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## 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](mailto: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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## Contents

### Connections Reform - Policy Consultation on Required Licence

<b>Changes Response Form</b> .....	1
<b>Data and confidentiality</b> .....	3
<b>Consultation questions</b> .....	4
<b>Proposed Electricity System Operator Licence Conditions</b> .....	4
General approach to changes to the Electricity System Operator licence .....	4
Section A: Definitions and Interpretation .....	6
Section E: Industry Codes and charging.....	7
<b>Proposed Electricity Transmission Standard Licence Conditions</b> ...	16
General approach to modification of the Electricity Transmission Standard Licence Conditions.....	16
Section D: Transmission Owner Standard Conditions .....	16
Section E: Offshore Transmission Owner Standard Conditions.....	20
<b>Distribution Standard Licence Conditions – Policy Intent</b> .....	21
Chapter 1: Interpretation and application .....	21
Chapter 2: General obligations and arrangements.....	21
Chapter 4: Arrangements for the provision of services .....	22
Chapter 5: Industry codes and agreements.....	22
New Conditions .....	24
<b>Proposed Electricity Transmission Special Licence Conditions</b> .....	25
<b>Proposed Electricity Distribution Special Licence Conditions</b> .....	25
<b>Proposed Electricity Interconnector Standard Licence Conditions</b>	25
<b>Proposed Electricity Generation Standard Licence Conditions</b> .....	25
<b>General feedback</b> .....	26



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## Data and confidentiality

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Date of submission:  
06/01/2025

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

No

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

N/A

## 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**

Yes, we agree changes are needed to the ESO licence to implement TMO4+ reforms. However, given the nature of the changes and in particular the shift towards a more discriminatory regime, it is key that appropriate and timely legislation is brought forward to underpin the licence and code changes.

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

Please provide the reasons for your answer.

Yes/ No **Yes**

We support minimal changes to the ESO licence to implement connections reform.

However, we believe this principle has been adopted too strongly in the current drafting. We believe it would be clearer if Ofgem adopted the same terminology in the licence as in the codes and methodologies. For example, it is not obvious to us why Ofgem has refrained from referring to Gate 1 and Gate 2 offers in the licence. This tiered approach to connection offers is a fundamental aspect of the TMO4+ process and using different terminology in the licence, codes and methodologies makes it more difficult for new entrants 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 Click or tap here to enter text.

Whilst the proposed changes within the ESO licence appear to be sufficient for the initial implementation of TMO4+, we are mindful that further amendments / improvements may be required to address any potential shortcomings and / or



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to better align the process with the Strategic Spatial Energy Plan and Energy Code Reform. Therefore, it will be important to keep this under review.

For example, Ofgem's current drafting assumes that by default the ISOP will be responsible for creating and maintaining the Connections Methodologies. If Energy Code Reform allows other bodies to be responsible for managing codes such as the CUSC, there is the potential that the ISOP may no longer be responsible for managing the CUSC but would be required by licence to maintain the Connections Methodologies, which sit under the CUSC. Ofgem may wish to consider drafting that provides clarity for how things would work in such circumstances.

Ongoing licence amendments to reflect industry changes are vital to ensure accountability for process, policy and operation is clear and whether the ISOP's ownership of connection methodologies remains appropriate.

## 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**

For the most part, the definitions in the licence point to the definitions set out in the Methodology and Code documents. As such, there is little to comment on here apart from to reiterate our earlier comment regarding the lack of Gate 1 and Gate 2 Connection Offer definitions.

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 **Yes**

Please see our response to Q4 above.

### 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 [Click or tap here to enter text.](#)

Whilst we agree it is important to provide clarification in paragraph 3.2, we don't believe the proposed text is appropriate or sufficient.

It is not clear that a Project Designation by the ISOP is the only behaviour / activity that needs to be called out. We believe the scope for commercial advantage is broader than this. For example, where the ISOP reserves capacity or connection points for specific projects. Also, it is not yet clear how the ISOP will deal with projects in an over-supply scenario. This is a key omission from the process (and Methodologies) at present. The methodology used to award connections where there are multiple competing projects is arguably a further potential example of commercial advantage.

Secondly, simply by calling out that a commercial advantage is not unfair under certain circumstances does not in itself mean that it is fair. This needs to be underpinned by appropriate legislation and clear policy intent. The proposed sequencing of events means that this isn't the case at present.

