

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](mailto:box.connectionsreform@nationalenergyso.com)** by **5pm** on the closing date of **2<sup>nd</sup> December 2024**.

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

Respondent Details	
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<b>Which category 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
<b>Is this response confidential?</b>	<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

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### 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. Given the ambitious nature of the plan, the connections arrangements have to be aligned to give the best possible chance of delivery. However, given that the CP2030 plan is based on a number of different factors aligning, including the build of existing planned network infrastructure, there should be more consideration of how these arrangements might flex in reaction to changes in circumstances, such as network reinforcements being delayed or failing to achieve consents.

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. However, in parallel NESO need to clarify how the projects outside the initial prioritised queue will be treated. This will be equally important for investor confidence as parties will need to understand how to plan to recommence projects that have initially been deprioritised and perhaps paused.

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. The initial aim should be to ensure that the CP2030 objectives are met. However, as we mention in our response to 2 above, consideration should be given now to how subsequent connections are to be planned for and facilitated.

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. The proposal logic for a 10-year time horizon is clear and identifies the trade offs involved.

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### Implementation Questions

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 <b>Section 5 – Our overall preferred connections reform design</b> and <b>Section 7 – Further variables and options to align connections reform with strategic energy planning</b>
Yes.

6. Do the methodologies deliver our preferred options against each of the variables?
You can find the relevant information in <b>Section 3 – Overview of framework of codes and methodologies for connections reform</b>
It's too early to say if the methodologies deliver against the preferred options. They do set out the intent in a structured way.

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 <b>Section 5 – Our overall preferred connections reform design</b> and <b>Section 7 – Further variables and options to align connections reform with strategic energy planning</b>
None that we can identify.

8. 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 <b>Section 7 – Further variables and options to align connections reform with strategic energy planning</b>
We understand the logic behind the described approach to project attrition whereby there is no consideration of project attrition built into the initial queue with post 2030 projects effectively being brought in to replace those that have failed to proceed. This approach does pose risks as substitute projects will take time to identify and subsequently bring forward necessary development work to meet new dates. It is likely to work better for smaller capacity projects such as batteries with shorter project lead times than with larger capacity projects which may be less easy to replace in the timescales required.

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## Connections Network Design Methodology

You can find the relevant information in the [Connections Network Design Methodology - Detailed Document](#)

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?

The approach does seem logical. We do have some reservations though. We note that the existing queue will still be arranged in order of when NESO countersigned an agreement. This does suggest a first come first served approach is still being adopted for this aspect, rather than a first ready one. A project may be more deliverable, but could be rejected as it had a later signature date. This to some extent is inevitable given the approach to base readiness on the possession of land rights alone. This will make subsequent monitoring of queue management milestones important, to ensure that those projects that applied speculatively to the queue hoping to establish a queue position, but are less deliverable in reality, are removed at the earliest opportunity to ensure that those that took a more considered approach to application (to ensure that they were more ready) are not unduly disadvantaged.

We recognise that to some extent the advancement process seeks to address this situation allowing more ready projects to bring their dates forward. Please see our comments on this below.

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

In the main, yes. Clearly, these need to be handled carefully to ensure only those projects that really are ready to advance are allowed to do so. It is not clear from the methodology whether projects will only be offered the earliest advancement date they ask for if it can be accommodated, or whether a lesser advancement will be offered instead if that is possible. Projects may be willing to consider a range of advancement dates and it seems unlikely that they would be tied to one specific date alone. If this was the case of course, then it would appear unfair to prevent a project to opt into its original date should the lesser advancement prove to be unsuitable, unless the advancement request allowed a range of dates to be specified.

We would also question why projects with current dates post 2030/2035 should not be allowed to advance to dates which are also post 2030/2035. While the current focus is rightly on CP2030, the connection arrangements do need to consider what might happen after this to ensure that the industry is able to plan accordingly for this period, particularly for longer lead time projects.

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

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This does appear appropriate to build in some flexibility to the process. However, reservation of capacity is clearly contentious and should only be considered by exception and with careful consideration of the circumstance of each case, to avoid unnecessarily sterilising capacity that could be used by more well advanced projects.

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

It appears proportionate to seek to identify projects that have indicated they are able to advance rather than reassess the whole queue every time a project terminates its connection offer. Clearly, this will need to be carried out carefully in a similar manner to the other project advancement, to ensure that truly ready projects can be advanced. It is not clear whether queue management milestones will be advanced too as a result of the new offered date, but our assumption is that they will, which should allow some management of this risk.

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## 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)
- c. Gate 2 Criteria Evidence assessment (Chapter 8)
- d. Self-Declaration Templates (Chapter 9)

*Please insert your answer here for a).* We agree with the requirement for the project to be backed by a formal option to the land required, existing land ownership or an existing lease for the duration of the project. The explanation about the length of option or lease needed to meet the requirements appears clear.

*Please insert your answer here for b).* This does seem to address an issue whereby projects with DCO rights may not have access to land as early as other projects if they will be reliant on compulsory purchase power afforded to them to obtain them.

*Please insert your answer here for c).* Yes, but it will be essential that sufficient resources are available to assess and verify applications within the associated window processes, both within NESO and the relevant network owners.

*Please insert your answer here for d).* The outline in the methodology statement of what will be contained in the templates seems clear, although we note that the statement says that the actual templates themselves have yet to be produced yet, so we clearly are unable to comment on those at this point.

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?

Yes. It seems to us that this alternative approach was raised solely because of the manner that the DCO arrangements work and the possibility that the relevant project may use compulsory purchase powers to acquire land rights.

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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?

Yes, although it would be useful to understand whether a project which was regarded as strategically important from a UK Government perspective would be able to be designated or prioritised, even if it didn't fit cleanly into these categories, and how this would work.

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

Notwithstanding our comments for question 15 above, the criteria appear to provide more detail on how applicability of projects to each category will be assessed.

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

It seems appropriate. We note the potential for Users to appeal at the end of the process. It doesn't seem clear who the appeal body would be (Ofgem?) or whether parties were able to appeal decisions taken on another party's project.

## Additional Questions

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

No thank you.