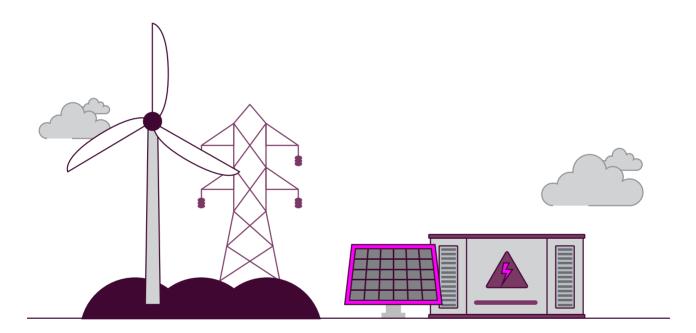
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Version and document control

| Version | Date Last Updated | Updated By | Changes |
|---------|-------------------|--------------|-----------------------------------|
| 1.1 | 29/10/2025 | Ruth Matthew | Drafted to include examples etc |
| 1.2 | 07/11/2025 | Ruth Matthew | Updates following legal review |

Introduction

This guidance is designed to support project developers and investors in successfully completing detailed checks resubmissions as part of the Gate 2 to Whole Queue (G2TWQ process).

Detailed checks are a series of assessments against a project's evidence as part of G2TQW. It includes verifying evidence such as director verifications, any land duplication checks and ensuring project's land site(s) meet the necessary minimum acreage to support the technology.

This document sets out key examples of what would constitute a pass or fail for each of the detailed checks to help developers understand what NESO has been assessing and what is likely to pass or fail the checks.

The detailed check process applies to all Transmission and Large Embedded customers. For small and medium developers, NESO will only carry out the duplication check with all other checks completed by the relevant DNO.

By following this guidance, you will understand:

- what NESO has been assessing during detailed checks
- examples of what would constitute a pass or a fail

Gate 2 Criteria Methodology

The <u>Gate 2 Criteria Methodology</u> states:

"The User may be asked to clarify evidence, but they cannot submit new evidence."

Where any part of the evidence already provided is unclear or incomplete (relevant to NESO being able to confirm whether the Gate 2 <u>readiness criteria</u> are met), NESO will request clarification evidence.

Evidence submission window closing date and resubmission process

NESO will email any customers that have failed the Detailed Checks review and where NESO is requesting further clarification.

Customers should respond to this Resubmission email and provide the clarification evidence within four working days.

The evidence submission window closed at 23:59 on Tuesday 26 August 2025. It is **not possible** to replace existing evidence with new evidence dated after Tuesday 26 August 2025 when the evidence submission window closed.

However, in certain circumstances, justification letters may be dated after that date where NESO has expressly requested further clarification.

Caveat and notes

Definition of a clear working day

A clear working day means that no matter the time we email you, the 'clock' starts at 00:01 the next working day. So, if we email you on Friday at 11am about the results of your checks, your four working days start on Monday at 00:01 and finish on Thursday at 23:59.

Examples in this document

The examples in this document are **not exhaustive** and do not cover every possible scenario that would meet or fail the requirements for each detailed check. This guidance provides a simplified explanation of what would be considered a pass or fail for the checks.

Where there is any ambiguity or nuance in the evidence provided by a User/Applicant, NESO will contact individual users during the resubmission process to explain the failure reason and allow them to provide further information.

As a reminder, for all checks listed below:

- Transmission connected customers will be contacted by NESO
- Distribution connected customers will be contacted by their relevant DNO (Distribution Network Operator) or Transmission connected iDNO (independent Distribution Network Operator).

Director's signature

A director's signature template is required to accompany all documentation as part of resubmission process.

Director's signature template:

Please use the template text below, saved as a PDF of a Word document, to accompany the authorised signature.

1 [authorised signature...] confirm we have reviewed and, with the updated evidence, certify we have validated our information submitted as part of the Connections Reform process.

[Signature]

[Name] [Position] [Company] [Date]

Detailed Checks

1. Director verification

The director verification check confirms that, for limited and public limited companies, the director is registered on Companies House.

