

Connections Reform Steering Group

Meeting 8 Minutes

Date: 11/10/2023 **Location:** MS Teams

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Merlin Hyman, Regen, CHAIR	Attend	Paul Lowbridge, National Grid Electricity Transmission	Attend
Neil Bennett, SSEN Transmission	Regrets	Deborah, MacPherson, ScottishPower Renewables	Attend
Sally Boyd, PeakGen	Attend	Andy Manning, Citizens Advice	Attend
David Boyer, ENA	Attend	Jennifer Pride, Welsh Government	Attend
Lynne Bryceland, Scottish Power Transmission	Attend	Oz Russell, ADE	Attend
Catherine Cleary, Roadnight Taylor	Attend	Annette Sloan, SSEN-T	Attend
James Dickson, Transmission Investment	Regrets	Patrick Smart, RES Group	Attend
Olly Frankland, Regen	Attend	Spencer Thompson, INA	Attend
Oliver Driscoll, SSENT	Attend	John Twomey, National Grid Electricity Transmission	Regrets
Amy Freund, Ofgem	Attend	Charles Wood, Energy UK	Attend
Sotiris Georgiopoulos, UKPN	Attend	Salvatore Zingale, Ofgem	Attend
Arjan Geveke, EIUG	Regrets	Laura Henry, ESO	Attend
Ben Godfrey, National Grid Electricity Distribution	Attend	Will Kirk-Wilson, ESO	Attend
Garth Graham, SSE Generation	Attend	James Norman, ESO	Attend
Gemma Grimes, Solar Energy UK	Attend	Mike Oxenham, ESO	Attend
Paul Hawker, Department of Energy Security and Net Zero	Attend	Mike Robey, ESO (Technical Secretary to Steering Group)	Attend
Claire Jones, Scottish Government	Attend	David Wildash, ESO	Attend

Agenda

1. Welcome and matters arising	Merlin Hyman
2. Actions and Minutes from Meeting 7	Mike Robey
3. Update on current activities - Connections 5-point plan - Strategic Connections Group	Laura Henry David Boyer
4. Development of final recommendations for connections reform - Frequency / timing of application windows - Pros / cons of capacity allocation variant to TMO4 - Positioning of Gate 2 - Latest update on Reserved Developer Capacity	Mike Oxenham Will Kirk-Wilson
5. Governance proposals and latest on implementation plans	James Norman
6. Transition options	James Norman
7. Next steps	James Norman
8. Any Other Business	Merlin Hyman

Discussion and details

Minutes from meeting, including online meeting group text chat during meeting, where referenced as “[From online chat]”

1. Welcome and Matters arising

DESNZ and Ofgem are preparing the Connections Action Plan for publication later this year. They reported working with network companies to include as much specific detail in the Plan as possible as well as the overall policy approach. The scope will be broader than the activities within the five-point plan, SCG three-point plan and this connections reform activity. The Prime Minister recently referred to speeding up connections including raising the bar on requirements to be able to join the queue. Ofgem confirmed it is reviewing the options for queue management within CMP376 with a decision expected soon.

2. Actions and Minutes from Meeting 7

Decision 8.2.1: Steering Group agreed to publish the minutes of meeting 7.

3. Update on current activities

Connections queue status

- ESO noted that 25GW of the 50GW due to connect by 2026 does not yet have planning permission. To tackle this ESO is delivering a sixth initiative alongside the 5-point plan to engage customers with pre-2026 connection dates to review evidence of progress and take action where required.
- A steering group member asked whether ESO had a view on when the rate of applicants joining the connections queue might slow down.
 - ESO noted that growth of the queue is not slowing down, in fact August was the busiest month so far.
- [From online chat: A steering group member asked whether, given the increasing TEC in the queue, would ESO change any of the options or designs? They further noted that with a distribution queue of 113GW that the Statement of Works process needs improving too.]

