

ESO Connections Agora

26th June 2023



Introduction

The Customer Connection Agora Sessions are aiming to:

- ✓ Provide an opportunity to learn about a variety of subjects such as Connection Processes, Codes and Policy Changes, Network Operability, Operational Compliance, Security and Liabilities, Cancellation Charges and more;
- ✓ Increase the visibility of the Electricity Connections Team to our customers, stakeholders and the wider electricity market;
- ✓ Facilitate updates on our key workstreams and initiatives, as well as enable engagement and interaction via the Questions and Answers segment.

April Agora presented by

Laura Henry

Connections Policy and Change
Manager

Agenda

- Connections Process
- 5 Point Plan
- GB Connections Reform
- Questions and Answers

Please ask all questions in the chat. We aim to get through as many questions as possible.



Connections Overview

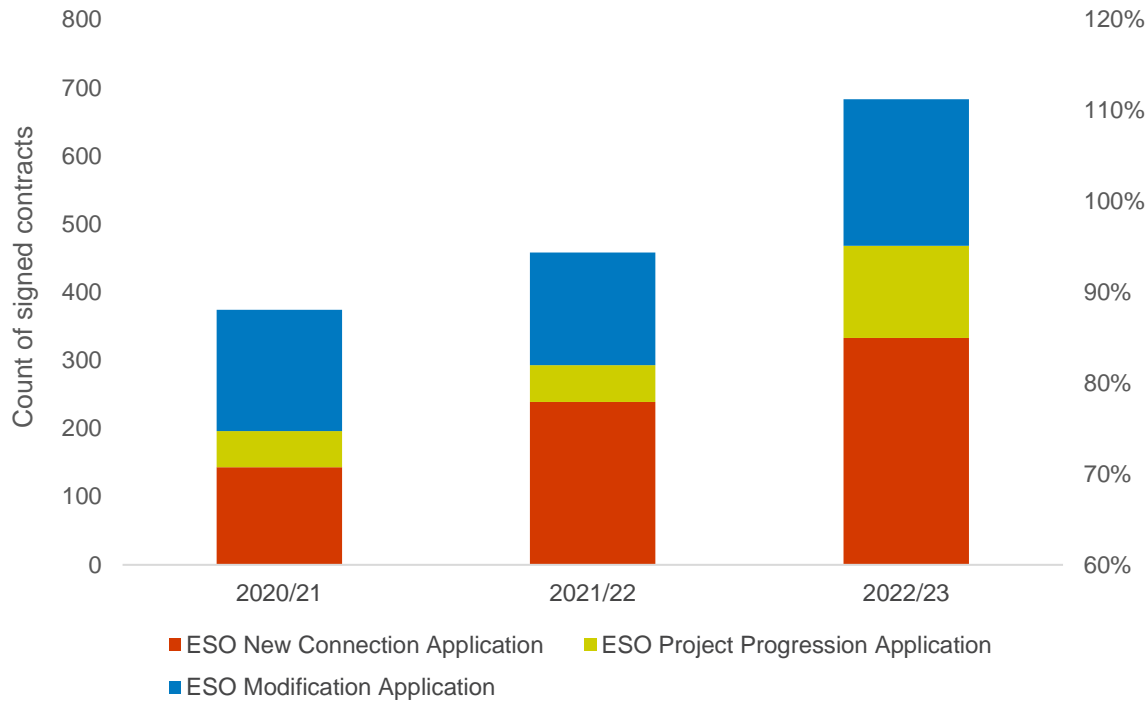


Acceptance Volumes

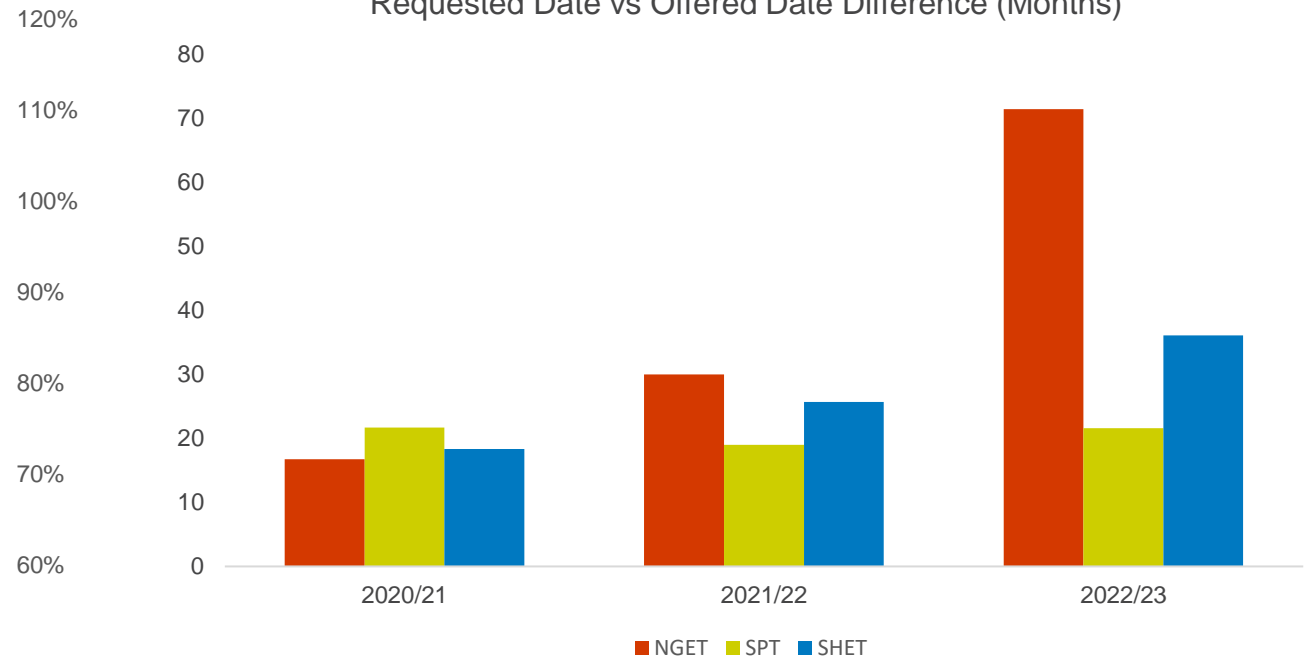
We are experiencing a greater volume of applications and acceptances with later connection dates.

The volume of new applications grew nearly **2.5x in three years** – driven mostly by storage.

