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Project Designation Methodology

30 April 2025

This methodology has been updated to reflect changes following Ofgem's decision

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How to read this document

Welcome to our Project Designation Methodology document. This document explains how NESO will designate projects, under the reformed electricity transmission connection process, based on the criteria outlined in this document.

This document will be reviewed and updated in line with the relevant NESO licence conditions.

This Methodology will be applied under the reformed connection process introduced into CUSC as a result of CMP434 and CMP435 and needs to be read in the context of those processes. CMP434 sets out the enduring process for applications and offers in Section 17 of CUSC and CMP435 sets out the Gate 2 To Whole Queue process for existing agreements in CUSC Section 18. To differentiate the enduring CMP434 and one off CMP435 processes sometimes different terms are applied in CUSC for similar steps in the processes but they are both aligned to the overall process concept of application based on readiness, strategic alignment and assessment. In this methodology, in some cases we specifically cross refer to exact clauses within CUSC, in others we refer generally to concepts within CUSC and in others we used defined terms from CUSC. However, in our references we have tended to use the enduring and more intuitive CMP434 terms throughout e.g. Gated Application Window and Gated Design Process. This is for ease of readability, but please keep this in mind when reading this Methodology e.g. a reference to a 'Gated Application Window' might mean in the context of CMP435 the 'Existing Agreement Request Window', and a reference to a 'Gated Design Process' might mean in the context of CMP435, the 'Existing Agreement Gated Design Process'.

Please note, any reference to Distribution Network Operators (DNOs) within this document refers to both DNOs and Transmission Connected Independent Distribution Network Operators (IDNOs).

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01. Introduction

This section provides an overview of the Project Designation Methodology

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1.1 Purpose of this document

1.1.1 The purpose of the Project Designation Methodology is to explain how projects will be designated by NESO within the reformed electricity transmission connection process. This document should be read alongside the Gate 2 Criteria Methodology, the Connections Network Design Methodology (CNDM), and the overarching strategic narrative document.

1.1.2 Designated projects can:

- be included within the reformed connections queue (providing they meet the Gate 2 Readiness Criteria); and
- be prioritised for queue position within a Gate 2 assessment process (including the Gate 2 to Whole Queue process).
    - By 'prioritised for queue position' we mean that they could have priority access to available capacity / earlier connection dates compared to other projects in that Gate 2 tranche by placing them higher up the queue for network design purposes than those in the queue which are not designated). In addition, designated projects may be eligible for acceleration post Gate 2 should another project exit and the capacity can be reallocated. The CNDM sets out how these processes will work in practice.

1.1.3 NESO considers that a project designation process is necessary to ensure that projects that are critical to security of supply and/or operability, demonstrate significant additional consumer, net zero, and/or other benefits to the GB Energy system and energy consumers should be capable of being included within the reformed connections queue and/or of being accelerated under the reformed connections process, due to the significant associated benefits that they can provide to GB consumers.

1.1.4 This methodology will be followed by NESO as we assess any applications for projects to be designated from the start of the reformed process for connection to or use of GB's electricity transmission system.

1.1.5 This methodology has been developed in line with licence condition E17.8 to maintain in force a Project Designation Methodology. This methodology will be reviewed on an at least an annual basis (E17.11).

1.2 Overview of the Methodology

1.2.1 This Methodology :

- Explains the reasons projects could be designated.
- Sets out the criteria to be used by NESO to assess whether individual projects should be designated.
- Sets out the process by which NESO will designate projects, including communication of decisions.

1.3 What other policy and publications does this methodology refer to?

1.3.1 The below table provides links to related publications and policy documents which are referenced within this document.

Existing Policy	Description
Gate 2 Criteria Methodology	The Gate 2 Criteria Methodology sets out the two parts of the Gate 2 Criteria; the Gate 2 Readiness Criteria and the Gate 2 Strategic Alignment Criteria. It also explains how Users evidence they have met the Gate 2 Readiness Criteria, and how such evidence is assessed.
Connections Network Design Methodology (CNDM)	The Connections Network Design Methodology (CNDM) describes how relevant generation and demand connections will be assessed and strategically designed in alignment with wider network planning activities.
Clean Power 2030 Report	NESO has provided advice to Government on achieving Clean Power by 2030 via our Clean Power 2030 Report.
Clean Power 2030 Action Plan	The Clean Power 2030 Action Plan: A new era of clean electricity (December 2024) builds on the advice from NESO, setting out Government's view of the requirements for Clean Power by 2030 and the steps needed to get there.

