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[REDACTED]
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Telis Energy UK
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Date: 7th May 2024

Re: Update on reform to the electricity connections process following proposals from the ESO

Dear Peter,

Telis Energy UK is a green energy business backed by global investor, The Carlyle Group, and set-up to fast track the energy transition by supporting the UK in generating secure, clean and affordable energy.

I commend your recent successes in delivering consequential energy market changes. Moreover, I welcome the increased ambition highlighted in your letter 19th April 2024, but would encourage you to go further, and provide more detail on this in Appendix A.

For reference, three key actions for Ofgem that I and others are monitoring are:-

1. Include meaningful criteria for land rights requirements and financial instruments
2. Deliver on time; implement Connections Reform by January 2025
3. Ensure NESO is, 'Uncompromising in their approach to driving out zombie projects'

I look forward to continuing to work with stakeholders to develop policy that is supportive of our net zero ambitions.

Kind Regards,

[REDACTED]

APPENDIX A

1. Ofgem’s position

The TMO4+ proposal has the potential to contribute to the achievement of the CAP objectives and overall vision, but I contend it will not, “Significantly contribute.” The table below shows sufficiently demanding criteria that would support removing zombie projects. The hurdle level at Gate 1 needs to be appropriately high to deter or siphon off projects that have no potential of progressing to operation. Speculative projects that enter Gate 1 are a distraction and mean maximum focus is not given to Gate 2 projects. Gate 2 needs to (1) only include viable net zero projects and (2) allow the projects within this group that are progressing quicker to pass ahead of others i.e. not be blocked by a project that is stuck in the planning phase but hasn’t yet reached the Queue Management milestone for obtaining planning consent.

Criteria	Gate 1 criteria		Gate 2 criteria	
	Current wording	Telis Energy UK’s proposal	Current wording	Telis Energy UK’s proposal
Financial	“Considering use of financial instruments” ¹	Evidence that the developer has access to enough funds to cover the development costs of the project	“Considering use of financial instruments” ¹	Evidence that the developer has access to enough funds to cover the construction costs of the project
Land	“Licence of Authority to evidence permission from a landowner for a transmission Agreement has been obtained network connection application” ²	New applicants only are required to present an Exclusivity	“Secured land rights for the proposed location” ¹	Substantiated that an Option to Lease / Purchase for the project
Planning	None	Provide a high-level programme showing when the planning submission will be made	“Dates for submission of applications for planning consent” ¹	Dates for submission of applications for planning consent
Technical	“Assessed for competency” ¹	Assessed for competency	None	Reaffirm technical competency

¹ Quotation from the April 2024 “GB Connection Reform” by ESO
² Quotation from the November 2023 “Connections Action Plan” by DESNZ



Having passed the hurdle to enter Gate 1, I agree that projects that are not demonstrating progress towards the programme of works that was submitted with the grid application should be removed. I also agree that securities and liabilities should only apply after Gate 2, when a connection date and location is fixed, and these securities should not start 5 years before the connection date.

I note that throughout policy documents there is rightly a focus on land rights, but there is confusion and contradictory statements. I've listed below the four levels of evidencing land rights, starting with the easiest. A Letter of Authority is not an indicator of a viable net zero project.

1. Letter of Authority
2. Exclusivity Agreement
3. Heads of Terms
4. Option to Lease

2. Ofgem's view of next steps

It is critical that the Ofgem meet the programme they have set themselves. Ofgem has said it will make a decision in October 2024, this deadline must be met.

3. Whether this ^{tt}proposal goes far enough:

- a) Are there any other proposals you would like to see brought forward as part of, or alongside, this reform to achieve the aim of significantly reduced connection timescales? ^{ti}

We do not propose any ^{ti}additional proposals to be added to TMO4+. For TMO4+ to be effective, it must be simple and implemented on time.

- b) What obligations and incentives for the ESO and network companies would you ^{ti}like to see introduced alongside, or a part of, the TMO4+ proposal, to ensure the intended outcomes of better customer experience and timely connection dates are delivered? (See Annex A, point CAP 3.5)

ESO and network companies are heavily influenced by Ofgem. I would like to see Ofgem obligated to meet deadlines such that a Decision on TMO4+ is taken in October 2024 and the policy implemented in January 2025.

- c) Do you believe additional criteria beyond readiness are needed to deliver (i) security of supply; (ii) system efficiency; (iii) strategic network plans; and (iv) the energy mix GB needs to meet net zero? (See Annex A, point CAP 3.6).

There are sufficient criteria being applied, adding more risks creating complexity and diluting the impact of those already proposed. Capital and resources need to be focus on delivering the current criteria, and on time.

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