Connections Five-point plan

- 4GW of customers who had registered for the TEC amnesty have now withdrawn.
 - [From online chat: A member asked what the expected costs for of the TEC amnesty were / what order of magnitude (to be recovered through TNUoS)?]
 - ESO advised that the value of the original 8GW within the amnesty was £40m. With 4GW withdrawing the final value will be available soon.
- Construction Planning Assumptions Review – The initial studies in England & Wales are due to be completed in mid-October. In Scotland SPT, SSENT and ESO are close to finalising the methodology and assumptions. A Scottish Transmission Owner highlighted that completing studies in Scotland by the end of November was very ambitious.
 - [From online chat: A steering group member asked ESO to present the most recent CPA&TWR timelines for Scotland, not just England & Wales. They noted uncertainty from a Scottish Transmission Owner on this.]
 - [From online chat: ESO will follow this up the relevant teams.]
 - [From online chat: A Scottish Transmission Owner stated that the most recent timeline for Scottish TOs undertaking CPA work is for the analysis to be finalised by the end of December 2023 and not November. However, there are a couple of final decisions being taken on the CPA methodology, before the CPA work can then be undertaken by the Scottish TOs. The above timeline may be slightly impacted due to the methodology being finalised, but this is expected to happen this week.]
- Ofgem has published a revised decision date of 10 November for the CMP376 queue management code modification.
- Accelerating storage connections through non-firm offers – revised offers are now being developed for the first tranche of ~20 projects in England & Wales. In Scotland, TOs intend to complete the modelling studies with revised assumptions first.
 - A steering group member queried whether this constituted a policy change or not as they'd heard conflicting views from ESO colleagues.
 - ESO noted the concern and emphasised its desire for transparency and clarity on this.

Strategic Connections Group

- Distribution queue management – is in active delivery, managing generation and storage in the queue and is moving to business as usual. The last few projects without milestones are being resolved. This has removed 1.4GW from the queue. For demand, this workstream is looking at consistency in contracts, especially for pre-2017 contracts.
- Technical limits – Phase 1A delivery is underway and 1B is starting. Across phase 1A and 1B, technical limits will be in place this year for 72 Grid Supply Points, covering over 750 customers with a combined capacity of 30GW. This will allow non-firm connections ahead of reinforcement works. One DNO representative noted 4GW of their customers, from Appendix G Part 4, would now be able to progress through these technical limits. Future phases, for more complex situations are in development.
 - A steering group member asked whether there would be Statement of Works (SoW) improvements.
 - ENA advised that the technical limits are not changing the SoW process.
 - [From online chat: A steering group member suggested there was a quick win on SoW that currently holds up customers up to two years – as an industry we could make SoW timebound to avoid stalling projects like the 90-day process. The member noted some DNOs are supportive.]
- For battery storage, improved engineering principles went live across all DNOs at the end of September for new connection applications. Further details are available on the ENA connections webpages. The SCG is considering options on how to apply this to the existing queue.
- A steering group member reflected the range of competing elements to improve connections that are underway and cautioned that there was a risk of confusion for customers.

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- [From online chat: A steering group member noted that ENA held a very helpful webinar earlier today]
 - [From online chat: A member asked when Ofgem will issue a decision on CMP298.]
 - [*Post meeting note*: ESO understands that the revised date for a decision on CMP298 is 16 November.]
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4. Development of final recommendations for connections reform

