

Connections Reform - Policy Consultation on Required Licence Changes Response Form

We are consulting on conditions in the Electricity System Operator, Transmission and Distribution licences in relation to the ongoing connections reform process, which aims to enable quicker connection for ready-to-connect projects that align with strategic energy system plans and provide a more coordinated and efficient network design for connections.

We would like views from stakeholders with an interest in the electricity connections process and the ongoing reforms. We particularly welcome responses from connection customers, developers and network companies. We also welcome responses from other stakeholders including members of the public.

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.

We encourage you to read the Connections Reform - Policy Consultation on Required Licence Changes and the subsidiary documents:

- **Annex A:** Proposed NESO Licence Modifications; and
- **Annex B:** Proposed Transmission Standard Licence Modifications before responding to the consultation questions.

This document outlines the questions for this consultation and once the consultation is closed, we will consider all responses.

Please provide your feedback using this response form and sending a copy to connections@ofgem.gov.uk by 5pm on 6th January 2025.

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

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Data and confidentiality

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Do you want your response treated as confidential? Please choose the option that is relevant to you.

No

Please tell us if parts of your responses or your whole response contains confidential information and explain why below.

None

Consultation questions

Proposed Electricity System Operator Licence Conditions

General approach to changes to the Electricity System Operator licence

1. Do you agree that licence changes are necessary to adequately facilitate the policy intent of the reformed Connection Process, if it is approved?

Please provide the reasons for your answer.

Yes/ No YES

While Members do have concerns associated with the detail of proposed changes and the approach, it is generally agreed that licence changes are necessary to adequately facilitate implementation of a reformed Connections Process.

Members are not all supportive of the proposal to align the connections process to Government's Clean Power 2030 Action Plan, a plan published following closure of the NESO Methodology Consultation.

The need for Connections Reform is widely supported, including the introduction of Gate 2 Readiness Criteria. However, with the Strategic Spatial Energy Plan due in 2026, some members question the need for the Gate 2 Strategic Alignment Criteria at this stage.

Successful implementation of a reformed Connections Process will require the core framework to be in place ahead of go-live. This core framework includes all licence and legislative changes alongside the detailed process, sub processes and procedures that underpin the practical operation of the proposed approach.

2. Do you agree with the approach summarised in paragraphs 3.2 to 3.8?

Please provide the reasons for your answer.

Yes/ No NO

Successful implementation of a reformed Connections Process will require the core framework to be in place ahead of go-live. This core framework includes all licence and legislative changes alongside the detailed process, sub processes and procedures that underpin the practical operation of the proposed approach. Importantly, each aspect must be well understood by stakeholders and fully functioning, which paragraphs 3.2 to 3.8 do not currently capture. With a new suite of Methodology documents published on the 20th December 2024, it is not reasonable to assume that even well engaged stakeholders are fully apprised of the latest detail at the time of considering responses to this consultation.

Members are supportive of the requirement to review Methodologies regularly, yet detail of the underlying process is requested. The review process is as yet undefined hence it is not possible to comment on the rules, procedures and standards. This is a key aspect given present drafting does not provide the industry a robust review approach which is necessary to alleviate some concerns

associated with implementation and the balance of risk. If conflicts of interest and or unintended consequences are identified, Users are potentially at a greater risk of being impacted than NESO or the Networks, thus a clear and robust review process is requested ahead of go-live.

Members also recommend a setting of Key Performance Indicators (KPIs) and or Success Criteria from which NESO, as owners of the Methodologies, can be measured against. Without a metric the need for change could go unidentified and lead to unnecessary risk and unintended consequences.

Many Members do not support the proposal that only Ofgem and NESO have the ability to trigger reviews and amendments to the Methodologies. It is understood that an open governance approach may not be appropriate, yet it is felt more could be done to involve key stakeholders, taking advantage of their breadth of experience and expertise. RUK and SR can facilitate further discussion on the concept given there are a number of potentially viable solutions, with the most straightforward being the creation of a board similar to the Connections Delivery Board (or extension of the existing structure). This would allow a cross industry discussion with changes to Methodologies able to be triggered if voted through by the board.

Paragraph 3.8 refers to the application windows. The CUSC clause states that there should be a window at least once a year which is reflected in the proposed licence wording and backed up by Section 3 referring to an annual application window. This could form a significant barrier to development with Members concerned there appears a lack of commitment within the CUSC or proposed licence changes for NESO to run the application windows any more than once per year as has been discussed through CMP434 and CMP435.

Members have previously highlighted challenges associated with the process timeline outlined within CMP434 Annex 4, including but not limited to the perceived lack of alignment with wider policy and or existing industry processes. This could include CP30 and SSEP, REMA, CfD rounds, leasing rounds, HAR windows, etc. with either the application windows aligning with relevant existing and proposed processes or cross sector coordination with such rounds and windows aligning to the reformed Connections Process. Given the unintended consequences associated with a lack of alignment, Members foresee significant issues arising if not adequately addressed.

