



# Connections Reform

Appendix 4 – Initial Recommendations Overview

June 2023

# Initial Recommendations

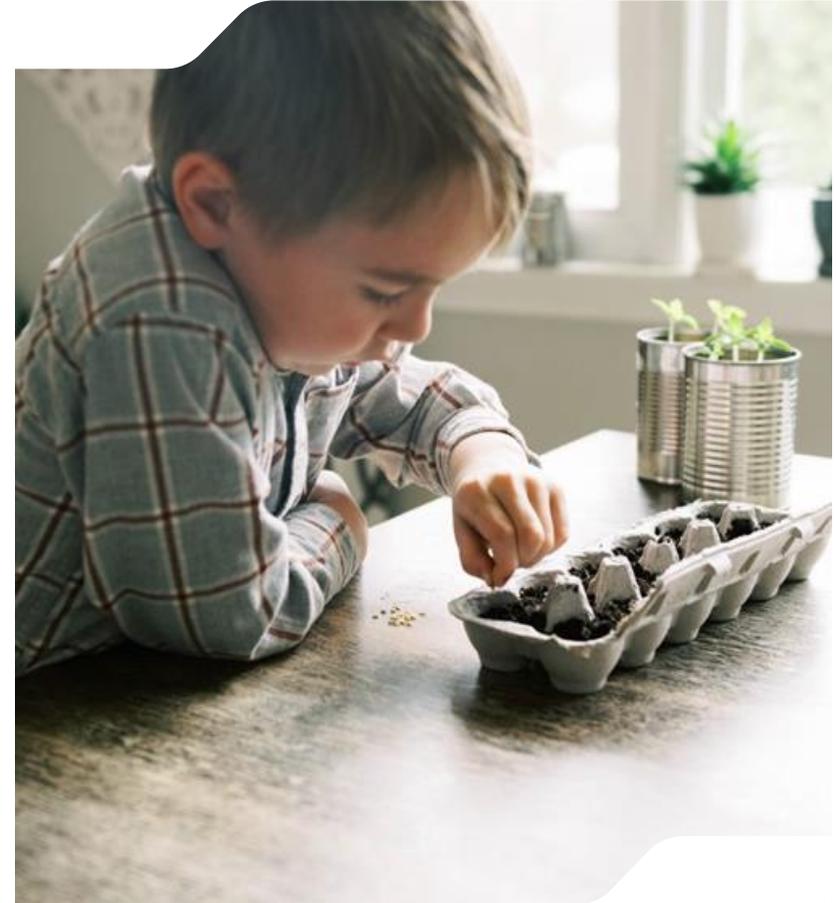
## Overview

As set out in the consultation, our overall preference is for Target Model Option 4 (TMO4).

We set out below a summary of all our initial recommendations in relation to TMO4, including those in relation to the initially recommended (and rejected) key and supplementary Target Model Addons (TMAs).

With Chapter 10 in mind we have also provided an initial view on whether the initial recommendation is required for development of a Minimum Viable Product (MVP) for TMO4, and whether a change has the potential to be a quick win i.e. whether it can be implemented prior to 'go live' of TMO4.

*Please note that the consultation also includes initial views and recommendations not highlighted as being directly related to the TMOs or TMAs, and hence not summarised within this appendix. For example, in relation to the T/D Interface and for offshore considerations, both as considered within Chapter 8, or in relation to the foundational design options and key variations considered within Chapter 3.*



# Initial Recommendations Table

Initial Recommendation Component	Proposed Status	MVP	Potential Quick Win
TMA A - Access to self-service tools	Include	Yes	In Part
TMA B - Getting the best out of 1-1 discussions	Include	Yes	In Part
TMA C - Appropriate use of optioneering route	Include	No	No
TMA D - Requirements to apply	Include:		
	D1: Provision of a Letter of Authority	Yes	Yes
	D4: Duplication Check	Yes	Yes
	D5: Simplification and Standardisation of Offer T&Cs	Yes	No
	D6: Acceptance of standard T&Cs upon application	Yes	No
	Exclude:		
	D2: Provision of land rights	N/A	N/A
	D3: Provision of planning consent	N/A	N/A
TMA E - Determination of Enabling Works <sup>1</sup>	Include:		
	E2: CPAs	Yes	N/A <sup>2</sup>
	E3: Non-Firm Connections	Yes	N/A <sup>3</sup>
	E4: Anticipatory Investment	Yes	No
	Exclude:		
	E1: Connect and Manage (Depth of Enabling Works)	N/A	N/A
TMA F – Criteria for accelerating projects	Include:		
	F1: Government Support (Future Proof)	No	No
	F2: Positive network/consumer case (Future Proof)	No	No
	F3: Demonstration that the project is ready to connect e.g. it is 'shovel ready', or another key milestone	Yes	No <sup>4</sup>
	Exclude:		
	F4: Price-Based Mechanism	N/A	N/A