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02. Identifying projects that can be designated

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2.1 The categories of projects that can be designated

2.1.1 NESO considers that the following categories of projects are most likely to provide significant additional net zero, and/or other benefits to the GB Energy system and energy consumers. NESO therefore only intends to designate individual projects that fall within one or more of the below categories:

A. Projects that are critical to Security of Supply;

B. Projects that are critical to System Operation;

C. Projects that materially reduce system and/or network constraints;

D. Projects that are new technologies and/or highly innovative, that are not included within the scope of Government's Clean Power 2030 Action Plan (CP30 Action Plan) or do not correspond with a technology that has been deemed by NESO to have met the strategic alignment criteria[1]; and/or

E. Projects with very long lead times (i.e. long design, consenting and construction periods) that may be needed beyond the 2035 capacities within the CP30 Action Plan.

2.1.2 Note that projects that fall under NESO's Network Services Procurement (previously referred to as Pathfinders) are likely to initially go through the 'bay / capacity reservation' process outlined in CMP434 Implementing Connections Reform. Once the outcome of the competition / auction is known, then those projects could also be able to be designated, subject to meeting the relevant criteria, so as to ensure they can provide the necessary services when needed.

2.1.3 Note, in future Competitively Appointed Transmission Owner (CATO) and co-ordinated offshore network design arrangements may also be incorporated into future versions of this methodology and would likely go through the same process as Network Services Procurement.

2.1.4 This methodology applies to any project in scope of the reformed process for connection to or use of GB's electricity transmission system, i.e. any projects in the current queue, or in future in the reformed queue (including new applicants) can be considered for designation. **A User seeking designation must make a formal application to NESO for their project to be designated via the process set out within this document**.

2.1.5 The following chapters set out more information on:

- What is meant by each of the terms referred to in the categories above
- The key characteristics that a designated project should demonstrate; and
- The circumstances under which NESO would designate a project, or projects, in each of the categories above.

[1] For clarity, the specific technologies that are deemed to have met the strategic alignment element of the Gate 2 criteria are: wave, tidal, non-GB generation , run-of-river hydro, geothermal power and transmission-connected demand

2.2 Project Designation Criteria (1/4)

2.2.1 In order to determine whether a specific project, or projects, should be designated NESO will assess projects against the following criteria, which vary depending on the designation category. A designated project needs to meet at least one of the categories of projects and associated criteria within this section**.**

2.2.2 For categories A to C ('critical to security of supply', 'critical to system operation' and 'materially reduce system and/or network constraints'), NESO will publish a Notice when it considers that projects in these categories are needed. As part of issuing any Notice, NESO will set out the nature of security of supply issues, system operation issues or system constraints, and the characteristics and services NESO seek from projects to address those. In the relevant published Notice, NESO will also clearly specify the criteria against which it will assess applications. NESO would then invite projects to apply to NESO, in response to that Notice, to set out how they demonstrate those characteristics and can provide those services to address those issues or constraints. NESO will not consider applications for designation in categories A to C unless it has issued an associated Notice.

2.2.3 For categories D and E ('new technologies and / or highly innovative' and 'very long lead times') Users can make designation applications at any point (i.e. not requiring a Notice from NESO). NESO will assess projects against the criteria outlined in the following pages.

2.2.4 In assessing projects against the criteria NESO will review the clarity and robustness of information provided by the User to determine whether it provides a high level of confidence that the project meets the relevant criteria.

2.2.5 NESO only envisages designating projects in exceptional circumstances, where those projects demonstrate that they meet the detailed criteria referred to in this Project Designation Methodology.

2.2 Project Designation Criteria (2/4)

A. Critical to Security of Supply:

NESO will clearly specify criteria in the relevant published Notice. However, NESO will only designate a project, or projects, under the 'critical to security of supply' category if:

a) NESO assesses that the combination of connected capacity and projects due to connect represents a material risk to NESO's security of supply objective being met efficiently and economically within a given year; and

b) NESO identifies that connecting a project, or projects, before that given year would materially mitigate the above risk and/or would deliver material benefits to GB consumers in relation to the risk.

