

Meeting Summary

CISG Sub-Group - Connections strategic change & impact to CUSC (Meeting #1)

Date: 18/07/2023 **Location:** MS Teams
Start: 10:00am **End:** 12:30am

Participants

Attendee	Company	Attendee	Company
Karen Thompson-Lilley (KT)	ESO (Chair)	Alison Price (AP)	ESO (Tec Sec)
Joseph Henry (JH)	ESO (Presenter)	Laura Henry (JS)	ESO (Presenter)
Djaved Rostom (DR)	ESO (Presenter)	William Kirk-Wilson (WK)	ESO (Presenter)
Paul Mullen (PM)	ESO (Presenter)	Angela Quinn (AQ)	ESO
Garth Graham (GG)	SSE Generation	Kate Livesey (KL)	Drax
Claire Hynes (CH)	RWE	Precious Nwokoma (PN)	Fred Olsen renewables
Lisa Waters (LW)	Waters Wye	Alex Ikonic (AI)	Orsted
Deborah MacPherson (DM)	Scottish Power	Paul Youngman (PY)	Drax
Alex Howison (AH)	Lowcarbon	Pedro Rodriguez (PR)	Lightsourcebp
Charles Qian (CQ)	ESP Utilities Group	Dennis Gowland (DG)	Research Relay Ltd
Klaudia Starzyk (KS)	Ofgem	Folashadé Popoola (FP)	ESO

Please note: These notes are produced as an accompaniment to the slide pack, [link here](#):

Introduction, context and ways of working – Karen Thompson-Lilley, ESO

KTL opened the meeting providing an introduction on why the sub-group has been established and the ways of working the sub-group will operate under. Context was also provided regarding the challenges our customers face in connecting and that the ESO remain resolute in owning and driving improvements in the connection process for the industry. An update was provided regarding the amount of generation capacity awaiting to connect (343GW) and that the ESO are confident that through the tactical 5-point plan and strategic Reform initiatives these actions will result in significant improvements in the connections process. KTL thanked industry attendees for attending this group and acknowledged the amount of experience in the room. Noted that it was key that ESO continue to work extensively with industry on these actions whilst acknowledging this sub-group was needed to ensure as an industry we work effectively and efficiently together and understand where actions can be delivered through current process levers or where relevant

CUSC changes. This sub-group would be used for initial engagement before wider engagement within the TCMF/CISG standing group and before any necessary modification proposals are more formally raised.

Terms of reference – Joseph Henry, ESO

JH gave an overview of the intent of the draft terms of reference. JH noted that the secretariat team had only received comments back so far from one participant. These comments will be shared with the sub-group distribution list; comments on the Terms of Reference remain open and participants can send any more comments directly to AP via email (alison.price@nationalgrideso.com). JH advised that a week should be sufficient time to send comments. Any feedback discussed at the next sub-group meeting.

Action 001 – Subgroup to provide comment on Terms of Reference (ToR)

JH gave a brief walkthrough of the terms of reference, advising that they would be used as a touchstone to ensure the group achieved its objectives. JH briefly touched on each section of the ToR and invited further feedback.

Discussion themes/feedback

LW asked if this sub-group was to discuss demand as well as generation, as much focus is on changes in the generation community.

LH confirmed that initiatives discussed will cover both and as part of her 5 point-plan overview, LH will highlight whether the impact is to Demand or Generation on each point.

5 point-plan – Laura Henry, ESO

LH gave an overview of the 5 point-plan. See slides for more detail

Discussion themes/feedback

TEC amnesty

LH confirmed that this was open to Transmission customers on TEC. Ofgem are expected to decide on cost recovery (pay a reduced cancellation charge or no cancellation charge) by the end of July.

LW asked that should Ofgem decide that customers have to pay a reduced cancellation charge, would they subsequently have the opportunity to withdraw their request.

LH confirmed that customers would have a choice. Post the decision on cost recovery from Ofgem, the Connections team will go back and check with those that have applied and confirm how they want to proceed.