Members have also raised concerns about the applicability to Modification Applications. Gated Modification Guidance or Significant Modification Application Guidance is said to set out the types of changes which require a Gated Modification Application. However, alongside Material Technology Change Guidance, it is not yet published and, while expected ahead of go-live, there appears to be very little opportunity for industry inform and support development. While Significant Modification Applications in the early stage of the development cycle and Minor Modification Applications in the latter stages have been relatively well discussed, cases where projects much further around the development cycle require to submit a Significant Modification Application are seen to require further thought. This is particularly true if an annual application window model is adopted, meaning a project could have to wait for an annual application window and then another 6 months to receive their connection offers, detrimentally impacting delivery programmes of what could be well progressed, highly viable projects.

There is also a general concern that the approach summarised in paragraphs 3.2 to 3.8 does not refer to 'Distribution' or 'Embedded'. Throughout development of the reformed Connection Process, Members have been concerned about the

distribution and transmission interface, with the process for Embedded Users less well defined. While DNOs and transmission connected iDNOs have a responsibility to develop adjoining processes to facilitate the new Transmission Connections Process, Members request greater requirement on NESO to facilitate the development of the interface.

Additionally, there is an overall ask from Members that the role of developers not be forgotten. Collaboration with industry is vital to the success of implementation and continued development of new processes, taking advantage of a breadth of experience and expertise. This is still true under a strategic planning model with an Independent System Operator and Planner (ISOP). Members strongly advocate a mechanism to facilitate continued market involvement in the design and refinement of new processes which underpin the practical development and delivery of infrastructure, generation, storage and new demand projects. This is believed necessary for investors to have a reasonable degree of confidence in the GB market between now and 2035 in particular.

3. Do you agree that we have considered all relevant areas of the licence which might need modifications, and that we have proposed changes in relation to all relevant matters? If there are areas we need to consider further, please specify. Also, please specify any matters that we have addressed but which you do not think should be relevant.

Please provide the reasons for your answer.

Yes/ No NO

Given the limited timeframe associated with this consultation following the festive period and extent of consultation and development since summer 2024, Members are not in a position to provide an exhaustive or complete response.

However, two aspects Members would ask Ofgem to consider:

CMP434 WACM2 – It is acknowledged Ofgem are proposing LC12A.1 to LC12A.4, as presented in Section 5, to help ensure DNOs process Users Gate 2 applications and pass to NESO in a timely manner. However, most members strongly support WACM2 presented through CMP434 and suggest the licence changes consider adopting the proposed obligations. WACM2 would introduce requirements on the DNO and transmission connected iDNOs within the CUSC.

WACM2 proposes the replacement of “reasonable endeavours” with wording within the CUSC legal text requiring DNO / transmission connected iDNOs to include all applicable Embedded Projects that provide a valid Gate 2 compliance application or submission of evidence within the Gate 2 Application Window (transmission window) as part of the DNO / transmission connected iDNO’s fully completed Gate 2 application to NESO. This approach does provide the networks with some flexibility given the Gate 2 submission must be deemed ‘valid’ for the obligation to apply. The definition of ‘valid’ is not proposed to be incorporated within CUSC. Instead, it is recommended a consistent and harmonised definition and associated criteria are defined through the Energy Networks Association (ENA) in line with implementation of CMP434.

WACM2 is deemed necessary to ensure that delays associated with DNO / transmission connected iDNO internal processes do not lead to embedded customers “missing” a Gate 2 window. It is noted that currently many DNOs have taken over 12 months to submit project progressions due, in part, to the lack of any guaranteed standard timeframe. The untested processes to be introduced under CMP434 alongside the uncertain volume of Gate 2 submissions

(particularly within the first couple of windows) introduces further risk to embedded users.

Given the consequential risk to fair and equitable treatment of embedded users from not including such a requirement on the DNO / transmission connected iDNO, this Alternative seeks to include within the CUSC. While recognising this may not be the optimum home for such obligations, it was seen as the best route available at the time of development given the impact on Embedded Users. Hence, implementing the proposal within a licence change would be welcomed.

The licence change proposed within the consultation document and WACM2 are not mutually exclusive, thus Members do support LC12A.1 to LC12A.4. Members would also welcome a more prescriptive and measurable condition, for example the inclusion of a timeframe of 10 business days for the DNOs to undertake Gate 2 checks. Currently the proposed requirement to execute checks in a “timely manner” is not seen to be adequate, hence the second approach presented in paragraph 5.4.3 is supported. This would also allow Key Performance Indicators and or Success Criteria to be set and regularly monitored.

CMP434 WACM6 – Members understand Ofgem’s intent to exempt the first publication of the NESO Methodologies from the consultation and approval process due to NESO conducting a consultation in November 2024. However, there is strong support for a “check point” circa 6 months after go-live. This is similar to the concept presented as part of CMP434 WACM6, hence recommend considering the merit of adopting all or part of this concept within the proposed licence changes.