In terms of paragraph B3.2, subject to appropriate legislation and clarity on the overarching policy intent, we believe more appropriate phrasing may be to insert the word "unduly" before the word "discriminatory" in the second paragraph and remove the reference to Project Designation. This would create a similar principle to paragraph E19.1 of the TO licence which requires a TO not to "unduly discriminate".

### **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**

We agree with this policy intent.

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**

The only proposed amendment to C11 is to make reference to E15 (requirement to offer terms). As such, we have no comment on the proposed text in C11.

## **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**

E2 is consistent with Ofgem's intention to introduce minimal change to the SO licence to implement connections reform. The only proposed changes to E2 are



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to make reference to E15 (requirement to offer terms) and the Connections Methodologies and to update the reference to E16. As such, we have no comment on the proposed text in E2.

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**

Please see our response to Q9 above.

### 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**

We accept the introduction of Connection Methodologies to implement the detailed provisions of TMO4+ on the proviso that the requirement and scope for these Methodologies and the route to review and update them is both appropriate and clearly set out in the ESO licence (albeit noting that this assumes the ISOP will maintain the role of Code Administrator. This may need to change depending on the outcome of Ofgem's Code Reform).

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 **Yes**

We mostly agree with the objectives and scope of the Connections Criteria Methodology, but we consider that inclusion of an objective requiring the methodology to facilitate economic growth would be appropriate and would align with the UK Government's policies for the wider economy that energy infrastructure should facilitate.

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 [Click or tap here to enter text.](#)

No. We do not believe the current provisions to update or modify the Methodologies are sufficient or fit-for-purpose. We believe this needs to better accommodate and enable stakeholders to inform subsequent iterations and any amendments required and not leave stakeholders only able to react to the ISOP's proposals.

We believe this is best facilitated through an annual call for input prior to the ISOP's requirement to provide the Authority with a statement on whether the Methodologies need to be updated (as per E12.6, E13.6 and E14.10) and for this stakeholder input to be visible / accessible to Ofgem. In this way, stakeholders have a genuine opportunity to voice their concerns and influence future iterations of the Methodologies. Within this process, the ISOP would still retain control over how it chooses to reflect this engagement in the next iteration of the Methodologies, but the real value comes from Ofgem having complete transparency / visibility on the extent to which the ISOP's proposed amendments

address the suite of challenges identified by both stakeholders and the ISOP. To further improve transparency within this process, the ISOP should be required to publish the statement it sends to Ofgem. We believe this would result in a much more robust and rounded evolution of the Methodologies.

### **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 **Yes**

It is difficult to disagree with the objectives of the CNDM as set out in E13. However, care is needed to ensure the CNDM does not undermine or cut-across Government-approved strategic plans. For example, we believe it is the role of over-arching strategic plans to enable a net zero energy system and to facilitate an economic, consistent, efficient, sustainable and coordinated network and to ensure the safety and security of supply. The CNDM must be consistent with these plans and enable these but should not give the ISOP the ability or scope to deviate from them without the appropriate governance / approvals.

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 **Yes**

We agree with the broad scope outlined in paragraphs 3.35 - 3.37.

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.](#)

In our view Ofgem should be more specific in the requirements the ISOP is expected to meet in producing the Connections Network Design Methodology. Whilst Ofgem has set out the intended purpose in its consultation, this is not reflected in the draft licence text. As such, with time there is a risk that the scope of the CNDM changes. Therefore, we believe Ofgem should be more prescriptive in the ISOP's licence on the scope of the CNDM to ensure all stakeholders retain this visibility and knowledge.

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 our response to Q13 relating to the Connections Criteria Methodology, we do not believe the process to update the CNDM is sufficient.

We believe the process needs to better accommodate and enable stakeholders to inform subsequent iterations and any amendments required and not leave stakeholders only able to react to the SO's proposals.

Again, we believe this is best facilitated through an annual call for input prior to the ISOP's requirement to provide the Authority with a statement on whether the Methodologies need to be updated (as per E12.6, E13.6 and E14.10) and for this stakeholder input to be visible / accessible to Ofgem. In this way, stakeholders have a genuine opportunity to voice their concerns and influence future iterations of the Methodologies. Within this process, the ISOP would still retain control over how it chooses to reflect this engagement in the next iteration of the Methodologies, but the real value comes from Ofgem having complete transparency / visibility on the extent to which the ISOP's proposed amendments address the suite of challenges identified by both stakeholders and the ISOP. As with the Connections Criteria Methodology, the ISOP should be required to publish the statement it submits to Ofgem. We believe this would result in a much more robust and rounded evolution of the Methodologies.