1. TMA E to be revisited once the impact of the 5-Point Plan is known and further changes may be recommended in future.

2. As Status Quo via tactical initiatives.

3. As Status Quo via tactical initiatives.

4. Except as is being progressed under our 5-Point Plan and the work of the ENA Strategic Connections Group (SCG).

# Initial Recommendations

## Table (continued)

Initial Recommendation Component	Proposed Status	MVP	Potential Quick Win
TMA G - Queue Management	Include: G2: RQM+	Yes	No
	Exclude: G3: Consumer Impact PQM	N/A	N/A
	G4: Developer Impact PQM	N/A	N/A
	G1: RQM	N/A	N/A <sup>5</sup>
TMA H - Structure and Value of Application Fees	Include: H1: Pre-Application Fee	Yes	No
	H2: Application Fee (Status Quo)	N/A	N/A <sup>6</sup>
	H3: Modification Fee (Status Quo)	N/A	N/A <sup>7</sup>
	H4: Methodology Review	Yes	No
	H5: Payment Review	Yes	No
TMA I - Criteria for ESO to reject an application	Include: I2: Technology and/or geographical restriction	No	No
	Exclude: I1: Long connection Date	N/A	N/A
	I3: Cap on total/aggregate applications	N/A	N/A
	I4: Cap on applications (customer specific)	N/A	N/A
TMA J - Optionality provided in an offer	Include: J2: A single offer with later advancement	Yes	No <sup>8</sup>
	Exclude: J1: A single offer	N/A	N/A
	J3: A small range of customer defined options	N/A	N/A
	J4: A small range of predefined options	N/A	N/A

5. As expected to be Status Quo via tactical initiatives.

6. As Status Quo.

7. As Status Quo.

8. Except as is being progressed under our 5-Point Plan and the work of the SCG.

# Initial Recommendations

## Table (continued)

Initial Recommendation Component	Proposed Status	MVP	Potential Quick Win
TMA K - Capacity products in an offer	Include:		
	K2: Clarification of existing time-limited products	No	No
	K3: Define and formalise new non-firm capacity products	No	No
	K4: Define and formalise new demand capacity products	No	No
	K6: Clarification of existing capacity trading products	No	No
	Exclude:		
	K1: Fundamental review of time-limited products	N/A	N/A
	K5: Fundamental review of capacity trading products	N/A	N/A
	K7: Define and formalise new access trading products	N/A	N/A
TMA L - Requirements to accept an offer	Include		
	L1: Provision of User Commitment or Final Sums	Yes	Yes <sup>9</sup>
	Exclude:		
	L2: Provision of security for holding capacity <sup>10</sup>	N/A	N/A
	L3: Provision of a charge for holding capacity <sup>11</sup>	N/A	N/A
TMA M - Timeframe for updating contracts	Include:		
	M1: Ad-hoc updates (Status Quo)	N/A	N/A <sup>12</sup>
	Exclude:		
	M2: Annual Review	N/A	N/A
	M3: 6-monthly review	N/A	N/A
	M4: 3-monthly review	N/A	N/A
	M5: Key milestones	N/A	N/A

9. Whilst this is Status Quo, a limited review will be required as described in Appendix 6.

10. Subject to further review.

11. Subject to further review.

12. As Status Quo.

# Initial Recommendations

## Table (continued)

Initial Recommendation Component	Proposed Status	MVP	Potential Quick Win
TMA N - Criteria for ESO to reject a modification	Include: N3: Formalise guidance on substantial changes	Yes	No <sup>13</sup>
	Exclude: N1: Cap on number of contract changes	N/A	N/A
	N2: Restricted scope on allowable changes	N/A	N/A
TMA O - Secondary processes for defined changes to a connection	Include: O1: Connection charging appendices	Yes	No
	O2: Corrections or administrative changes	Yes	No
	O3: Contract novations	Yes	No
	O4: No transmission system impact	Yes	No
	Exclude: O5: Construction programme changes	N/A	N/A
	O6: Following interactivity	N/A	N/A
	O7: Capacity reductions	N/A	N/A
	O8: Capacity increases	N/A	N/A
	O9: Connection site changes	N/A	N/A
TMA P - Dual track process for priority projects	Include: P1: Use main TMO process	Yes	No
	Exclude: P2: Use a secondary process developed under TMA O	N/A	N/A
	P3: Bespoke priority project process	N/A	N/A

13. Whilst we are developing guidance at this stage, it will also need to be reviewed in future to ensure it remains aligns with a reformed connections process.

# Initial Recommendations Table (continued)

Initial Recommendation Component	Proposed Status	MVP	Potential Quick Win
TMA Q - Financial Compensation	Include: Q1: Liquidated damages (Status Quo)	N/A	N/A <sup>14</sup>
	Exclude: Q2: Price control	N/A	N/A
	Q3: Network charges	N/A	N/A
	Q4: Applicant fund	N/A	N/A
TMA R - Management of underutilised capacity	Include: R1: Use it or lose it (UIOLI) arrangements	No	No
	Exclude: R2: Revise the user commitment methodology	N/A	N/A
	R3: Charge or security deposit for holding capacity (pre-energisation only) <sup>15</sup>	N/A	N/A
	R4: Charge for holding capacity (pre and post energisation) <sup>16</sup>	N/A	N/A
	R5: Apply TNUoS to contracted projects	N/A	N/A
TMA S - Fast Track Disputes Process	Include: S1: Clarified and defined dispute process	No	No

As can be seen from the above table, many of the TMAs are viewed to not be requirements for the MVP and there are few potential quick wins in relation to TMO4 and the initially recommended TMAs. We further consider each of these in our implementation approach in Chapter 10.

14. As Status Quo.

15. Subject to further review.

16. Subject to further review, in respect of pre-energisation.