WACM6 places the obligation to “undertake a review of the new connections process to capture lessons learnt, publish the output of the review and present it to TCMF and the CUSC Panel, and obligate the CUSC Panel to determine whether to submit the output of the review to a Standing Group”. This would then allow CUSC parties to raise a Code Modification to codify as appropriate. Given it is not designed to delay implementation of reform and seeks a pragmatic approach, Members overall support WACM6.

Without WACM6 or some of the concepts it presents, there is no clear review point to allow the Methodologies to be checked and updated based on evidence. NESO could consider without an obligation being incorporated into CUSC or the licence, but Members perceive the processes proposed to be less justifiable if there is no obligated review point. Significant uncertainty remains, with all proposals largely untested, thus a check point is believed to be an important and valuable addition.

Section A: Definitions and Interpretation

Condition A1:

4. Do you agree that the new definitions as set out in paragraphs 3.12 to 3.19 and draft legal text in condition A1, as set out in Annex A, are necessary to and adequately facilitate the policy intent of the reformed Connection Process?

Please provide the reasons for your answer and any alternative suggestions if you disagree.

Yes/ No YES

The new definitions are perceived as necessary given the extent of proposed changes and breadth of stakeholders. While some would be captured within the CUSC, it is important to define and protect specific terms as part of the licence changes to improve transparency and consistency.

Given the unprecedented rate of development, there have been a number of terms created during 2024 that are no longer relevant such as "hopper" and "Key Documentation" being replaced with the Gate 1 concept and Methodologies respectively. Thus, it is very important to have a clear set of defined terms.

5. Do you agree that no changes are required to the existing definitions in condition A1, as set out in Annex A, and that the proposed new changes are enough?

Please provide the reasons for your answer and identify any changes you consider to be needed.

Yes/ No NO

No fundamental changes have been noted by Members. Yet the addition of definitions for "Gate 1" and "Gate 2" has been questioned by some members. While Connections Criteria and Connections Network Design Methodology define the criteria to meet Gate 2 and the process to be associated with Gate 1 and Gate 2, reading paragraphs 3.12 to 3.19 alone does not define what a Gate is or point to the location of the formal definition within CUSC.

Please note, given the limited timeframe associated with this consultation following the festive period and extent of consultation and development since summer 2024, Members are not in a position to provide an exhaustive or complete response.

Condition B3: Conduct of ISOP Business

6. Do you agree this clarification in paragraph 3.21 and proposed text in condition B3, as set out in Annex A, is required?

Please provide the reasons for your answer.

Yes/ No YES

The need for a clarification is generally supported. However, it should be noted that Members have varied views and concerns associated with designation powers.

Members do not all agree with the suitability of Project Designation and its introduction through a Methodology, as was discussed in the CMP434 and CMP435 Workgroup Consultations. However, since the Workgroup Consultations, the Clean Power 2030 concept has been introduced, requiring projects to be "needed" as well as "ready". Members appreciate that such an approach will need an alternative path for scenarios that could not be captured by Clean Power 2030.

Condition C11: Requirements of a Connect and Manage Connection

7. Do you agree with the policy intent behind the changes we are proposing that these types of "full" offers will only be made to the "non-gated" applications or "Gate 2" applications?

Please provide the reasons for your answer.

Yes/ No YES

Members understand the proposed change and rationale given the proposed process defined through CMP434, CMP435 and the Methodologies.

8. Do you agree that proposed text in condition C11, as set out in Annex A, gives appropriate effect to the policy intent?

Please provide the reasons for your answer.

Yes/ No YES

No feedback has been received from Members highlighting significant concern with the proposed condition C11.

However, given the limited timeframe associated with this consultation following the festive period and extent of consultation and development since summer 2024, Members are not in a position to provide an exhaustive or complete response.

Section E: Industry Codes and charging

Condition E2: Connection and Use of System Code (CUSC)

9. Do you agree with the policy intent behind the changes we are proposing in paragraphs 3.28 and 3.29?

Please provide the reasons for your answer.

Yes/ No YES

Members understand the proposed change and rationale given the proposed process defined through CMP434, CMP435 and the Methodologies.

10. Do you agree that proposed text in condition E2, as set out in Annex A, gives appropriate effect to the policy intent? Do you think any further changes would be appropriate?

Please provide the reasons for your answer.

Yes/ No YES

No feedback has been received from Members highlighting significant concern with the proposed condition C11.

However, given the limited timeframe associated with this consultation following the Festive period and extent of consultation and development since summer 2024, Members are not in a position to provide an exhaustive or complete response.

Condition E12 (New): Connection Criteria Methodology

11. Do you agree with the proposal for the licensee to create and maintain the Connections Criteria Methodology as in paragraphs 3.30 and 3.34?

Please provide the reasons for your answer.

Yes/ No YES

Members do question the naming convention used as based on the 20th December publications made by NESO, the most relevant methodology for the proposed is named "Gate 2 Criteria Methodology". Members request consistency to avoid confusion given the significant number of new terms presented over the past 6 months.

The proposal is generally supported. However, some Members do not agree with Methodologies sitting under the licence, preferring them to be managed through Code and the CUSC. Thus, support is given in the context of Methodologies sitting under the licence being assumed.