#### **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 **No**

We set out our views on project designation in our response to the Connections Reform Methodologies, as submitted to NESO on 2 December 2024. Fundamentally, we struggle to understand how project designation works at a practical level without undermining the integrity of Government-approved strategic plans (i.e. the Clean Power Plan for 2030 and subsequently the Strategic Spatial Energy Plan) and projects responding to the investment signals given by these plans.

In our view, the ISOP must not be the sole decision maker when it comes to designation as this could undermine the integrity of strategic plans. However, if and where Government deems projects to have key strategic need for GB decarbonisation / security of supply etc, then we support provisions that enable the ISOP to accommodate these projects via designation.



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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 **Yes**

We agree that the ISOP should publicly consult on any projects it is minded to designate given the potential impacts on the overall queue and other projects that may be under development. In our view, the ISOP should not make the ultimate decision on designation; instead this should reside with DESNZ (rather than Ofgem) given the potential impact on Government's approved strategic plans.

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 our responses to Q13 and Q17 above, we believe the process needs to better accommodate and enable stakeholders to inform subsequent iterations and any amendments required and not leave stakeholders only able to react to the SO's proposals.

Again, we believe this is best facilitated through an annual call for input prior to the ISOP's requirement to provide the Authority with a statement on whether the Methodologies need to be updated (as per E12.6, E13.6 and E14.10) and for this stakeholder input to be visible / accessible to Ofgem. In this way, stakeholders have a genuine opportunity to voice their concerns and influence future iterations of the Methodologies. Within this process, the ISOP would still retain control over how it chooses to reflect this engagement in the next iteration of the Methodologies, but the real value comes from Ofgem having complete transparency / visibility on the extent to which the ISOP's proposed amendments address the suite of challenges identified by both stakeholders and the ISOP. As with the other methodologies, NESO should be required to publish the statement it submits to Ofgem. We believe this would result in a much more robust and rounded evolution of the Methodologies.

Separately, we believe the criterion set out in E14.3(e) should be amended to simply read "projects with very long lead times (i.e. long design, consenting and construction periods)". We do not believe it is necessary or prudent to limit this criterion to the near-term.

We also view that the process for designation approval could be clearer, for example the licence text should specify that the ISOP publishes a 'minded-to' decision on its website, and then set out a timeline within which a decision

should be made by Ofgem on the designation – currently there are no timescales set within the licence.

### **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**

First and foremost, the CUSC sets out that the Gated Application Window will have a duration of at least 4 weeks and open no earlier than 4 weeks after the publication of the timetable. This appears at odds with the proposed licence drafting, which states that the application period will “not be for less than 2 weeks and more than 1 month and the ISOP should give customers 3 months’ notice of when it plans to start the period”.

Secondly, this raises a key point around what sits where. Currently, there is no clear structure for what is set out in the licence versus the Codes and the Connections Methodologies; it is very fragmented and potentially confusing, particularly for stakeholders that have not been involved throughout the process of reform.

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 **Yes**

As a project applicant, we would always advocate as short a response period as possible for the ISOP and TOs in responding to project applications for connections, providing this culminates in accurate and bankable connection offers. We recognise that it has become increasingly challenging for the ISOP and TOs to discharge their obligations and provide accurate and bankable connection offers within the current 3-month response period.

Therefore, whilst we have concerns about the shift from a 3-month period to one that takes 6 months and the impact this has on developers' programmes, we recognise that this is necessary to improve the quality of connection offers issued. It stands to reason that the quid pro quo must be demonstrably improved and accurate connection offers from network companies and this should be closely monitored.

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 **Yes**

Yes. However, as referenced elsewhere in this response, it would be clearer if the licence used terminology that was consistent with the Codes and the Connections Methodologies, i.e. Gate 1 and Gate 2 and indicated exactly which types of offers the ESO would give out under which circumstances. As mentioned in our response to Q2, we believe this consistency would be particularly helpful to new market entrants that have not been engaged in the process of reforming connections.

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 **Yes**

Whilst likely to be fit for purpose (notwithstanding the comments made in response to Q21 above), we believe licence changes necessary to implement TMO4+ would benefit from a clear overarching structure on what sits within the licence versus the Codes and the Connections Methodologies. Currently, the approach appears fragmented. In time, we believe this lack of clarity on what

sits where will make it difficult for new entrants as well as incremental and future reform.