Action 002: LH check if ESO will publish a summary of who has gone through TEC amnesty

LH advised that as a minimum the TEC register will be updated, allowing parties to see where TEC has changed.

GG asked if Ofgem will publish their decision.

LH confirmed that the expectation is that this will be published along with the ESO letter to Ofgem.

Construction Planning Assumption (CPA) Review and (3) Treatment of BESS

LH confirmed that current CPA's show that only 30-40% of customers go through to connect.

The Expression of Interest (EOI) was open to everyone; an EOI process was introduced as some customers expressed that they were satisfied with their existing date.

PY asked what is being done to look at the treatment of storage and its changing background?

DR confirmed the tool ESO currently provide to Transmission Owners (TO) mimics what a storage connection would typically do. The model is being updated as part of the CPA to be more reflective of what storage can do and to be less conservative than the current model.

DR advised that the ESO can share/publish the assumptions behind the high level methodology being used in the CPA, ESO cannot publish the detail within CPA's to TO's as it will contain confidential information.

It was advised that the CPA is looking at Batteries (all types) across England, Scotland and Wales.

LH confirmed that ESO have received a letter of comfort from Ofgem on the 2 step offer process. This means that within the current 90 days offer process, the first offer made is more of a light touch (this applies in England and Wales only).

DM asked if the light touch offer could lead to a reduction in fees paid in the process.

LH confirmed that ESO are working to the timeline in the Ofgem letter, which is an end date of March 2024. As there is an end date to the process, ESO are not intending to amend application fees as part of this trial. PY asked why Scotland did not adopt the 2 step-process and if it was because they had more resource assigned to process applications? The ESO view is that the TO in England and Wales receives a much higher number of applications than the Scottish TO's.

(4) Queue Management

LH confirmed that ESO are consulting with Ofgem on any further questions they have on Queue Management and internally ESO are producing a guidance document.

The ESO have not considered sharing it prior to its publication as whilst ESO await Ofgem's decision, it has been written to cover the range of possible solutions - Original Solution and 11 Workgroup Alternative CUSC Modifications (WACMs).

The ESO will look to publish this within 10 Working Days of an Ofgem decision, which is currently expected on 15 September 2023. If this decision is received the ESO will publish by 29 September 2023 at the latest.

LH advised that the guidance document will essentially be what is covered in the final report (depending on which solution Ofgem chooses). From a process perspective, the document will contain guidance on how to submit physical evidence on the portal.

GG noted that stakeholders having sight of the guidance document prior to publication may be useful so that issues in how the ESO has designed the process can be flagged before go-live

KTL confirmed that the ESO will take this away and consider what can be done in this space; LH confirmed later in the meeting that changes are being made to the portal in September, giving Users the ability to upload evidence into the portal. ESO will be holding webinars/training sessions to Users on how to do this.

Action 003: LH to advise if we intend to give stakeholders sight of the guidance document before publication

LH advised that Queue Management milestones are for all transmission and directly connected agreements. Milestones were designed for alignment between Transmission and Distribution, although there are some differences. Distribution Connections milestones will go through the DNO Queue Management.

LW asked if Queue Management applies to everyone, including hydrogen and carbon capture?

LH confirmed that it will apply to all for Transmission and Distribution. If Ofgem approve the original solution, it will apply only to new connections; if one of the WACM's gets approved, it will be all agreements with a connection date of more than two years in 2 years.

(5) Non-firm offer development

Not discussed in detail as this is being discussed in more detail later in the meeting.

Connections Reform – Paul Mullen, ESO

PM gave the introduction to Connections Reform – refer to the slide pack for more detail

Discussion themes/feedback

5 point plan is more tactical, immediate changes and Connections Reform is what comes after that.

LW asked how Connections Reform fitted in with the Ofgem consultation on this topic expected later this Summer? Stakeholders may not have the time to respond to lots of consultation.