B. Critical to system operation:

NESO will clearly specify criteria in the relevant published Notice. However, NESO will only designate a project under the 'critical to system operation' category if:

a) Without such project, NESO assesses that the combination of connected capacity and other connections represents a material risk to NESO maintaining the safe, reliable, and efficient operation of the electricity transmission system within a given year; and

b) NESO identifies that connecting such a project would materially mitigate the above risk and/or would deliver material benefits to GB consumers in relation to the risk.

2.2 Project Designation Criteria (3/4)

C. Materially reduce system and/or network constraints:

NESO will clearly specify criteria in the relevant published Notice. However, NESO will only designate a project under the 'materially reduce system and/or network constraints' category if:

a) NESO assesses that the combination of connected capacity and projects due to connect represents a material risk to NESO's management of constraints on the transmission system and/or network, risking significant additional costs within a given year; and

b) NESO identifies that connecting a project before that given year would materially mitigate the above risk and/or would deliver material benefits to GB consumers in relation to the risk.

D. New technologies and/or highly innovative

NESO will only designate a project under the 'new technologies and/or highly innovative' category if that project would deliver benefits to consumers and either:

a) does not correspond with a technology that has been specified within Government's CP30 Action Plan or does not correspond with a technology that has been deemed by NESO to have met the strategic alignment criteria[1]; or

b) is within a technology, (e.g. 'solar' or 'nuclear) that has been specified within the CP30 Action Plan but is a novel sub-type which has been successfully developed and demonstrated, is considered commercially viable and would provide benefits for GB consumers.

- As part of considering how a project performs against this criterion, we will consider whether the technology can be considered as having met the definition of technology readiness level eight or nine[2].

1 For clarity, the specific technologies that are deemed to have met the strategic alignment element of the Gate 2 criteria are: wave, tidal, non-GB generation, run-of-river hydro, geothermal power and transmission-connected demand

[2] https://www.ukri.org/wp-content/uploads/2022/01/EPSRC-11012022-Technologyreadinesslevelsfrombasicresearchtoadoptionanddiffusion.pdf

2.2 Project Designation Criteria (4/4)

E. Projects with 'Very long lead times'

NESO will only designate a project under the 'very long lead times' category if that project provides robust evidence of a very long lead time, and specifically a lead time for commissioning and operation beyond 2035, along with evidence:

a) that its development timelines are in line with industry best practice; and

b) that the project delivers benefits to consumers.

N.B. If we designate any projects against this category, any connection date offered will not be before end 2035.

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03. Key characteristics of the categories of projects that can be designated

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3.1 Introduction to Section 3

3.1.1 The characteristics that are set out in Section 3 are intended to frame the designation criteria and provide background information on the categories of projects covered by the Project Designation Methodology.

3.1.2 These characteristics are therefore not assessment criteria. Aligning with these characteristics does not mean that a User has met the designation criteria. NESO's will assess each designation application against the relevant criteria referred to in Section 2.2.

3.2 Critical to Security of Supply (1/2)

3.2.1 Under the Energy Act 2023 Section 163, NESO has a duty to promote the "security of supply" objective i.e. "ensuring the security of supply to existing and future consumers, of:

(a) electricity conveyed by distribution systems or transmission systems, and

(b) gas conveyed through pipes."

3.2.2 As the UK's energy is increasingly supplied from many different locations, NESO needs to consider multiple factors that could affect the supply in the future. An understanding of these factors informs what actions are necessary to ensure security of supply. NESO seeks to enable a foundation for a stable, reliable, and secure energy system through an integrated and co-ordinated approach to ensure our energy supply needs can be securely met.

3.2.3 NESO currently views security of supply in terms of "adequacy", i.e. the ability to meet demand. Under the Reliability Standard Methodology (July 2013), NESO must maintain a reliability standard of less than 3 hours Loss of Load Expectation, which represents the number of hours/periods per annum in which, over the long-term, it is statistically expected that supply will not meet demand. As certain technologies have different De-rated capacity[3], this means that certain technologies provide better contributions to security of supply. For example, based on this definition, gas plants will contribute more to security of supply than solar, and this will have consequential impacts to the network reinforcements.