12. Do you agree with the objectives and scope of the Connection Criteria Methodology as in paragraphs 3.32 and 3.33, respectively?

Please provide the reasons for your answer.

Yes/ No NO

Members question the use of "Net Zero". With terms such as "Clean Power" and "Low Carbon" used elsewhere, further definition is recommended to ensure the intent is clear and adds value.

The Gate 2 Criteria Methodology, or "Connections Criteria Methodology" as is stated, should also be fair and equitable to all Users and technologies, Transmission or Distribution connected. CP30 and the other Methodologies may lead to an end outcome that is not perceived to be fair and equitable to all Users and or technologies, yet the objective of this Methodology should be to provide a fair and equitable foundation.

It is also questioned whether the objectives should also include the need for the Connections Criteria Methodology to facilitate market competition.

13. Do you agree that the new condition E12, as set out in Annex A, provides the right level of governance and industry engagement to ensure that the Connections Criteria Methodology is developed and modified in a robust manner?

Please provide the reasons for your answer.

Yes/ No NO

As per response to Question 2.

Many Members do not support the proposal that only Ofgem and NESO have the ability to trigger reviews and amendments to the Methodologies. It is understood that an open governance approach may not be appropriate, yet it is felt more could be done to involve key stakeholders, taking advantage of their breadth of

experience and expertise. RUK and SR can facilitate further discussion on the concept given there are a number of potentially viable solutions, with the most straightforward being the creation of a board similar to the Connections Delivery Board (or extension of the existing structure). This would allow a cross industry discussion with changes to Methodologies able to be triggered if voted through by the board.

Condition E13 (New): Connection Network Design Methodology

14. Do you agree with the objectives of the Connections Network Design Methodology as in paragraph 3.38?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

As per response to Question 12.

In addition, should "coordinated network" be "coordinated networks"? This is only a subtle difference yet the latter implies greater inclusiveness. Members request that an objective requiring detail of the T and D interface should be included for the CNDM. The 20th December update published by NSEO does increase the coverage of the T and D interface with greater clarity for Embedded Users, taking on board some of the feedback provided to NESO previously. Thus this inclusion should be protected through an objective.

15. Do you agree with the scope of the Connections Network Design Methodology as set out in paragraph 3.35 and 3.37 is aligned with the TMO4+ connection reform process?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

Members collectively support the application of a Gate 2 Readiness Criteria to the existing queue and future Gate 2 Tranches as presented within the Connections Network Design Methodology. The concept has been developed with industry throughout 2024 and the majority agree that reform of electricity connections processes is needed. Not all aspects of the readiness criteria are supported, but the concept is generally accepted.

Importantly, the Gate 2 Strategic Alignment Criteria has been proposed following limited industry engagement and collaboration. While the Clean Power 2030 advice from NESO to Government discusses engagement, it is important to appreciate the pace of Strategic Alignment.

RUK and SR are concerned that less engaged market participants and supporting industries have had insufficient time to assimilate an unprecedented change to the electricity connections processes and existing queue. The Gate 2 Readiness Criteria increases the bar while placing the viability of a project largely in the hands of the developers. Strategic Alignment goes beyond this potentially resulting in projects that are deemed to be "ready" not being "needed" based on technology type, location and timeframe. While this approach is supported by many, very few have confidence in the robustness of the proposed zonal

allowances, and find it difficult to support this proposal without greater confidence in the allowances themselves and how they might be reallocated between zones.

Given the Connections Network Design Methodology ties the Gate 2 Readiness Criteria and Gate 2 Strategic Alignment Criteria together with limited stakeholder involvement in its development ahead of the consultation on Methodologies, this is key to the success of the TMO4+ concept.

Please see the RUK and SR response to the Connections Reform methodologies Consultation Response for further details.

Thus while there is little comment on the content of paragraph 3.35 and 3.37 directly, the approach it promotes is what Members have significant views on.

16. We have kept the licence change broad for 'preparing offers' as in paragraph 3.37. Should we be more specific with the scope to include further description in the licence that it will determine the queue order, study applications and assess the infrastructure required to enable/prepare offers to enter into a "Gate 2" agreement?

Please provide the reasons for your answer.

Yes/ No [Click or tap here to enter text.](#)

Given the extent of change, reliance on historically broad terms is not necessarily suitable. With the introduction of a Gate 1, it is valuable for the licence to include some description of the minimum constituent parts.

Justification will be discussed further within the Ofgem Connections End to End Consultation response.

17. Do you agree that the proposed addition of conditions E13 , as per Annex A, and in this section provides the right level of governance and industry engagement to ensure that the Connections Network Design Methodology is developed and modified in a robust manner?

Please provide the reasons for your answer.

Yes/ No NO

As per response to Question 2.

Many Members do not support the proposal that only Ofgem and NESO have the ability to trigger reviews and amendments to the Methodologies. It is understood that an open governance approach may not be appropriate, yet it is felt more could be done to involve key stakeholders, taking advantage of their breadth of experience and expertise. RUK and SR can facilitate further discussion on the concept given there are a number of potentially viable solutions, with the most straightforward being the creation of a board similar to the Connections Delivery Board (or extension of the existing structure). This would allow a cross industry discussion with changes to Methodologies able to be triggered if voted through by the board.