KS confirmed that Ofgem are working closely with the ESO and DESNZ on wider strategy. The open letter expected to be published this Summer will consider the different approaches/strategies in play and how the ESO can bring about changes in a quicker way than the current framework allows.

GG expressed that existing processes have been used previously to push through change quickly and going outside these processes may take away/minimise the opportunity for stakeholders to help shape the process.

PR and LW felt that whilst Connections Reform has positives, its focus is on the connections process and not addressing the route problem around lack of network investment.

PM noted that Connections Reform is looking at process improvements however the building of assets is a matter between Ofgem and the TO's.

PM encouraged the sub-group to respond to the consultation and feed in any questions they have so that the ESO can acknowledge them. PM also offered his support in discussing the Connections Reform consultation with sub-group members off-line, if this was of use.

Non-Firm – Will Kirk-Wilson and Djaved Rostom, ESO

WK apologised for the wording in the ESO publication on the 2nd June and appreciated that it was somewhat misleading.

DR talked through the product being proposed – refer to the slide pack for more detail.

Discussion themes/feedback

DR walked through ESO thinking on utilising design variations as outlined in the SQSS and CUSC. WK noted that the ESO are still working on the direction of travel, so do not have all the answers to the questions which GG has raised at the moment (clarity on system conditions/storage constraints; consistency across all providers and transparency).

DR noted that the ESO have engaged with several battery developers and whilst there is a locational element, evidence at the moment suggests that not all storage behaves in the right way at the right time.

Customers (who have submitted an EOI) will be given a choice to have a non-firm connection before their formal connection date. They will be provided with a contract variation based on non-firm product and within that contract, ESO will provide information to help the developer understand the probability of curtailment/impact to ancillary services.

The ESO are currently engaging with selected stakeholders to pull together a 'straw person' to discuss with a wider audience.

All of storage is eligible; customers who have submitted an EOI are currently being prioritised for the first roll-out. EOI was introduced, as not all customers were interested in a non-firm product.

The product is still work in progress and discussions will be held with TO's and stakeholders as our thinking progresses. No offers have been made so far on this product. ESO are working with NGET on the EOI first tranche and expect to have first offers in a couple of months' time. Will aim to come back to this sub-group with further thinking within the next couple of months.

First stage is focusing on storage only.

Action 004: WK and DR to provide updates to sub-group as ESO thinking on non-firm product progresses

PR stated that to help developers make assumptions is a complicated assessment. Any expectation to provide a full model to the GB market and how will a curtailment queue work?

DR confirmed that the ESO already publish a model (there are some limitations about what ESO can publish), which is a 36 node model, and that the ESO are working with the Control Room to help identify how a curtailment queue could work, that is fair and transparent. ESO will share details as they know more.

LW asked whether you could participate in the capacity market if you had a non-firm product and if changes were needed to Capacity market rules.

LH confirmed that as is now, non-firm is customer choice and with a non-firm product you cannot participate. There will be impacts regarding the services that the customer can therefore be able to participate within and we would ask all customers to consider this before deciding on a non-firm product.

LW asked if the Department for Energy Security and Net Zero (DESNZ) are happy about this.

Action 005: WK and DR to contact DESNZ about LW's point.

Action 006: WK and DR to evaluate what the ESO do to make it clear that taking up a non-firm product will mean you cannot participate in the CM

As the meeting was coming to a close, other questions members wanted to ask were noted, and the ESO will provide an update. These questions have been recorded as actions on the ESO to respond

GG - What information will the rest of market have on the quantum of curtailment behind T boundaries, both ahead of time and real time?

GG - How long is the curtailment to be active– in market timeframes for the products being used by the ESO, such as settlement period(s) in BM?

GG- As curtailment is to be in reverse queue order (Djaved answer a few moments ago) will users have visibility of their place in the queue, relative to other users signed up to this option, in order for them to understand the probability of curtailment?

Action 007/008/009: WK and DR to respond to GG’s questions

CH – As more non-firm is connected on the network, how is it decided which gets turned off first? What is the process? How transparent will this be?