3.2.4 Whilst the UK has demonstrated consistent success in ensuring secure electricity supplies and is expected to continue this trend in the future, there may be instances where it is necessary to designate projects as being critical to meet the security of supply objective, particularly as there is an anticipation that there will be a significant increase in peak electricity demand by 2035. At the same time, the energy transition is leading to a different mix of technology types being connected to the network, providing differing levels of efficiency in the services they provide (e.g. addition of significant new volumes of wind, solar and short-duration storage, reduction in volumes of unabated gas). Therefore, there may be a requirement to utilise NESO designation under the criteria of Security of Supply to address these changes efficiently and economically and ensure that there is sufficient electricity to handle fluctuations in demand and supply efficiently year on year.

[3] The de-rated capacity can be defined for a particular plant or technology as reflecting the proportion of capacity which can be regarded as firm, on average, across a stress period. To note, de-rating is not just about technical availability, but in the case of storage will be dependent on its duration.

3.2 Critical to Security of Supply (2/2)

3.2.5 Particular types of storage, particularly longer duration storage, may also be of value based on a combination of MW and MWh (or alternatively MW and duration) as we connect a higher proportion of weather dependent renewables. Another consideration might be combined renewables (usually solar) and storage (usually battery) projects. The contribution to Security of Supply of for example a 50MW solar farm and 50MW 4 hour battery would be higher than the battery or solar operation alone, and they might be able to share a 50MW connection.

3.2.6 Projects that hold a Capacity Market contract (and will do at the time of Gate 2 to Whole Queue) will be 'protected' via CNDM rather than designated. If there is a need for other projects to support future capacity markets under which designation can support, NESO will issue a Notice to invite parties to apply.

3.3 Critical to System Operation (1/2)

3.3.1 "Critical to system operation" within the context of the Great Britain (GB) electricity grid refers to assets, functions, and entities essential for maintaining the safe, reliable, and efficient operation of the electricity transmission and distribution system. These critical components ensure the continuous balancing of supply and demand, the stability of the grid, and the prevention of blackouts or system failures, which could have widespread economic and social impacts.

3.3.2 In GB, the electricity system follows operational standards outlined in the Grid Code and Security and Quality of Supply Standard (SQSS), legally binding documents that govern the planning, operation, and connection to the high-voltage transmission network (for clarity, Transmission Owners (TOs) are not required to comply with Grid Code whilst generators and DNOs are not required to comply with SQSS). Key elements that may be deemed "critical to system operation" include:

1) Transmission and Distribution Networks: The high-voltage transmission network, managed by TOs and operated by NESO, and the regional distribution networks, managed and operated by Distribution Network Operators (DNOs), are critical for delivering electricityacross GB. The SQSS outlines the minimum standards for network reliability and security.
2) Control Systems and Communication Infrastructure: The real-time monitoring and control of the grid rely on advanced supervisory control and data acquisition (SCADA) systems, communication networks, and data flows. These enable NESO to balance generation and demand, respond to system disturbances, and ensure compliance with Licenses.
3) Balancing Services: Assets contracted to deliver frequency response, voltage control, restoration and stability services among others necessary to support system operability. These services are provided through mandatory requirements of the Grid Code, through markets, or under contracts and are essential for maintaining a safe and secure electricity system.
4) Cybersecurity and Physical Security: The increasing digitalisation of grid operations makes cybersecurity critical. The Network and Information Systems (NIS) Regulations 2018 mandate that essential service providers, like NESO and DNOs, implement robust security measures to protect against cyber-attacks.

3.3 Critical to System Operation (2/2)

3.3.3 The information provided in 3.3.2 encompasses the assets, services, and infrastructure necessary for the reliable functioning of the GB electricity system. These components must adhere to legal and regulatory requirements set by Ofgem, Government policies, and relevant codes like the Grid Code and SQSS. Their failure or compromise could jeopardise national energy security and the ability to maintain electricity supply to consumers.

