)”.*  *Section 7.12, you may wish to add a reference to the self-assessed derogations for connect and manage, for completeness.*  *Section 7.15.3, suggest adding at the end “or any subsequent project in the queue”.*  *Section 9.2.1, para 11, suggest “notable characteristics” is replaced by “non-standard features”.* |

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| **Gate 2 Criteria Methodology** |
| *Section 2.3, regarding chapter 9.2, amend the second bullet point, for clarity “User or Developer can request a reduction in their TEC or Developer Capacity noting that the User is liable for a Cancellation Charge or Final Sums liability if this reduction results in abortive works and/or where Wider Cancellation Liabilities apply or the User has opted for the Fixed methodology”.*  *I am also very concerned to read the “note” at the bottom of this page, to preserve investor confidence it is essential that steps are taken to reassure investors that project already under construction are prevented from connecting by retrospective application of new rules on what technologies are allowed in which areas. Without fixing this NESO is inviting an investment hiatus and/or legal challenge which could disrupt the whole programme for a want of a simple pragmatic fix.*  *Section 3.1, bottom box first paragraph change “expanded on” to “clarified” (this is because the obligations are contained in the CUSC and cannot be expanded by a non-legally binding guidance note).*  *Section 4.1, right hand column, first para starting “option”, add at the end “or date of exercise of the option if sooner”.*  *Section 4.2, to make this clear you need to state that the requirement is in relation to MWs of Installed Capacity, and then provide or link to the proposed definition for such term in the CUSC as introduced by CMP343. This was an area of enormous confusion in the CMP434/435 working groups and the text here needs to be a model of clarity.*  *On a drafting point in the second line of the second paragraph it would be clearer to write “increase in MW per acreage” the other way around ie “decrease in acreage per MW”.*  *Add at the end of the last paragraph “Users should contact NESO to explain the situation if the Project does not meet the minimum land criteria so that if agreement is not reached the TEC can be reduced accordingly when going through the Gate 2 assessment.”*  *Section 4.5, as the date the land was secured will be used for queue ordering post 2030 (see CNDM), add a requirement to state when the land was secured. It will have to be specified what this actually means.*  *Section 4.6, amend text to recognise that the land may be leased not owned.*  *Section 4.10 is extremely hard to follow and would befit from re-writing generally. Text in the middle paragraph doesn’t read correctly, ie “we don’t think this is an appropriate exception where the only land the User needs for project is in Probate as not appropriate to provide a Gate 2 Offer”.*  *Section 4.12, add at the end “or other evidence of purchase or securing the required long-term lease”*  *The box at the bottom of Section 5.1 clarifies that Small and Medium Embedded Generation “Includes Relevant Embedded Small Power Stations, Relevant Embedded Medium Power Stations, Embedded Small Power Stations with a Bilateral Embedded Generation Agreement and Embedded Medium Power Stations with a Bilateral Embedded Generation Agreement.” This is repeated on numerous pages, but would be unnecessary if the term “Relevant Embedded Generation” was used instead. The first time it is used however, it would be helpful to clarify that this term takes the meaning as will be given to it following implementation of CMP434 and that it excludes Large Embedded.*  *Section 5.2 needs to be reissued as the first line of the first bullet is obscured by the box above it. The text at the end of the first bullet is confusing and could be deleted ie remove “which is the land route to meeting the Gate 2 Readiness Criteria”.*  *Section 7.1, NESO needs to explain how they intend to reduce a User’s total installed capacity (or alternatively re-write to say that the User will lose the right to Export from installed capacity in excess of such reduced amount – presumably by reducing TEC in some way).*  *Also the following words seem superfluous and could be deleted: “to move from Queue Management Milestone M3 (“M3”) to M1”.*  *In section 9.2 add “may be” before “liable” in the penultimate bullet point.* |

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| **Project Designation Methodology** |
| *At the start of the Methodology it would be helpful if there was a clear statement of what are the expected benefits to the system of utilising Designation, and the costs and risks arising (including to end consumers). It could then explain the benefits to a User of being Designated, and also any costs or risks. A clear explanation of the differences between Designation and Reservation would also be helpful, noting that there is reference to the latter being used in preference to Designation for Network Services Procurement (section 2.1.2). It was unclear why section 2.1.3 then states that Designation may be used for CATOs when they “would likely go through the same process as Network Services Procurement”.*  *In section 3.3.4 there is reference to bays being reserved under STCP 16.1, it is my view that the STCP does not give a right to reservation, this can only come about through explicit provisions in the STC, pursuant to CM095 or other code modifications.* |