Number of Offers Signed - Type Split



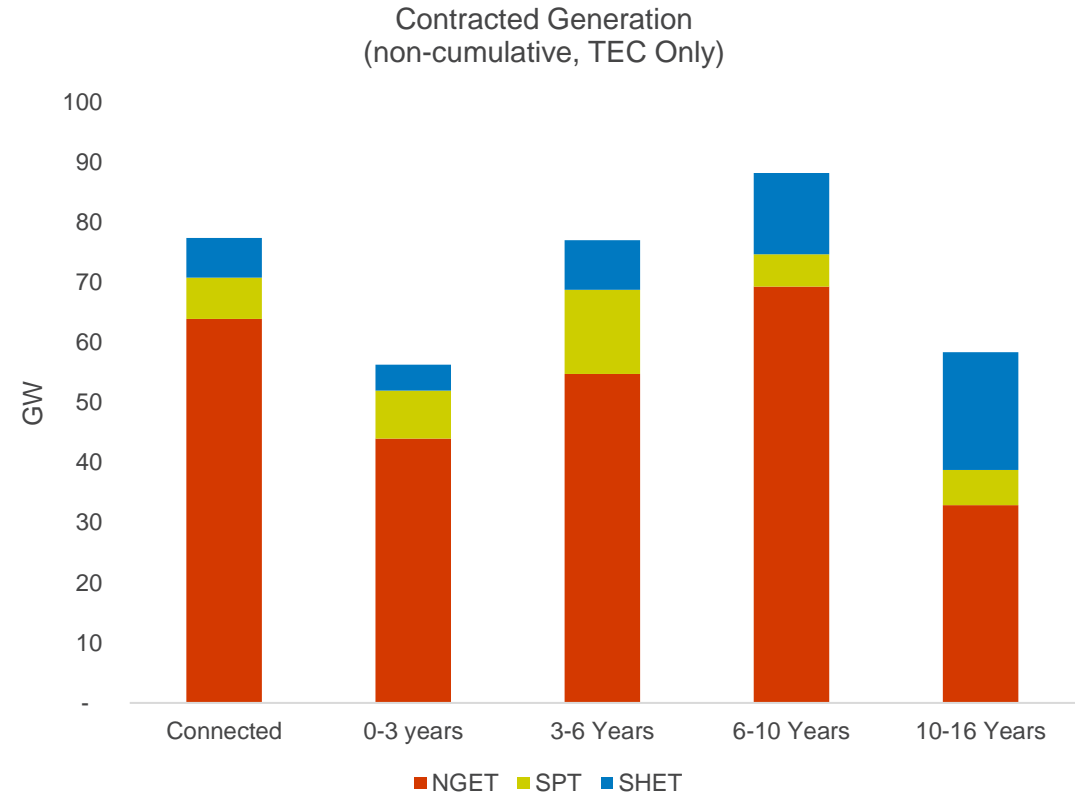
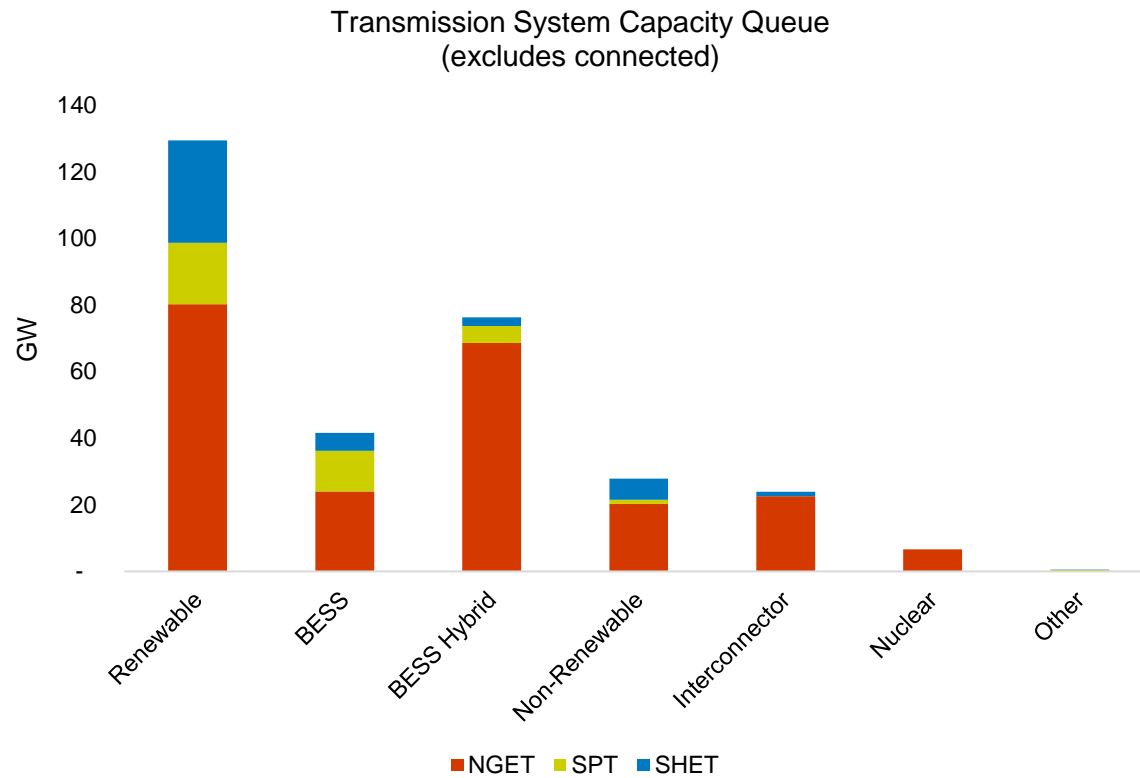
Requested Date vs Offered Date Difference (Months)



Connections Queue

The contracted background is still growing, with more applications offsetting a falling acceptance rate to result in a process with more wasted effort.

