



Connections Reform Team

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Response to Connections Reform Consultation

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Uniper

Düsseldorf-based Uniper is an international energy company with activities in more than 40 countries. With around 7,000 employees, it makes an important contribution to security of supply in Europe. Uniper's core businesses are power generation in Europe, global energy trading, and a broad gas portfolio.

Uniper procures gas – including liquefied natural gas (LNG) – and other energy sources on global markets. The company owns and operates gas storage facilities with a capacity of more than 7 billion cubic meters. Uniper plans for its 22.5 GW of installed power-generating capacity in Europe to be carbon-neutral by 2035.

The company already ranks among Europe's largest operators of hydroelectric plants and intends to further expand solar and wind energy, which are essential for a more sustainable and autonomous future.

Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonisation journey. Uniper is a hydrogen pioneer, is active worldwide along the entire hydrogen value chain, and is conducting projects to make hydrogen a mainstay of the energy supply.

In the UK, Uniper owns and operates a flexible generation portfolio of seven power stations and a fast-cycle gas storage facility.

Consultation Response

1. Do you generally agree with our overall initial positions on each of the foundational design options and key variations? Are there any foundational design options or key variations that we should have also considered?

Yes, we generally agree the ESO's initial positions on the foundational design options and key variations.



2. Do you agree with our initial view that the current issues with the connections process could potentially be addressed on an enduring basis through other, less radical, and lower risk means than the introduction of capacity auctions?

Yes, we agree with the ESO's initial view. Auction and/or trading of access on an integrated network is something which has been previously explored and is extremely challenging to achieve in practice. Assessing competing bids in different locations on the network in order to optimise an auction, to maximise the use of capacity in an efficient manner and provide signals for new connections is an incredibly difficult problem to solve. There are also significant issues relating to the use of auction revenues. If they are not sufficient to meet network spend then a top up is needed from network users and if too much is collected it needs to be refunded in some manner. It is possible for these revenue flows to fluctuate significantly from positive to negative year on year, which can create significant volatility in network charges.

3. Do you agree with our initial view that the reformed connections process should facilitate and enable efficient connection under either a market based (i.e. locational signals) or 'centralised' deployment approach (or an approach somewhere between the two), but not mandate which approach to follow?

We agree that the reformed connections process should be efficient and effective, and that it should be suitable for both market based or more centralised deployment approaches. The market should wherever possible determine the efficient mix of connecting parties, not central decisions taken by network companies, Ofgem and/or government to promote specific areas through the build of additional network assets.

4. Do you agree with our initial recommendation that TMA A to TMA C should all be progressed, irrespective of the preferred TMO?

Yes, we agree that TMA A to TMA C should be progressed. There is an identified need to both improve the provision of information pre-application and to ensure that the right people attend the pre-application meeting.

5. Do you agree with our initial recommendation on the introduction of a nominal Pre Application Stage fee, discounted from the application fee for customers which go on to submit an application within a reasonable time period?

We agree with this proposal.

6. Do you agree with the importance of the TMA A 'Key Data'? Please provide suggestions for any other key data that you suggest we consider publishing at Pre Application Stage.

We agree that the TMA 'Key Data' is important.

7. Do you agree with our initial recommendation with regard to TMA D (requirements to apply)?

We agree with the ESO's initial recommendation with regard to TMA D.

8. Do you agree with our initial recommendation with regard to TMA E (determination of enabling works), including that it is right to wait until the impact of the 5 Point Plan is known before forming a view on whether further changes to TMA E are required?



We agree that TMA E1 to E3 have complex interactions which can magnify impacts on all parties, potentially exacerbating existing problems. It is right to delay forming a view on whether further changes are required.

9. Do you agree with our initial recommendation with regard to TMA F (criteria for accelerating 'priority' projects)?

We agree with the ESO's initial recommendation to progress TMA F1, F2 and F3 but not to progress TMA F4.

We also agree that the criteria for identifying projects as a priority need careful consideration by DESNZ and Ofgem alongside the ESO. We would be concerned if market mechanisms were routinely circumvented by central planning of preferred projects. Prioritisation should be limited to projects which accelerate decarbonisation, for example those which receive government support via a low carbon business model such as a Dispatchable Power Agreement, or promote wider strategic economic opportunities, such as freeports.

10. Do you agree with our initial recommendation with regard to TMA G (queue management)?

Yes, we agree with the recommendation to adopt the ESO preferred reactive 'RQM+' approach.

11. Do you agree these four TMOs present a reasonable range of options to consider for a reformed connections process?

Yes.

12. Do you think any of the four TMOs could be materially improved e.g. by adding, removing or changing a specific aspect of the TMO? If so, what and why?

No.

13. Are there any important TMOs we have missed?

No.

14. Do you think 'Submit Consent' is too early for Gate 2 in TMO2 to TMO4? If so, what milestone should be used instead and why?

No. 'Submit Consent' is an appropriate milestone for Gate 2.