3.3.4 More specifically in relation to connections, 'critical to system operation' reflects meeting the overarching requirements of operability for maintaining the safe, reliable, and efficient operation of the electricity transmission and distribution system. This includes projects and/or services that ensure the continuous balancing of supply and demand, the stability of the grid, and the prevention of blackouts or system failures, which could have widespread economic and social impacts.

3.3.5 Projects that hold a commercial contract to deliver Network Services (for example Stability or Voltage services) and are seeking to connect could be eligible for designation under the 'system operation' category. This includes, but is not limited to, those that would connect to a bay reserved by NESO under System Operator Transmission Code Procedures (STCP) 16.1.

3.4 Materially reduce system and/or network constraints

3.4.1 Constraint management is required where the electricity transmission system is unable to transmit power to the location where that power is needed, due to congestion at one or more parts of the transmission network. If the transmission system is unable to transport electricity in the way required, NESO will take actions in the market to increase and/or decrease the amount of electricity at different locations on the network. Example situations include:

- Import - The energy demand cannot be met by localised generation and the flow on the circuits into that area is limited by the capacity of the circuits;
- Export - The generation in the area is not offset by the localised demand and the flow on the circuits out of the area is limited by the capacity of the circuits.

3.4.2 Therefore, there may be a need to designate certain projects that can materially reduce system and/or network constraints to:

- ensure that there are providers in place who can offer the services to do this e.g. local constraint management services or demand reduction readily and economically, avoiding the need for materially more expensive / less efficient solutions, i.e. leading to materially lower balancing costs
- materially reduce or even avoid the need for material network and/or wider system investment (i.e. avoid/materially reduce network costs).

3.5 New technologies and / or highly innovative projects that are not included within the scope of Government's CP30 Action Plan (1 of 2)

3.5.1 The connections reform annex to the CP30 Action Plan published by Government sets out:

"*This annex provides a detailed breakdown of the Clean Power Action Plan pathway and capacity ranges, for the purposes of aligning the NESO-led process of connection reform with 2030 Clean Power.*

This includes GB-level capacity ranges, informed by NESO's 2030 advice and in line with the government's 2030 pathway for most generation technologies, and regional breakdowns for onshore wind (ONW), solar, and batteries. We have also set out technology capacity ranges to 2035 to provide a 10-year horizon for connection offers. These are mainly derived from NESO's net zero-aligned 2035 Future Energy Scenarios (FES) 2024, with a bespoke approach for onshore wind and unabated gas.

For technologies not included within the pathways set out below, or generation connecting from outside GB, NESO should separately consider the correct route through the connections process to facilitate timely connections for these projects, as appropriate. Further, the capacity range only applies to projects which need to complete Transmission Impact Assessments, subject to specific network operators' rules."

3.5 New technologies and / or highly innovative projects that are not included within the scope of Government's CP30 Action Plan (2 of 2)

3.5.2 Within our Gate 2 Criteria Methodology and CNDM we have clarified that: projects in the following technologies are out of scope of the CP30 Action Plan : wave, tidal, non-GB generation, run-of-river hydro, geothermal power and transmission-connected demand. As such projects in those technologies are deemed to have met the strategic alignment element of the Gate 2 criteria. Projects in those technologies would however be required to demonstrate that they have met the 'readiness' element of the Gate 2 criteria in order to be eligible for a Gate 2 contract.

3.5.2 Projects in the above technologies do not, therefore, require designation in order to enter the reformed connections queue and are not eligible to apply for designation under this category (category D). For the avoidance of doubt, projects in the above technologies can, however, seek designation (for acceleration purposes) under categories A, B, C or E set out within this document.

3.5.3 The following types of project can seek designation under category D:

1. Those that do not correspond with a technology that has been specified within Government's CP30 Action Plan or do not correspond with a technology out of scope of the CP30 Action Plan that has been deemed by NESO to have met the strategic alignment criteria; and/or
2. are within a technology, (e.g. 'solar' or 'nuclear') that has been specified within Government's CP30 Action Plan but is a novel sub-type which has been successfully developed and demonstrated, is considered commercially viable and would provide benefits for GB consumers.

