




Two-Step Offer Process
Industry Update 23rd February 2023

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- **Why do we need to do something different?**
 - Enable ways of connecting more generation to the grid quicker and ensuring a more strategic review and prioritisation of transmission reinforcement works.
 - There are currently over 250GW of projects contracted to connect to the transmission system, compared to circa 80GW of connected generation currently.
 - We have seen an 84% increase in applications in just this financial year to date.
 - Ensuring the physical electricity system can quickly adapt to meet these demands has become a key priority.

Two Step Update

Two Step Process will commence on the 1st March 2023

Two Step Process will apply to England and Wales offers only

Scottish TO's will implement new CPA's using current process

Two step webpages have gone live with information and FAQ on ESO website

Two Step Process will run for 12 months

Timeline to introduce Two Step

Two Step go live – 1st March

Group 2

Offers that have been Clock Started up to & including the 28th February but not yet been issued, customer will receive a standard offer

Group One

Standard Offers that have been issued by ESO ahead of Two step introduction*

January 2023 and before

February

March

April

May

June

July

August

September

October

November

December

January 2024

February

March

Group 3

Any Clock started applications from the 1st March onwards will be subject to the Two Step process, if applicable. Customers will be made aware before clock start how their offer will be treated.

* Of which Offers that have been contracted shall be included in contract background & TWR review

Step one Initial Offer

Customers are provided with an offer in standard terms, which identifies a connection site reflecting the requested connection point in the application and a completion date, which may change in step two.

This is based on the existing TEC queue and current Transmission Reinforcement Works (TRW) reflecting the general scale of works to enable connection for projects applying now against the current contracted background.

It will not however include the detailed works, programme or indicative costs and charges that would usually populate the appendices.

No transmission works will be identified in or undertaken for the purposes of the connection at this stage.

Securities will be set at £0.

Step Two – Follow up offer

Where the step one offer is accepted, this offer will then be issued a maximum of nine months after counter signature of the step one offer.

A meeting with each customer who has accepted the step one offer will be held to give an update on the wider results following the completion of the TRW review.

The meeting will also discuss when the customer can expect the follow up offer to be issued, and the likely results.

The follow up offer will be updated based on the TRW review study results and contracted background, and identify the transmission works needed for each project.

This offer will include the complete populated suite of appendices for the agreement, including securities and programme of work, based on the identified TRW.

Modification Applications

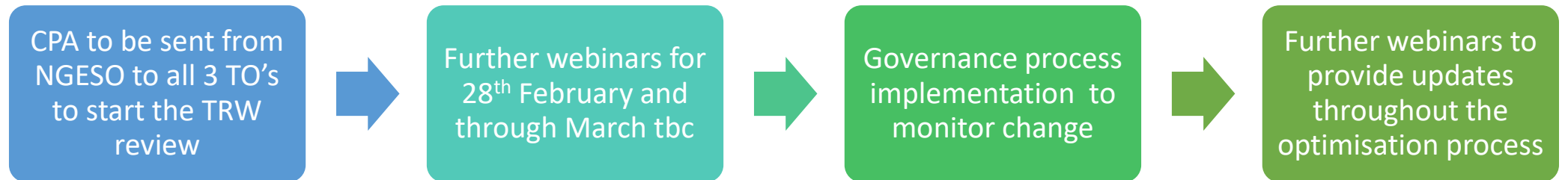
In some isolated cases, where a customer submits a modification application, ESO / NGET may still provide a standard offer (not Two Step).

The basis for this decision will be where the request in the modification application still requires development or delivery activities to be progressed within the 12-month Two Step offer process in order to deliver against the construction programme.

NGET will confirm this ahead of clock start date so customers are clear. Any decision to provide a standard offer will not determinately impact any other user who is already contracted or who has already applied for a Two Step offer in order to respect the first come first served queue principle”

- An example of this could be where a customer who has a 2026 connection date applies to delay their connection date until 2027.
- If the 2027 connection date still requires the ESO / NGET to still progress development or delivery activities in the 12 month two stage offer window to meet the revised 2027 completion date then a full offer would still be provided.

Next Steps



<https://www.nationalgrideso.com/industry-information/connections/two-step-offer-process>



Questions