Condition E14 (New): Project Designation Methodology

18. Do you believe the NESO should be able to designate projects for prioritisation in the circumstances as specified in paragraph 3.42?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

Members do not all agree with the suitability of Project Designation and its introduction through a Methodology, as was discussed in the CMP434 and CMP435 Workgroup Consultations. However, since the Workgroup Consultations the Clean Power 2030 concept has been introduced, requiring projects to be 'needed' as well as 'ready'. Members appreciate that such an approach will need an alternative path for scenarios that could not be captured by Clean Power 2030.

Security of Supply and System Operation categories are generally supported yet there is concern that the system / network constraints category could lead to unintended consequences. Once the queue is reduced and streamlined using the proposed measures, traditional market signals should be more effective. Where this is still not the case, a competitive process similar to a Pathfinder could be utilised to facilitate competition and transparency.

The new technology criteria are strongly supported by some members and strongly opposed by others. The need for a route for technologies not captured within the CP30 Plan is generally not disputed by members; the concern is in the perceived lack of detail at this stage. Also, while members acknowledge that certain novel projects will not have been foreseen at this stage, and so may justify an exemption to the test of Strategic Alignment, this does not mean these projects warrant the prioritisation afforded by Project Designation. Clause 5.8.1 is therefore not supported as drafted. Prioritisation should only be considered under the earlier categories of system security / operability. To maintain this proposal is to unfairly detriment projects that meet both the Gate 2 Readiness Criteria and the Gate 2 Strategic Alignment Criteria and are already demonstrably deliverable. Furthermore, the definition is broad, with relatively open criteria. When coupled with a process which facilitates bilateral engagement with the NESO potentially initiating engagement, several members are concerned about transparency and the extent of NESO's remit.

The "very long lead times" criteria are generally seen as a sensible inclusion yet, given the applicable project types should be limited, it is recommended that the definition and criteria could be more specific.

19. Do you agree that the NESO should only be able to designate projects after a period of consultation as in paragraph 3.43, for existing agreements also in the first application window?

If not, please explain your reasoning, along with alternative suggestions if appropriate.

Yes/ No Click or tap here to enter text.

Members do not all agree with the suitability of Project Designation and its introduction through a Methodology, as was discussed in the CMP434 and CMP435 Workgroup Consultations.

However, based on the assumption that Project Designation will be implemented, Members support the Consultation aspect of the proposed Project Designation process. Transparency is a key theme, with members recommending that details of the applications made, and outcome of the NESO decision-making process is published and actively revised throughout the process.

Noted that the decision-making process is a NESO activity yet Members would expect third parties including the Transmission Owners to be involved given the nature of particular categories (e.g., network constraints).

Members question whether a common process for all categories is appropriate. As discussed, a Pathfinder type approach could be most viable for the system / network constraints category, while the “very long lead times” category may require something quite different given the likely low frequency and volume.

Members request clarity on the appeals process. It is stated that “4.1.4.2 - Users have the right to appeal a NESO designation decision ...” within the associated Methodology. Is the User in this case only the Applicant or does this route also allow third party Users potentially impacted by the decision to appeal the decision? We would request the intention is considered and duly clarified.

20. Do you agree that the proposed additions of conditions E14, as set out in Annex A, provide the right level of governance and industry engagement to ensure that the Project Designation Methodology is developed and modified in a robust manner?

Please provide the reasons for your answer.

Yes/ No NO

As per response to Question 2.

Many Members do not support the proposal that only Ofgem and NESO have the ability to trigger reviews and amendments to the Methodologies. It is understood that an open governance approach may not be appropriate, yet it is felt more could be done to involve key stakeholders, taking advantage of their breadth of experience and expertise. RUK and SR can facilitate further discussion on the concept given there are a number of potentially viable solutions, with the most straightforward being the creation of a board similar to the Connections Delivery Board (or extension of the existing structure). This would allow a cross industry discussion with changes to Methodologies able to be triggered if voted through by the board.

Condition E15: Requirement to offer terms

21. Do you agree with the requirements that an application window as in paragraph 3.56 is practical and sufficient? Please provide the reason for your answer. What is the right maximum and/or minimum period prescribed in the licence for how long the application window should be open? Is the minimum requirement of at least once every year sufficient?

Please provide the reasons for your answer.

Yes/ No NO

The CUSC clause states that there should be a window at least once a year which is reflected in the proposed licence wording and backed up by Section 3 referring to an annual application window. This could form a significant barrier to development with Members concerned there appears a lack of commitment within the CUSC or proposed licence changes for NESO to run the application windows any more than once per year as has been discussed through CMP434 and CMP435.