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3.6 Very long lead time (i.e. long design, consenting and construction periods) projects that may be needed beyond the 2035 capacities within the CP30 Action Plan

3.6.1 The connections reform annex to the CP30 Action Plan published by Government sets out:

"We have also set out technology capacity ranges to 2035 to provide a 10-year horizon for connection offers. These are mainly derived from NESO's net zero-aligned 2035 Future Energy Scenarios (FES) 2024, with a bespoke approach for onshore wind and unabated gas."

3.6.2 The 10-year time horizon for the 2035 capacities should prove sufficient to cover the development period for most, if not all, projects that meet the readiness element of the Gate 2 criteria in the period between now and when the first Strategic Spatial Energy Plan (SSEP) is introduced. When the first SSEP is introduced (currently estimated as late 2026) this is expected to set new/additional capacities for projects (by technologies, capacity and location) beyond 2035.

3.6.3 However, it is possible, before the first SSEP, that projects may come forward seeking inclusion within the connections queue that have very long lead times (i.e. long design, consenting and construction periods) that may be needed beyond the 2035 capacities within the CP30 Action Plan. Potential examples might be nuclear projects.

3.6.4 Where any such projects come forward and provide robust evidence of this very long lead time and of the benefits they would provide to consumers, we will consider designating them against this category. If we did designate any projects against this category, any connection date offered would not be before end 2035. This connection date would be firm and the User would need to comply with Queue Management requirements in the same way as any other project that meets the Gate 2 requirements.

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04. Process for designating projects

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4.1 Designation Process

4.1.1 When in the connections process can designation happen?

4.1.1.1 The designation process and designation decisions will primarily happen in advance of a User applying to Gate 2. This would provide NESO and other parties seeking designation of a project with foresight and subsequently allow for efficient consideration of projects within a Gate 2 window. However, NESO may designate projects at any point, including at Gate 1, or even potentially once a project has progressed beyond Gate 2 (this would for example be where there may be benefits in offering accelerated connection to a designated project where capacity has become available due to project termination).

4.1.1.2 Where relevant (i.e. for projects without a Gate 1 contract) NESO would encourage applicants to participate in the Gate 1 process to allow NESO the best opportunities and additional time to consider designation and ensure that consumers and Users are getting the best value from the connections process.

4.1.1.3 For the avoidance of doubt, projects that are designated by NESO are still required to:

- (if they have not done so already) go through the Gate 2 process (i.e. apply for a Gate 2 contract within a Gate 2 window, including where relevant the Gate 2 to Whole Queue exercise); and
- meet the 'readiness' elements of the Gate 2 criteria (including the ongoing obligations associated with the Gate 2 criteria).
- comply with Queue Management milestones.

4.1.1.4 A project cannot benefit from being designated if they do not successfully go through the Gate 2 process, however, that does not mean that a project cannot be designated before Gate 2.

4.1.2 How will the application process work?

4.1.2.1 For categories A to C, NESO will publish a Notice when it considers that projects in one of these categories are needed. As part of issuing any Notice, NESO will set out the nature of security of supply issues, system operation issues or system constraints, and the characteristics and services NESO seeks from projects to address those. In the relevant published Notice NESO will also clearly specify the criteria against which it will assess applications. NESO would then invite projects to apply to NESO, in response to that Notice, to set out how they demonstrate those characteristics and can provide those services to address those issues or constraints. NESO will not consider applications for designation in categories A to C unless it has issued an associated Notice.

4.1.2.2 For categories D and E Users can make designation applications at any point (i.e. not requiring a Notice from NESO). NESO will assess projects against the criteria outlined in the following pages.

Other parties (for example TOs, DNOs/ Independent Distribution Network Operators, Ofgem or Government, may also notify NESO of projects(s) they consider may be appropriate candidates for project designation.

4.1.2.3 Irrespective of the route taken above**, the User seeking designation must make a formal application to NESO for their project to be designated**. That application must set out the full details of the project and must provide evidence to NESO of how the applicant considers that their project meets the relevant criteria for designation. We have provided guidance in Section 5 on the information that Users should include. For clarity, Network Services projects will also need to provide much of the same information as part of the tender process.

4.1.2 How will the application process work?

4.1.2.4 NESO will charge a fee for assessing a designated project application which will be added to the Use of System Charging Statement in line with CUSC Section 14.4. The fee will be determined on the basis of time and resources used, which could include internal subject matter expert input including engineering expertise. The fee must be paid in full and on time before a designation decision will be confirmed.