Over **306 GW** of generation projects are currently seeking to connect to the electricity transmission system, yet our data shows that up to **70%** of those projects may never be built.



5 Point Plan



Our 5 Point Plan

To manage some of these immediate challenges, our 5 point plan is helping.

1. TEC Amnesty

This was the first TEC Amnesty since 2013. We received a total of 8.1GW of applications and are currently working with Ofgem to allow the termination/reduction of TEC process from connection agreements.

2. Construction Planning Assumptions Review

Review the Construction Planning Assumptions to reflect current connection rates and reducing the assumption that most projects in the queue will connect. This will allow connection dates to be brought forward and reduce works in existing agreements.

3. Treatment of BESS

Revising the way storage connections are modelled as the current process takes a conservative view of what the assumed behaviours of storage could be. These changes will allow storage to unlock more capacity to connect others.

4. Queue Management

There is currently no mechanism in the CUSC to terminate projects that are not progressing. If changes are approved, it would allow the ESO to terminate projects that are not progressing against their contracted milestones and agreed timescales, in order to free up capacity for other projects that can progress.

5. Non-firm Offer Development

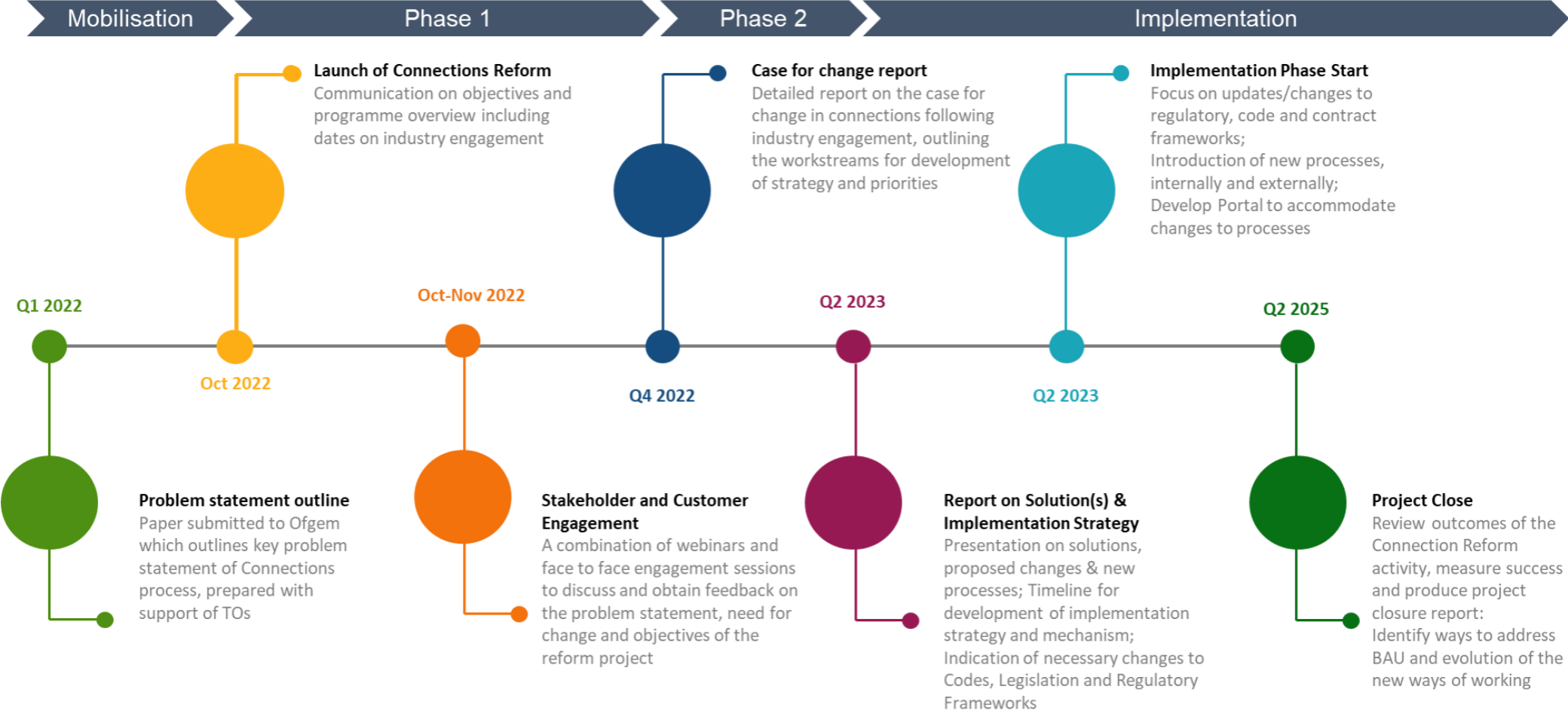
The policy aims to accelerate the connection of energy storage projects by removing the non-critical enabling works to be complete before they connect under a non-firm connection agreement.



