

Our Ref: DSCT/RS Ops/Corr

7 May 2024

Peter Bingham

Sent by Email

Strategic Planning, Engineering and Technology connections@ofgem.gov.uk Ofgem

Dear Peter

RESPONSE TO LETTER ON UPDATE ON REFORM TO THE ELECTRICITY CONNECTIONS PROCESS FOLLOWING PROPOSALS FROM ESO

Thank you for the opportunity to provide our views on the recent proposal from the ESO on connections process reform. We are concerned with the short timescale given for the response to this letter by Ofgem, what is proposed by ESO is a significant change and its implementation will need to be carefully considered. We are concerned that the present deadline of 1/1/25 may make this very difficult to achieve.

Ofgem's position

We broadly support the principles and aims of TM04+ to move to a first ready first connected process. As part of the impact assessment of this change and its implementation, maintaining investor confidence in the UK energy sector must be a major consideration. To minimise risks of damage to investor confidence the changes will need to be clear and transparent and allowed to settle before further changes are implemented. In our view we need to ensure there is sufficient flexibility and interest for the free market to deliver net zero.

The implication of the ESO proposal on developers should not be underestimated. It is a unilateral, albeit via code governance, change of contracted positions including requirements and dates for many developers.

We remain unconvinced of the need for a window for initial application for gate 1. As per our previous consultation we believe the ESO should be able to manage gate 1 applications with a live probabilistic model of the future network.

In our view the proposals on the distribution to transmission interface are not adequately developed and do not clearly demonstrate how access for projects to the grid will be fairly processed whether they connect at distribution or transmission. We are supportive of changes which lead towards broadly equal treatment of distribution and transmission generation and demand projects in how they access network capacity and connection dates.



Next steps

As above what is proposed by ESO is a significant change and its implementation will need to be carefully considered. We are concerned that the present deadline of 1/1/25 may make this very difficult to achieve. These short deadlines also make it difficult medium sized developers such as us to be involved in urgent and significant code modification processes.

We are also concerned that ESO and DNOs do not have the capability or resources to interact with us on a project by project basis. This has been evidenced by recent delays in delivery of earlier promises and regular challenges we have to speak to staff at ESO and DNOs we interact with.

Obligations and Incentives

We would like to see the following in obligations and incentives for ESO and DNOs.

- One queue across transmission and distribution – We are really surprised that this does not already exist. This should be transparent and accessible to the industry.
- Licence conditions on distribution / transmission interface – The present timescales for many DNOs to apply to ESO and get a response on transmission access are variable and unacceptable. DNOs and ESO/TOs should have licence conditions for the periods allowed to manage this interface.
- Provision of enduring Active Network Management solutions – Use of modelling which uses the dynamic time based profiles of different technologies should be widely used for network planning and allow enduring ANM connections to be offered to connecting parties.
- Uniform data provision from the DNOs, ESO and TOs.

Additional criteria – CAP 3.6

We understand that ESO are proposing using 'land secured (option)' and 'planning application submitted' as the criteria for gate 2. We agree these are probably the best fit with transmission build timescales. If they are agreed, we would suggest they are not changed for some time, possibly 5 years, to allow time for the impact to be assessed. Continued change before impacts are understood would further negatively impact investor confidence.

Yours sincerely

[Redacted signature]

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