4.1.2.5 NESO does not intend to set any confirmed timescales for making a designation decision, but NESO would typically expect to make a decision within 4-5 months, inclusive of any period of consultation in line with the requirements set out in NESO's electricity system operator licence, of any application for designation under the enduring process (i.e. following the Gate 2 to the whole queue exercise - see indicative timeline in section 4.2).

4.1.2.6 Where NESO carries out a public consultation on a proposed project designation decision, this consultation will be undertaken in line with the relevant requirements in NESO's licence. Any such consultation will provide a summary of the application and the reasons for NESO's proposed decision. Any consultation will be made available on NESO's website.

4.1.3 Who will designate projects?

4.1.3.1 NESO will make its designation decision based on an assessment of the designation application against the categories and criteria set out in this document (subject to any Ofgem approval as required in our licence), and taking account of any feedback received as part of a consultation on a designation decision.

4.1.3.2 NESO will be the ultimate decision maker and only NESO will ultimately designate a project (subject to any Ofgem approval as required in our licence). However, NESO may seek advice from other parties in making any designation decision, e.g. from Government.

4.1.4 Decisions and Disputes

4.1.4.1 NESO will publish all designation decisions (positive or negative) along with reasons for that decision, including views on any consultation responses received.

4.1.4.2 Users may choose to dispute a NESO designation decision where NESO has not designated a User. Such a dispute shall promptly be referred to an independent expert for decision at the User's request. The decision from the independent expert will be final and binding. Further details on this process will be set out in the designation application form, which may include details on the costs of the process.

4.1.4.3 If, after receiving designation, a party seeks to amend their project (for example to an alternative technology or to a different connection location or date) then it must notify NESO. In such an instance, NESO will consider whether the project should continue to be designated (for clarity, this NESO designation decision would be outside the Gate 1 or Gate 2 process). Where NESO decides that the project should no longer be designated, NESO would notify the relevant project developer and publish the relevant details of the NESO decision. Unless otherwise specified by NESO in its decision, the relevant project would need to re-apply at the next Gate 2 window, in line with the process set out in CMP434. This would be to allow NESO to determine the status of the project, i.e. whether it continues to meet the Gate 2 criteria and should be provided with a revised Gate 2 contract, or whether it does not meet the Gate 2 criteria and should be provided with a Gate 1 contract. Unless otherwise specified by NESO in its decision, any failure to re-apply at the next Gate 2 window would result in the project being provided with a Gate 1 contract.

4.2 Indicative Decision Making Process

4.2.1 Figure 1 (page 30) shows the indicative process and timeline for designating projects.

4.2.2 The process for applying for designation and for NESO decision making on designation is separate from the connections process (e.g. Gate 1 or Gate 2), i.e. as set out in 4.1.1.1 the designation application and decision process can happen at any time. However, as also set out in 4.1.1.1 we intend that the designation process and designation decisions will primarily happen in advance of a User applying to Gate 2, as this would provide NESO and other parties seeking designation of a project with foresight and subsequently allow for efficient consideration of projects within a Gate 2 window. Any project designation applications during a Gate 2 window for example may not allow NESO to make a decision in time for the Gate 2 readiness or strategic alignment criteria assessment, which may in turn mean that a project does not meet the overall Gate 2 criteria within that Gate 2 window.

4.2.3 As the Ofgem decision on licences, methodologies and code modifications to enable connections reform (including the new project designation process) is expected shortly before the Gate 2 to Whole Queue exercise, NESO will make reasonable endeavours to run an expedited process to consider any project designation applications for Users with Existing Agreements, but NESO cannot guarantee that all applicants will be processed in time.

4.2.4 Where appropriate, candidates for designation may identify themselves ahead of the Gate 2 to Whole Queue exercise to discuss the process and requirements. However, the designation process will not formally start before the relevant provisions of the licence, methodologies and codes are in effect.