GB CONNECTIONS REFORM [GBCR]

TRANSFORM | CONNECT | ENABLE NET ZERO

Connections Reform - Timeline



Upcoming consultation engagement

We will be hosting a number of events at the beginning of our consultation period to enable you to engage with us and to provide an opportunity for you to ask any questions you may have. For further details on how to sign up contact:

box.connectionsreform@nationalgrideso.com



Q&A



Please ask any questions in the meeting chat

Questions and Answers

No.	Questions	Answers
1	What year was the 24GWs connecting?	All offers that are currently being made are mid-late 2030's.
2	Will there be any further TEC amnesties?	We are not planning anymore TEC Amnesties ahead of CMP 376 coming into effect.
3	Could you confirm what is the connection rate currently being used and how will it be changed?	The previous attrition rate was 100%, this is now being changed to 30-40% which should bring connection dates forward and reduce work for those customers that have expressed an interest.
4	How do we make sure we are on the list of the schemes being considered for the storage non-firm connections and the construction planning assumptions review?	For the construction planning assumptions customers needed to fill out an expression of interest. For the non firm offers while all projects potentially can be considered, it is likely that the first wave of projects will be those that have expressed an interest in coming forward non firm in the EOI.
5	What is the timeline for the Expression of Interest process? And when are customer's likely to receive correspondence from NG if they have submitted EOI's?	The expressions of interest are being fed into the wider CPA review which we are working on with the three TO's, once we are in a position to be able to update agreements we will be in touch with the relevant customers.
6	When will we hear any news for our specific scheme as a result of the capacity planning assumptions workstream in the 5 point plan	The expressions of interest are being fed into the wider CPA review which we are working on with the three TO's, once we are in a position to be able to update agreements we will be in touch with the relevant customers.
7	Could you confirm how earlier connection dates will be offered to distributed generation projects who have gone through Project Progression via their DNO to join the transmission queue? There have been mixed messages on this.	We are working with the DNO's on how their projects feed into this process. The demand customers will be treated in the same way as the transmission customers.
8	For DNO connections, is completion of M4 triggered by the signing of the first step of the 2 step offer or the second?	M4 is a distribution queue management milestone and therefore this question should be asked to the DNO directly.
9	Is there a methodology statement going to be published detailing how the revised CPAs are being applied by TO's?	Yes there will be a policy released on this.

Questions and Answers

No.	Questions	Answers
10	When is Ofgem's deadline to respond to this queue management?	There is no set deadline however Ofgem have set a target date of the 15 th September.
11	Is it the case that those parties that have submitted the EOIs will be the only ones eligible for the non-firm offer for storage?	Customers do not need to have expressed an interest to be involved in the non firm offers and all storage is eligible. However it is likely that the first wave of projects considered will be those that have expressed an interest in coming forward non firm in the EOI.
12	For customers that received single step full offer after EOI was closed, will there be another EOI or will they automatically be eligible for bringing forward the connection?	No only those that expressed an interest will be involved in the CPA review at present.
13	Regarding QM and Milestones. Will 3rd Party Works for Transmission Connected schemes be counted?	No third party works are not part of CMP 376, third party works are part of CMP 328.
14	Can you please confirm when we should expect to hear any updates on storage non-firm connections for our specific scheme from the ESO?	We are currently working on this and will be in touch with storage customer soon.
15	How confident are NGENSO that milestones can be retrospectively applied to existing contracts?	We do not know what decision Ofgem will make on CMP 376 at this stage.
16	Can NGENSO confirm (for DNO/Distribution projects) if they will allow multiple Project progression submissions under the same GSP before the full outcome of the two-stage offer review process. We have mixed signals from DNOs on this. i.e. we have been told we will have to wait almost 1/2 year before a PP can be submitted because we have missed the first PP coming under the two step process. This places distribution customers at a major disadvantage?	Under the two stage offer process we are not making full offers for distribution and transmission customers currently.
17	Will we need Active network management in order to come on via a non-firm offer?	No a customer does not need to have an ANM to take part in the non firm process.