Members have previously highlighted challenges associated with the process timeline outlined within CMP434 Annex 4, including but not limited to the perceived lack of alignment with wider policy and or existing industry processes. This could include CP30 and SSEP, REMA, CfD rounds, Leasing rounds, HAR windows, etc. with either the application windows aligning with relevant existing and proposed processes or cross sector coordination with such rounds and windows aligning to the reformed Connections Process. Given the unintended consequences associated with a lack of alignment, Members foresee significant issues arising if not adequately addressed.

Members have also raised concerns about the applicability to Modification Applications. Gated Modification Guidance or Significant Modification Application Guidance is said to set out the types of changes which require a Gated Modification Application. However, alongside Material Technology Change Guidance, it is not yet published and, while expected ahead of go-live, there appears to be very little opportunity for industry inform and support development.

While Significant Modification Applications in the early stage of the development cycle and Minor Modification Applications in the latter stages have been relatively well discussed, cases where projects much further around the development cycle require to submit a Significant Modification Application are seen to require further thought. This is particularly true if an annual application window model is adopted, meaning a project could have to wait for an annual application window and then another 6 months to receive their connection offers, detrimentally impacting delivery programmes of what could be well progressed highly viable projects.

22. Do you agree that 6 months as mentioned in paragraph 3.59 to provide an offer once the application window closes is adequate? Do you agree with our proposed option regarding timing for the NESO to make offers, or do you prefer any of the alternative options set out in paragraph 3.60? Are there any other options we should be considering? Please provide the reasons for your answer and suggest alternative.

Yes/ No Click or tap here to enter text.

Members highlight the Two Step Offer process, HND and HNDfUE which are all very recent examples of where the level of effort and complexity was underestimated.

Currently, the proposed Gate 2 Design Process and TOCOs process would run in parallel to acceptances (as per CMP434 Annex 4), yet what if a number of these projects do not accept the Gate 2 offer? TOs will be conducting studies on a number of assumptions and it is not clear how revisions will be made or whether updates would be made in these cases ahead of the next set of Gate 2 offers being issued.

Removing the overlap and only catering for one window per annum is not believed to be an effective solution as discussed previously. More work is needed to inform the most effective solution, with a route for reflection, development and further change informed by stakeholders likely key to enduring success.

If found to not be achievable following implementation, the impact on developments and Connections Reform in general could be highly significant.

23. Do you agree with our proposed approach of specifying which type of applications get which type of offers as in paragraphs 3.52 to 3.55? Does this cover all type of applications?

Please provide the reason for your answer and mention if any type of applications is not captured in here.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

24. Do you agree that the proposed legal text in condition E14, as set out in Annex A, meets the policy intent above?

Please provide the reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Proposed Electricity Transmission Standard Licence Conditions

General approach to modification of the Electricity Transmission Standard Licence Conditions

25. Do you agree with our approach mentioned in paragraphs 4.1 to 4.3?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

26. Do you agree that we have considered all the areas of the licence which might need modifications?

Please provide the reasons for your answer and specify if you think we have missed some areas.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Section D: Transmission Owner Standard Conditions

Condition D1: Interpretation of Section D

27. Do you think any other modifications to definitions are required for the transmission licence in addition to the ones proposed for the System Operator Licence in paragraphs 3.12 to 3.19, in the consultation document?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

28. Do you agree that the proposed text in SLC D1, as set out in Annex B, meets the policy intent?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

29. Would you suggest any changes to the new and existing definitions in SLC D1 that are pertinent to Connections Reform?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

**Condition D4A: Obligations in relation to offers for connection etc.
(Transmission Owners)**

30. Do you agree with the policy intent and the rationale described in the paragraphs 4.6 to 4.10, in respect of the changes to SLC D4A.1, in the consultation document?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

31. Do you agree with the proposed changes to the text of SLC D4A.1, as set out in Annex B?

If you disagree or partially agree, please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

D4A.2- New proposed Paragraph 2 – requirements to offer terms requirements to offer to enter into agreement with the ISOP and provisions for that offer

32. Do you agree with the policy intent and the rationale for the proposed changes described in the paragraphs 4.11 to 4.13, in respect of the changes to SLC D4A.2, in the consultation document?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the Festive Period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

33. Do you agree that the proposed changes to the text of the new paragraph 2 of SLC D4A, as set out in Annex B, effectively facilitate the policy intent?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

[Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

D4A.2, D4A.3, D4A.4, D4A.5- Proposed paragraphs 3, 4, 5 and 6 (formerly paragraphs 2, 3, 4 and 5)

34. Do you agree with the policy intent described in paragraph 4.17, in respect of the changes suggested in paragraphs 2, 3, 4 and 5, now amended to become paragraph 3, 4, 5 and 6, of SLC D4A, in the consultation document?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

35. Do you agree that the proposed changes to the text of the amended paragraph 3, 4, 5 and 6 of SLC D4A, as set out in Annex B, effectively facilitate the policy intent?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Condition D16: Requirements of a connect and manage connection

36. Do you agree with the policy intent and the rationale in respect of the proposed changes to SLC D16 as described in paragraphs 4.19 to 4.23, in the consultation document?

Please provide a reason for your answer.