Window duration and frequency

- A steering group member asked why the options ESO is exploring for varying window duration and frequency all continue to be tied to an underlying annual process. They queried whether a longer TO process was the right answer and challenged whether the TO process could be sped up as well.
 - ESO noted that there needs to be sufficient time for coordinated network design, and this is a complex process so may not be able to be completed in less than 4-6 months.
- A steering group member expressed concern about lengthening the TO process.
- A TO noted that the proposed reform radically changes the TO process from studying one application at a time to studying a batch of many applications together. This will be a much more complex process, quite different from present.
- ESO appreciated the concern about the length of the process but reiterated that the intention from adopting this approach is to make improvements to the overall process. ESO stated the need to work through the detail of this concern, to challenge the anticipated speed of the process, whilst also recognising that the engineering will be complex to deliver future network design. The ESO is committed to working with TOs and industry to map the end-to-end process in more detail in order to determine whether it could be done more quickly. Ofgem also recognised the concern and noted the need to test the new approach and its' knock-on impacts.
- A steering group member reflected that this process is just for the connection offer, in a situation where currently 70% of applications do not proceed to connection. Given this, how can we avoid implementing a process design that over-engineers what is needed?
- ESO noted that the attrition CPA approach being adopted through the five-point plan should roll forward into the approach for these reforms. ESO also noted the need to consider connection sites, connections bays and anticipatory investment as well to get to the optimum design.
- A steering group member supported the emphasis on these issues, noting the benefit of adopting better assumptions and reviewing their accuracy and validity.
- A member reflected on the huge effort required to undertake the modelling studies for the batches of applications in each window. Will this be manageable for network companies? Would more frequent windows make this more manageable?
 - [From online chat: A steering group member asked for a Transmission Owner view on this point.]
- A steering group member concluded the discussion noting that window duration and frequency is an important issue for customers, and it will be important to clearly articulate the benefit of the recommended duration.

Gate 1 and 2 proposals

- A steering group member questioned whether the alternative approach suggested would ultimately return the situation to the existing queue challenge.
 - ESO recognised this concern but noted that the attrition CPA approach should help to contain this.
 - ESO further noted that either option requires network design to consider everyone connecting. ESO's proposed approach delivers this at gate 1 to avoid networks being on the critical path.
 - A steering group member stated that as well as the CMP376 queue management provisions, there was also a need for commitment from customers. Another steering group member agreed with this sentiment to ensure that there was user commitment and
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emphasised that the process needed to be risk-reflective to TOs as well. A properly balanced approach considering risks to both TOs and new connectees. For example, cancellation policies and stranded assets; these are low risk to the TO, but cancellation charges are high to the customer.

- A steering group member raised concerns that new project developers are not giving realistic connections dates due to lack of awareness and experience rather than due to trying to game the system.
- A member queried whether queue management was robust enough to throw out poor applications and expressed that it was important that people are held to account.
- ESO noted that the positioning of Gate 2 is a thorny issue and welcomed feedback. The consultation exercise gathered responses split broadly between the proposed gate position being too early, too late and about right.
- A steering group member recognised the balance to be struck and emphasised the need to consider the needs of smaller customers.
- Another member felt that some of the options would not reduce speculative applications and that further engagement was needed.
 - ESO confirmed that it would undertake more engagement and welcomed engagement with customers through steering group members wider networks / memberships. ESO reflected that the later the positioning of Gate 2, the more effective it is at weeding out speculative applications, but the later the gate, the less the remaining time for customers to accelerate and mobilise their project for earlier delivery, introducing the risk that customers may not be able to benefit from any accelerated connection date.
 - ESO will start the detailed design phase for the implementation of connection reforms in December, with stakeholder groups convened in early 2024.
- A steering group member noted they'd heard about 25% of storage projects were getting planning permission.
- A member highlighted supply chain considerations, particularly for the options proposing a later positioning of Gate 2 (and supply chain's relative ability to accelerate with limited notice).
- A member also highlighted the legal requirement that connection approval was required from GEMA in the event of a project developer seeking a determination on their connection agreement.