Questions and Answers

No.	Questions	Answers
18	Are you providing analysis of interruption probability for the non-firm connections?	Supporting information will be provided to allow customers to analyse the interruption probability for non-firm connections.
19	For what specific reasons would an offer not be terminated due to Queue Management if the timelines are exceeded? Is this planning delays, Eskdalemuir delays etc, will these be defined	All exceptions can be found on the CMP 376 workgroup webpage, we will also be publishing an in depth guidance document explaining all of the exceptions.
20	How robust can we expect curtailment forecasts for non-firm connections to be?given we have to make financial decisions based on that data.	See previous answer.
21	Can and new nuclear plants be moved out the queue? Last time we had queue management you would not let move Hinkley in 2009 as it was due in 2016!	CMP 376 if approved will apply to all agreements regardless of technology type.
22	Would non-firm connections preclude participation in balancing services? And/or expose the sites to penalties in other markets?	There are already many parties connected on non-firm access rights. These rights do not necessarily preclude participation in balancing services, but it is on a site by site basis and depends on the system technical limitations.
23	Can you confirm when the TO's will adopt new CPA and BESS modelling? Scottish TO's have advised this has not been agreed yet and so won't implement treating storage differently currently	We are still working with all TO's on both the CPA's and the non firm storage, we will continue to update on how these projects are progressing at the monthly agora's .
24	Is there a document setting out the new CPAs and where can it be found	A policy will be published on CPA's shortly.
25	Should we have received an email about the EOI through the DNO?	Each DNO has managed the process slightly differently however they will be in touch as soon as there is an update on an agreement.
26	I'm now getting messages bounced to box.connectionsreform	Please note the email address as - box.connectionsreform@nationalgrideso.com

Questions and Answers

No.	Questions	Answers
27	Are you able to publish a list of GSP project progressions?	We do not currently have an embedded register, this is something that there are ongoing conversations about across the industry.
28	Have you reviewed any specific schemes yet to check if the plan works/will work? I've heard rumours about 10 year reduction in connection dates for some projects.	We are still working on all of the construction planning assumptions with the three TO's.
29	Has there been analysis on potential uptake of interest in storage non-firm connections (i.e. has there been a large level of interest in this approach?)	The recent EOI does give a general indication of potential uptake.
30	Recently, there is a statement of zero impact of BESS, how will this impact this reform?	The new CPA's will continue to be applied in the new connections reform project.
31	Is the key application date that determines queue position for distribution level projects the date that they were applied for or the date of the Project Progression application? I.e. if my DNO took 2 years to get round to submitting the PP has my queue position been negatively effected?	The DNO queue position is the application date however the transmission queue position is the data the project progression was countersigned.
32	Do you have an insight into why Ofgem has not approved CMP298 on improving the Statement of Works process?	Unfortunately we do not.
33	For BELLA/BEGA BESS connections, will they be offered the earlier connections dates through their respective DNOs or from ESO directly (since they applied directly)?	The potential for earlier connections dates for BELLA/BEGAs will come from the ESO. Note that any distribution constraints will still be applicable.
34	Can you make queue positions publicly available on TEC register?	The countersignature data is not something that is published due to confidentiality.
35	With the implementation of the new CPAs, if NG contact us to bring a connection forward, is it possible that securities will jump up rapidly? Although we would welcome an earlier connection date, it would be helpful to plan for when NG might contact us and prep for a large increase in securities.	There is a chance that if an earlier connection date is offered then securities will increase.

Thank you

Next Agora –

19th July 2023 10:00 – 10:45

Please take the time to give
us some feedback on today's
Agora