Whilst likely to be fit for purpose (notwithstanding the comments made in response to Q21 above), we believe licence changes necessary to implement TMO4+ would benefit from a clear overarching structure on what sits within the licence versus the Codes and the Connections Methodologies. Currently, the approach appears fragmented. In time, we believe this lack of clarity on what sits where will make it difficult for new entrants as well as incremental and future reform.

We recognise this is in part a product of the tight timescales for implementation. However, this must not excuse steps to clearly map out the framework and ensure clarity from the outset on what aspects of the connections process are set out where and how they are governed, and the roles and responsibilities of the different parties. This is particularly key given the potential changes proposed under Ofgem's work on code reform. Failure to provide this clear framework now will make it difficult to allocate appropriate funding, hold parties accountable and bring about any subsequent changes in a timely manner.

## 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.

SSEN-Transmission is providing a separate response to this consultation and will address the changes to the Electricity Transmission licence in detail.

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.

See response to question 25.

## 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.

See response to question 25.



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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.

See response to question 25.

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.

See response to question 25.

**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.

See response to question 25.

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.

See response to question 25.

**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.

See response to question 25.

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.

See response to question 25.

**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.

See response to question 25.

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.

See response to question 25.

**Condition D16: Requirements of a connect and manage connection**



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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.

See response to question 25.

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.

See response to question 25.

**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.

See response to question 25.

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.

See response to question 25.

## **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.

See response to question 25.

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.

See response to question 25.

### **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.

See response to question 25.

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.

See response to question 25.

## 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**

SSEN-Distribution is providing a separate response to this consultation and will address the changes to the Electricity Distribution licence in detail. The below responses represent the views of Optimal Power Networks (OPN), an IDNO that operates within SSE group.

Notwithstanding this, SSE's Energy Businesses are concerned about the lack of clarity on how connections reform will apply at Distribution level and where these powers (which give the requisite certainty) will be clearly set out for all stakeholders. With TMO4+ due to "go live" in May 2025, the time to clarify the arrangements, framework and embed processes to deliver this suite of reform is running out for Distribution companies and Users alike.

### 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 **Yes**

Under scenario 1, no changes would be required because the licensee is not involved in the decision-making process related to strategic alignment.

However, in scenario 2, where DNOs/IDNOs would be required to perform strategic alignment checks, and this could be considered distortionary. We expect that license changes would be required to SLC 4.



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## 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 **Yes**

We agree that changes to these conditions would need to be implemented regardless of which scenario is progressed.

### 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.

We disagree with the position that no changes will be needed to SLC 19 to facilitate connections reform.

We do not see non-discrimination licence conditions as an impediment to connections reform for DNOs provided strategic alignment can be assessed objectively. In line with our answer to question 6, we view that this could be implemented by use of the word "unduly" before making reference to discriminating.

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.

As indicated in our other responses, we view that wider changes are needed to legislation and policy to allow for these methodologies to be implemented.

## 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 **No**



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No, we do not see any risk and we support this obligation as the current methodologies sit separate from the CUSC.

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 **Yes**

We agree with changes required to condition 20 to introduce Connections Reform documents and concepts.

### **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**

We agree with this proposal.

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 **Yes**

Yes, we agree with the introduction of a new licence condition to implement the requirement to perform Gate 2 checks. Such a licence condition should take into account the timeliness of assessment and the level of resource required to make these checks.

### **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 **Yes**

We agree with this proposal.

## **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.

See response to question 25.

## **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.

See response to question 44.

## **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.

We do not believe changes are needed to any other licence.

## **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.

We do not believe changes are needed to any other licence.



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## 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?

*The timing of this consultation made it difficult to gather a response from all relevant stakeholders within the business. This was exacerbated by the number of individual questions Ofgem raised – this could have been cut down significantly if Ofgem had limited the consultation to one question per licence condition and used bullet points to call out points of detail it sought specific responses on.*

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Do you have any comments about its tone and content?

*The tone and content of the consultation was overall appropriate for the subject matter.*

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

*As mentioned above, the sheer number of questions made the consultation difficult to follow at times, with some questions referring to specific sub-paragraphs that needed to be cross-referenced across multiple documents. A more holistic approach of seeking feedback on the changes of a whole would have allowed for more constructive answers.*

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Were its conclusions balanced?

*We view Ofgem's approach to implementing these changes is overall balanced – there are different ways this could have been done and Ofgem's policy intent is understandable.*

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Did it make reasoned recommendations for improvement?

*The changes being proposed are required by the Connections Reform process – we have indicated where we think the proposals are not well reasoned.*

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Any further comments?

N/A