15. Do you agree that TMO4 should be the preferred TMO?

Yes, we agree. Of the range of options considered, TMO4 best meets the design objectives.

16. Do you agree with our design criteria assessment of the four TMOs? If not, what would you change any why?

The assessment matches the high level descriptions of each option in the consultation.

17. What are your views on the stated benefits and key challenges in relation to TMO4?



Given the level of detail currently available on TMO4, the ESO has made a fair assessment of the benefits and challenges of the reformed process. In the first instance an annual window of application is acceptable so that the process and necessary support systems can be established. Once established and operating efficiently the enduring solution should support more than one application window per year.

18. Do you think that there is a better TMO than TMO4? Whether that be TMO1 to TMO3, as presented, a materially different option, or a refined version of one of the four TMOs we have presented?

No.

19. Do you agree with our views on DNO Demand in respect of the TMOs?

We agree that any new demand requirements identified by the DNO should follow the TMO process.

20. Do you have any views on the appropriate mechanism to incentivise accurate forecasting of requirements and avoid more RDC than is necessary being requested by DNOs?

The forecasting mechanism for RDC would need to be consistent across DNOs, and the DNOs should take the same risk on the reserved capacity as if an EG developer.

21. Do you agree with our views on the process under which DNOs apply to the ESO on behalf of relevant small and medium EG that impact on or use the transmission system, including that (under TMO4):

- i) DNOs should be able to request RDC via application windows to allow them to continue to make offers to EG inter window; and*
- ii) resulting offers should be for firm access until relevant EG has reached Gate 2 (at which point they can request advancement and an earlier non firm connection date)?*

The process needs further careful consideration. The proposal has the potential to introduce discrimination between embedded and transmission connected projects, as well as reserving significant amounts of capacity for projects which may not utilise it and which could be used for more certain projects elsewhere. For instance, if such an approach were to be adopted, it may be necessary to limit the RDC given to each DNO licence area to prevent these sorts of issues from arising.

22. Do you agree that directly connected demand should be included within TMO4 and that the benefits and challenges are broadly similar as for directly connected generation?

Yes, directly connected demand should be included within TMO4.

23. Do you agree that TMO1 to TMO3 would require a separate offshore process, and that this would result in material disbenefits?

Yes, we agree that TMO1 to TMO3 would require a separate offshore process which would be problematic.

24. Do you agree that TMO4 is the most aligned to the direction of travel for offshore projects? If not, why?



Yes, TMO4 is the most aligned process to the expected path for offshore projects.

25. Other than the Letter of Authority differences are there any other TMAs which have specific offshore considerations?

None that we have identified.

26. Do you agree with our views on network competition in the context of connections reform, including that TMO4 is the option which is most aligned with network competition as it includes the most design time at an early stage in the end to end process?

To the extent that TMO4 is currently developed, it could align with increased network competition.

27. Do you agree with our initial recommendation related to each of the TMAs within this chapter? If so, why? If not, what would you change and why?

We agree with the initial recommendation on TMA H to restructure fees to better align with the new process.

In principle we agree that the ESO should have provision to reject full, accurate and complete applications (TMA I) but should only do so for transparent and obvious reasons.

We agree with the ESO position on TMA J to continue to make a single offer.

We support the recommendations to improve definitions such as import capacity and 'non-firm' access and to simplify temporary capacity products (TMA K).

We support the recommendations relating to requirements to accept an offer (TMA L).

We agree with the ESO position on TMA M that the status quo should be maintained and that contracts should be updated as required.

We agree with the ESO position on TMA O to review secondary processes before implementation of a reformed connection process.

We agree with ESO position on TMA N to review the guidance on determining the maximum scope for a modification and when a new application must be submitted.

We agree with the ESO position on TMA P to not propose a dual-track process to Gate 1.

We support the ESO position on TMA Q to maintain the status quo with respect to financial compensation.

We note that the ESO believes that there should be a new mechanism to manage under used capacity but isn't recommending any changes on TMA R. We would not support a move away from the status quo. The effectiveness of TNUoS charges has been subject to repeated scrutiny over time and it has proved difficult to define a better solution.



A fast-track dispute process will be essential to a new connections process and we support the ESO recommendation on TMA S.

28. Do you agree with our current views in respect of the implementation period?

The ESO has made high level assumptions about the requirements to implement this reform of the connections process and shared them in this consultation document. We have no grounds on which to make a better estimate of the implementation period.

29. Do you agree with our current views in respect of transitional arrangements? What are your views on how and when we should transition to TMO4?

We agree with the ESO's views on the transitional arrangements.

30. What further action could Government and/or Ofgem take to support connections reform and reduce connection timescales, including in areas outside of connections process reform?

The government need to take steps to reduce the length of time for the consenting process for new projects.

Stakeholders currently face at least three different workstreams on electricity connections: the Ofgem open letter, this ESO consultation and an imminent government consultation. It would be helpful if these could be consolidated to ensure alignment and more efficient use of resources for all parties.

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