If a company is not listed on Companies House, NESO will use publicly available information to verify authorised individuals. It is recommended that a covering letter is provided where clarification is required about an organisation, including where a change of ownership may occur while the Gate 2 Application is in progress.

Examples of a pass:

- If the User/Applicant is a private company registered in the UK and the signatory is a statutory director of that company (for the purposes of the Companies Act 2006) registered with Companies House at the time of signature, NESO is able to verify the authorised individuals through publicly available information.
- NESO has received a satisfactory explanatory letter provided alongside the Readiness Declaration that sets out the basis on which the signatory had the authority to sign the Readiness Declaration; the explanatory letter should provide further information about the legal form under which the User/Applicant operates (for example, LLP, trust) and must set out the scope of authority to sign given to the signatory for the purposes of signing the Readiness Declaration; the letter should be printed on the User/Applicant's letterhead (if available) and signed by the person granting the authority.

Examples of a failure:

- Director is not listed on Companies House and no additional information is provided.
- No evidence is provided to explain that the company is not registered with Companies
 House in Great Britain (for example, a non-Great Britain company, trust or Local
 Authority/Council).

2. Duplication check

Where NESO identifies overlaps between Original Red Line Boundaries that cannot be explained by the evidence provided in a User/Applicant's Gate 2 Application, NESO will contact the affected User/Applicants to request an explanation of why such an overlap is acceptable.

Duplication checks are undertaken by NESO against the Original Red Line Boundaries provided directly to NESO, or, in the case of Embedded generation, those submitted to the DNO and subsequently shared with NESO. NESO will confirm any overlaps that interact with Small and Medium Embedded generation Original Red Line Boundaries and, in these cases, will seek support from DNOs or Transmission connected iDNOs to help resolve them.

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If an overlap can be demonstrated as being reasonably possible (for example, where the same area of land could feasibly be used by two or more different Users or projects), then the overlap will be acceptable from a Gate 2 Readiness Criteria perspective. This decision will be at the discretion of NESO, using reasonable judgment based on the evidence provided by the affected Users or projects.

If NESO deems an overlap to be unacceptable, the affected Users will be required to submit additional information to confirm their right to the land within their Original Red Line Boundary. Such information may include a signed letter of confirmation from the landowner(s) to NESO confirming which User has the appropriate rights to use the land. Any User unable to provide such confirmation will be deemed not to have met the Gate 2 Readiness Criteria.

Customers are not permitted to update their Original Red Line Boundary during the resubmission process, as doing so would affect overlapping Original Red Line Boundary checks and land documentation checks.

Example of a pass:

• Original Red Line Boundary provided that clearly shows no overlap with other Gate 2 projects, or where overlaps exist, these have been clearly explained by the Users.

Example of a failure:

 Multiple projects on the same parcel of land with no explanation provided as to why this is acceptable from a duplication check perspective.

3. Minimum acreage

The minimum acreage check verifies that the available land acreage (or seabed KM²) shown within the Original Red Line Boundary is sufficient for the proposed technology. Further information, including indicative minimum acreage figures by technology, is available in NESO's LoA Guidance.

Where a User does not meet the minimum acreage or KM² requirements, and there is no reasonable justification for why a smaller area is appropriate for the project site, NESO will request further information.

Example of a pass:

- Available acreage at project-stage level meets or exceeds the minimum acreage required within the LoA Guidance.
- Available acreage at project-stage level does not meet the minimum acreage requirement, but the customer has provided reasonable justification explaining why.

Example of a failure:

 Available acreage does not meet the minimum acreage requirement and no reasonable explanation has been provided.

4. Land rights

The purpose of the land rights checks is to confirm that the User has secured the necessary rights to the land on which the project is planned to be located. This check assesses the evidence provided against the relevant criteria depending on the land-rights route selected. This may include an option agreement, existing ownership or a lease agreement.

If the User/Applicant is not the party that holds the secured land rights, NESO requires evidence that the User/Applicant benefits from those rights. Specifically, NESO requires a letter from the entity that holds the land rights confirming that the User/Applicant is entitled to use the land for the Project (for example, where the land is owned by a special purpose vehicle).