Yes/ No [Click or tap here to enter text.](#)

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

37. Do you agree that the proposed changes to the text of SLC D16, as set out in Annex B, effectively facilitate the policy intent?

Please provide a reason for your answer.

Yes/ No [Click or tap here to enter text.](#)

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

New Condition D18: Requirements to comply with connection network design methodology for Use of System and connection (Transmission Owners)

38. Do you agree with the policy intent behind the proposed new licence condition as explained in paragraphs 4.24 to 4.26, in respect to the proposed SLC D18, in the consultation document?

Please provide a reason for your answer.

Yes/ No [Click or tap here to enter text.](#)

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

39. Do you agree that the proposed text gives appropriate effect to the specific policy intent, as detailed in Annex B?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Section E: Offshore Transmission Owner Standard Conditions

Condition E17: Obligations in relation to offers for connection etc. (Offshore Transmission Owners)

40. Do you agree with the policy intent and rationale in respect of the changes proposed to SLC E17, in paragraphs 4.28 to 4.34, in the consultation document?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

41. Do you agree that the proposed changes to the text in SLC E17, as set out in Annex B, effectively facilitate the policy intent?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

New Condition E25: Requirements to comply with connection network design methodology for Use of System and connection (Offshore Transmission Owners)

42. Do you agree with the policy intent behind the proposed new licence condition as explained in paragraph 4.35, in respect of the SLC E25, in the consultation document?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

43. Do you agree that the proposed text of the new condition, as detailed in Annex B, gives effect to the policy intent?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Distribution Standard Licence Conditions – Policy Intent

Chapter 1: Interpretation and application

Condition 1: Definitions for the standard conditions

44. Do you agree that changes are likely be required to some of the definitions within licence condition 1?

Please provide the reasons for your answer.

Yes/ No YES

Throughout development of the reformed Connection Process, Members have been concerned about the distribution and transmission interface, with the process for Embedded Users less well defined. The distribution and transmission interface has been highlighted as a key concern across industry throughout the connections reform process; it is therefore disappointing to see this has not yet been developed further and that key elements of this process remain uncertain.

While DNOs and transmission connected iDNOs have a responsibility to develop adjoining processes to facilitate the new Transmission Connections Process, Members request greater requirement on NESO to facilitate the development of the interface.

In parallel, there is therefore a need to make changes to the Distribution Standard Licence Conditions. Without doing so could put Embedded Users at a greater disadvantage.

Chapter 2: General obligations and arrangements

Condition 4: No abuse of the licensee’s special position

45. Do you consider any modifications to licence condition 4 are required?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Chapter 4: Arrangements for the provision of services

Condition 12: Requirement to offer terms for Use of System and connection

46. Do you agree with the policy intent to modify licence conditions 12.1 and 12.4 under both scenarios?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

With regards to the scenarios under consideration, the majority of Members providing feedback are in favour of Scenario 1 for implementation.

Acknowledged this would be more resource intensive for NESO and would require a robust process for information exchange to be set up between DNOs and NESO, yet is perceived to be more practical and facilitate a speedy delivery of reforms.

Scenario 2 is likely to require more substantial changes to DNO license and legislation and would also require multiple DNO license areas to design and implement reporting and collaboration structures in time for CMP435 implementation. Members do not believe Scenario 2 is practicable in time for Q2 2025. There could be merit revisiting Scenario 2 as part of a review process 6 months post go-live.

Condition 19. Prohibition of discrimination under Chapters 4 and 5

47. Do you agree with our view that no changes to licence condition 19 are necessary under any of the two scenarios?

If no or you partially agree, please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

48. If you disagree, what kind of change to the licence condition 19 do you believe is necessary?

Please provide the reasons for your answer.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Chapter 5: Industry codes and agreements

Condition 20. Compliance with Core Industry Documents

49. Do you see any risk related to introducing an obligation for DCUSA licensees to comply with the Clean Power 2030 Action Plan and SSEP?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

Members are concerned that application of the Clean Power 2030 Action Plan through the published Methodologies could disadvantage Embedded Users.

A significant number of key points were raised through the Connections Reform Methodologies Consultation in late 2024. While some have been mitigated through the revised Methodologies, many are still relevant. There is a concern that the additional interface, complexity and breadth of solutions makes application of CP30 between implementation and 2030 (Phase 1) challenging and could lead to several unintended consequences. Evidence and data is limited, thus while Members do not all agree on the solution the collective is supportive of significant more development of solutions for Embedded Users.

50. Do you agree with the changes suggested to licence condition 20?

If no or you partially agree, please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Condition 12A. Requirement to progress User applications into the Gated Window process

51. Do you agree with the proposal to define a new licence condition 12A.1 – requirement to perform “Gate 2” checks in line with the NESO methodology?

Please provide the reasons for your answer.

Yes/ No YES

Members generally support the concept of checks, but have comments on the detail within the NESO Methodologies.