For example, if there are two non-firm connections at one node – will both be restricted to 50%? Or only one asset 100% restricted? (Is it all or nothing? Or can there be partial?) etc. This needs to be completely transparent.

CH - Also how this activity is accounted for beside balancing actions – what conditions would the ESO be allowed to instruct non-firm to turn down/off, or when should they take a bid/offer from another asset at the same node – national energy balancing vs. locational system impacts. How are the local impacts defined/calculated? And is it only on an energy basis, or are other system products like Short Circuit Level and Reactive power also restricted?

Action 010 and 011: WK and DR to respond to CH’s question

DG – [observation] TNUoS taskforce have non-firm as out of scope however the ESO is trying to encourage it.

Action 012: KT to respond to DG’s question

Next session and topic – Karen Thompson-Lilley, ESO

Suggestion that next meeting is held early September, due to much of the industry being on annual leave during August.

Members were advised to reach out to secretariat if you had a topic you would like to see discussed or if there is a need for meeting before September that members approach KTL.

Action Item Log

Action items: In progress

ID	Description	Owner	Notes	Target Date	Status
001	Provide comments on draft ToR	All	Email comments to alison.price@nationalgrideso.com	26/07/23	Open
002	TEC amnesty requests	LH	ESO to confirm if they will publish a summary of who has gone through TEC amnesty	Next mtg	Open
003	Queue Management – uploading evidence	LH	Giving stakeholders sight of the guidance document before publication	Next mtg	Open
004	Non-firm updates	KW/DR	Update sub-group as non-firm solution develops	Next mtg	Open
005	Non-firm and Capacity Market	WK/DR	Speak to DESNZ to confirm that they are aware that the non-firm initiative restricts Users from participating in the CM	Next mtg	Open
006	Non-firm and Capacity Market	WK/DR	ESO to consider if they need to do more to make it clear that a move to a non-firm product restricts operability in some	Next mtg	Open

			markets, such as the Capacity Market		
007	Non-firm – Curtailment information	WK/DR	What information will the rest of market have on the quantum of curtailment behind T boundaries, both ahead of time and real time?	Next mtg	Open
008	Non-firm – Curtailment times	WK/DR	How long is the curtailment to be active– in market timeframes for the products being used by the ESO, such as settlement period(s) in BM?	Next mtg	Open
009	Non-firm – Curtailment queue	WK/DR	As curtailment is to be in reverse queue order (Djaved answer a few moments ago) will users have visibility of their place in the queue, relative to other users signed up to this option, in order for them to understand the probability of curtailment?	Next mtg	Open
010	Non-firm - Process	WK/DR	<p>As more non-firm is connected on the network, how is it decided which gets turned off first? What is the process? How transparent will this be?</p> <p>For example, if there are two non-firm connections at one node – will both be restricted to 50%? Or only one asset 100% restricted? (Is it all or nothing? Or can there be partial?) etc. This needs to be completely transparent.</p> <p>Additional information added post mtg by LH: Will you rotate sites, scale or something else?</p>	Next mtg	Open
011	Non-firm - Process	WK/DR	How is this activity accounted for beside balancing actions – what conditions would the ESO be allowed to instruct non-firm to turn down/off, or when should they take a bid/offer from another asset at the same node – national energy balancing vs. locational system impacts. How are the local impacts defined/calculated? And is it only on an energy basis, or are other system products like		

			Short Circuit Level and Reactive power also restricted?		
012	Non-firm and TNUoS task force	KT	TNUoS taskforce have non-firm as out of scope however the ESO is trying to encourage it. Reach out to TNUoS taskforce to discuss why it may not be in their scope of work	Next mtg	Open
013	Late question – received post meeting from LW: Curtailement - interruptions	WK/DR	On sign-up, a User may agree to be interrupted x times per year. Should more sites subsequently connect, can NGEESO increase the triggers that interrupt me?	Next mtg	Open