Indicative process and timeline for designating projects

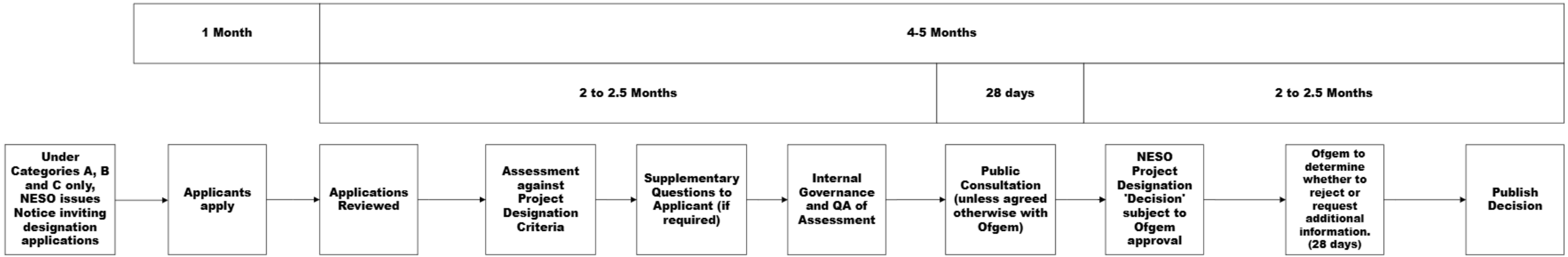

Figure 1

Public

05. Information provision

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5.1 Indicative information likely to be required to inform NESO's decision whether or not to designate a project

This section is intended to provide a non-exhaustive list of the information Users should expect to provide if seeking designated status for their project. The precise information to be provided may vary by project.

We will work with Users seeking designation to understand the best information that allows NESO to consider specific applications.

5.1.1 Information to be provided by all projects seeking designation

- Project Name
- Proposed point of connection
- Propose date of connection
- Export/Import Capacity of the Proposed Project

5.1.2 Indicative information to be provided by projects seeking designation for security of supply category

- Proposed installed generating capacity and proposed export capacity
- For a storage project, duration and round-trip-efficiency
- For a wind or solar project, long-term average load factor ideally evidenced from equivalent existing plant rather than manufacturer's documentation
- Any known regular periods of technical unavailability or any key dependency.
- For a project directly connected to load, sufficient details about the likely size and pattern of the load to facilitate accuracy demand forecasting.
- Generating technology / fuel by unit
- For mixed fuel type generators- information about the sub-units (fuel type, location, etc)
- Location
- Duration limit, if any, for units with limited fuel
- Proposed support scheme(s) if any (e.g. Capacity Market, CfD, cap and floor, CCS dispatchable power agreement (DPA), H2P business model (H2PBM) etc.)
- Qualitative rationale explaining why this project should be designated.

5.1.3 Indicative information to be provided by all projects seeking designation for system operability category

- Description of system need project addresses
- Description of how proposed project addresses the system operability need
- Description of any commercial contracts held that aid system operability
- Qualitative rationale explaining why this project should be designated.

5.1.4 Indicative information to be provided by all projects seeking designation under materially reduce system and/or network constraints category

- Proposed installed generating capacity (if relevant)
- Proposed import/export capacity
- Proposed generation profile
- Proposed import profile (if relevant)
- Proposed load factor (where relevant, should be in line with load factor values used elsewhere, e.g. TNUoS Charging)
- Qualitative rationale explaining why this project should be designated.

5.1.5 Information to be provided by all projects seeking designation under new technologies and/or highly innovative category

- Description of type of technology
- Explanation of why in the proposers' view this technology may not have been included in the strategic energy plan.
- The Technology Readiness Level of the innovative technology at the time the CP30 Action Plan was published.
- Explanation of the expected Technology Readiness Level of the innovative technology by the time of the proposed connection date.
- Explanation of the plan for having a market ready solution in line with the proposed date of connection.

5.1.6 Information to be provided by all projects seeking designation under very long lead times category

- Description of type of technology
- Detailed end to end project development plan (to time of commissioning and operation), including design, consenting and construction periods
- Explanation of why the project plan reflects industry best practice.
- Proposers' view of the forecast cost to consumer over life of project
- Proposers' view of the forecast benefits to the consumer over life of project
- Qualitative rationale explaining why this project should be designated.

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