For the avoidance of doubt, the holder of the secured land rights must complete the proforma to confirm that the Applicant can rely on those rights.

Pro forma template can be accessed <u>here</u>.

Land rights: existing ownership

Examples of a pass:

Valid evidence of land ownership (for example, an official copy of the register of title where
the land is registered with HM Land Registry, or title deeds where the land is not registered)
and an associated title plan confirming that the User holds land rights for the entire
project site when compared with the Original Red Line Boundary (ORLB).

8/Connections Reform Evidence Clarification Guidelines

• Where the User/Applicant is not the party who has secured the land rights, a valid letter is provided by the entity holding those rights confirming that the User/Applicant has the right to use the land for the project.

Examples of a failure:

- Title plan is not provided or is unclear, so NESO cannot validate the location and site boundary against the Original Red Line Boundary.
- Land rights are not held in the name of the User/Applicant and no evidence has been provided to demonstrate otherwise.
- Explanatory letter provided by the User/Applicant to clarify who holds the land rights for the project is not from the landowner or does not provide sufficient evidence.

Land rights: existing land lease

Examples of a pass:

- Valid evidence provided of an existing land lease (including a plan) confirming that the
 User/Applicant holds land rights for the entire project site when compared with the
 Original Red Line Boundary, and that a minimum of 20 years remains from the submission
 date of the Gate 2 evidence.
- Valid explanatory letter provided by the User/Applicant clarifying who holds the land rights associated with the relevant project.

Examples of a failure:

- Lease plan does not cover the entire Original Red Line Boundary.
- Lease contains redactions or is incomplete, meaning NESO cannot verify the relevant criteria.
- Explanatory letter provided by the User/Applicant to clarify who holds the land rights for the relevant project is not from the holder of the lease or does not provide sufficient evidence.

Land rights: option agreement, sale contract or agreement for lease

Examples of a pass:

- Valid evidence provided of an option agreement (including a plan) confirming that the User/Applicant holds land rights for the entire project site when compared with the Original Red Line Boundary, and that the option period meets the minimum three-year requirement (or qualifies for a relevant exception).
- Option agreement does not contain unacceptable termination provisions.

Examples of a failure:

- Option agreement time period has expired at the Gate 2 submission closing date and no other evidence has been provided to confirm that the period has been extended.
- Option period is less than the minimum three years from the date the option was signed and no evidence has been provided to qualify for an exception.

9/Connections Reform Evidence Clarification Guidelines

 Explanatory letter provided by the User/Applicant to clarify who holds the land rights for the relevant project is not signed by the holder of the land rights or does not provide sufficient evidence.

Form of lease or purchase agreement accompanying the option agreement

Example of a pass:

• Form of lease accompanying the option agreement is for a term of more than 20 years from the date the option is exercised.

Example of a failure:

- Lease term accompanying the option agreement is for less than 20 years from the date the option is exercised.
- Lease contains unacceptable termination provisions.

5. Planning: DCO check

The DCO check confirms that the User/Applicant holds a valid Development Consent Order (DCO) and therefore meets the Gate 2 Readiness Criteria through the planning route.

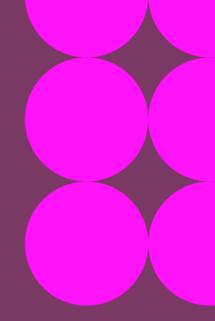
Examples of a pass:

- All relevant information about the DCO published on the Planning Inspectorate website aligns with the information in the Readiness Declaration (for example, location, technology, User/Applicant and project name)
- Declaration provided confirming that Queue Management Milestone M1 has previously been met, and NESO can verify this.

Examples of a failure:

- Information found on the Planning Inspectorate website cannot be aligned with the information in the Readiness Declaration (for example, where the DCO application is for a different technology than that stated in the Readiness Declaration).
- Declaration states that Queue Management Milestone M1 has previously been met, but NESO cannot verify this.





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