One example is Section 8.13 of the Gate 2 Criteria Methodology discusses the possibility of utilising public sources yet is non-committal. Numerous considerations are listed which members support yet several believe the approach to detailed checks of secured land rights should utilise public data

sources from the outset. For Gate 2 to be an effective filter on readiness, NESO practice and clause 8.13 must point to more thorough and stringent checks on the land rights provided by Users. This should include going beyond public records into all possible avenues of verification, to give a clear steer that the land rights criteria are meaningful; this is acknowledged as the best way to deter speculative applicants.

52. Do you agree with the proposal to define a new licence condition 12A.2 – requirement to perform “Gate 2” checks in a timely manner? If so, do you consider the approach to the condition should be principles-based or prescriptive?

Please provide any information / evidence you can to support your response.

Yes/ No Click or tap here to enter text.

It is acknowledged Ofgem are proposing LC12A.1 to LC12A.4, as presented in Section 5, to help ensure DNOs process Users Gate 2 applications and pass to NESO in a timely manner. However, most Members strongly support WACM2 presented through CMP434 and suggest the licence changes consider adopting the proposed obligations. WACM2 would introduce requirements on the DNO and transmission connected iDNOs within the CUSC.

Given the consequential risk to fair and equitable treatment of embedded users from not including such a requirement on the DNO / transmission connected iDNO, this Alternative seeks to include within the CUSC. While recognising this may not be the optimum home for such obligations, it was seen as the best route available at the time of development given the impact on Embedded Users. Hence, implementing the proposal within a licence change would be welcomed.

The licence change proposed within the consultation document and WACM2 are not mutually exclusive, thus Members do support LC12A.1 and LC12A.2. Members would also welcome a more prescriptive and measurable condition, for example the inclusion of a timeframe of 10 business days for the DNOs to undertake Gate 2 checks. Currently the proposed requirement to execute checks in a “timely manner” is not seen to be adequate, hence the second approach presented in paragraph 5.4.3 is supported. This would also allow Key Performance Indicators and or Success Criteria to be set and regularly monitored.

New Conditions

New Conditions 12A.3 and 12A.4 - Submission of projects for transmission assessment

53. Do you agree with the proposal to define new licence conditions 12A.3 and 12A.4 - this would introduce a requirement to submit projects for transmission assessment within a timely manner?

Please provide any information / evidence you can to support your response.

Yes/ No Click or tap here to enter text.

It is acknowledged Ofgem are proposing LC12A.1 to LC12A.4, as presented in Section 5, to help ensure DNOs process Users Gate 2 applications and pass to NESO in a timely manner. However, most members strongly support WACM2

presented through CMP434 and suggest the licence changes consider adopting the proposed obligations. WACM2 would introduce requirements on the DNO and transmission connected iDNOs within the CUSC.

Given the consequential risk to fair and equitable treatment of embedded users from not including such a requirement on the DNO / transmission connected iDNO, this Alternative seeks to include within the CUSC. While recognising this may not be the optimum home for such obligations, it was seen as the best route available at the time of development given the impact on Embedded Users. Hence, implementing the proposal within a licence change would be welcomed.

The licence change proposed within the consultation document and WACM2 are not mutually exclusive, thus Members do support LC12A.3 and LC12A.4. Members would also welcome a more prescriptive and measurable condition. This would also allow Key Performance Indicators and or Success Criteria to be set and regularly monitored.

Proposed Electricity Transmission Special Licence Conditions

54. Do you think any Electricity Transmission Special Licence Conditions changes are required?

If you think that changes are required, please provide the reasons for your answer.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Proposed Electricity Distribution Special Licence Conditions

55. Do you think any Electricity Interconnector Standard Licence Conditions changes are required?

If you think that changes are required, please provide the reasons for your answer.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Proposed Electricity Interconnector Standard Licence Conditions

56. Do you think any Electricity Interconnector Standard Licence Conditions changes are required?

If you think that changes are required, please provide the reasons for your answer.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

Proposed Electricity Generation Standard Licence Conditions

57. Do you think any Electricity Generation Standard Licence Conditions changes are required?
If you think that changes are required, please provide the reasons for your answer.

Given the limited timeframe associated with this consultation following the festive period, and extent of consultation and development since summer 2024, Members are not in a position to provide a response.

General feedback

We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

Do you have any comments about the overall process of this consultation?

Do you have any comments about its tone and content?

Was it easy to read and understand? Or could it have been better written?

Were its conclusions balanced?

Did it make reasoned recommendations for improvement?

Any further comments?

The primary comment relating to this consultation is the timeframe and duration. Closure of the consultation on the 6th January 2025 following the festive period would be challenging in any given year, yet with significant stakeholder input requested through a high number of significant industry consultations during the second half of 2024 the ability for Members to provide a full response to 57 questions is unrealistic.

The overlap with the Methodologies development has also limited the ability to develop coordinated responses with the latest suite of documents only published by NESO on the 20th December alongside the Final CMP434 and CMP435 submissions to Ofgem.

While the need to make changes swiftly is well understood, there is a balance to be struck. If stakeholder input is restricted, the need for KPIs, Success Criteria, Check Points and the ability for stakeholders to trigger changes post approval and implementation is even more important.