Reserved Developer Capacity (RDC)

- **Action 8.4.1:** ESO to circulate the additional slide on Reserved Developer Capacity after the meeting.
- A member asked whether RDC would be generation type specific (i.e. xx MW solar, yy MW wind etc.)
 - ESO stated that RDC would be in buckets by technology type, reflecting the different impacts / operations of each generation type. There may also be opportunities for technology swaps where there was no material change to network impact.
- A steering group member asked whether ESO had quantified the impact on the queue for each of the variants.
 - A member suggested this be considered within the discussion on implementation.
 - ESO agreed the need to understand the future process options and what actions can be taken for maximum impact. Some actions are higher risk, but higher impact, whilst others are easy to get on with.
- A member corrected reference to a CUSC mod (for defining small, medium, large generators) was actually a Grid Code mod (117). They challenged why the reforms were considering small and medium classifications (for being within scope of RDC) and recommended using the existing thresholds for 'type c' and 'type d'.
 - ESO agreed to take these views to the SCG RDC subgroup.
 - **Action 8.4.2:** ESO to take thoughts on defining which generators are within scope of RDC to the SCG subgroup.

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- [From online chat: A steering group member noted that large generators need bilateral agreements (BEGA / BELLAS) making it hard to include them in RDC.]
 - [From online chat: ESO stated this point was behind ESO proposing Large as the threshold (for being too big to be included within RDC), and that it was an existing threshold. ESO accepted the need to revisit what the right threshold is, with that option still being considered and also considering other suggested alternatives (including Type C and Type D) and having a discussion at the next subgroup meeting.]
 - A member recognised that RDC couldn't be perfect for all situations at all grid supply points all of the time. Given this, there's a need to consider an emergency relief route to resolve issues.
 - A DNO representative advised that they were working with ESO on RDC on a weekly basis (through a dedicated SCG subgroup). They emphasised how important it was to get RDC right.

5. Governance proposals and latest on implementation plans

- ESO is looking for a successor to this Connections Reform Phase 2 Steering Group to oversee the detailed design and implementation of connection reforms, through a new Connections Process Design Group. Ofgem also proposes a Connections Delivery Board (CDB), convened by Ofgem, to provide strategic governance across all connections improvement activity (these reforms, the five-point plan, SCG three-point plan and other initiatives).
- A steering group member noted there was a lack of industry stakeholders (such as developers and generators) in the current draft terms of reference for CDB. They suggested this approach had been problematic in the Open Networks initiative. [From online chat: another member supported this point.]
 - ESO reiterated that the proposal is for Ofgem to convene the CDB and that they will consider the feedback.
 - A member further noted that publication of CDB papers would be beneficial to stakeholders.
 - Ofgem confirmed that the CDB approach is in development and welcomed the views being shared. The CDB needs to set strategic direction, hold people to account and ensure joined up whole system thinking. Ofgem agreed that representation was crucial and that some customer representation will be needed. The current proposal saw customer representation at the Design Group, with the Chair of that group also joining the CDB, but noted there could be other approaches to consider.
 - **Action 8.5.1** All invited to share views with Ofgem on the governance proposals.
- A devolved government representative sees the CDB being an appropriate level for their government to contribute.

6. Transition options

- ESO noted there was insufficient time remaining in the meeting to discuss this thoroughly and therefore it would be carried forward for more substantial discussion at the next meeting.
- ESO noted that Renewables UK is also looking into this.
- ESO highlighted the presentation of a series of transition themes plotted on a chart with axis representing the scale of risk and magnitude of potential impact.
- A steering group member noted reference to the acceleration of projects that meet certain criteria and asked for clarification.
 - ESO commented that this also featured in the summer reform consultation, with current thinking around 'certain criteria' being:
 - Projects that government (Secretary of State) may define as priority projects
 - Projects identified as being very beneficial to GB consumers (through pathfinder-style approaches)
 - Projects that meet the criteria for Gate 2

- [From online chat: A steering group member thought the transition options look great if we can quantify the positive impact to help on option selections when we get closer. Such as GW brought forward.]
- [From online chat: A member commented that it was good to see the transition options and that setting these out helps get more specific feedback. Would be good to add rolling out 5-point plan elements into BAU to make sure this happens? Rather than creating one-off bubbles of projects offered new CPAs or non-firm offers.]
- [From online chat: A member proposed doing the Letter of Authority as an urgent CUSC mod now – a workgroup could meet one or two days a week like the SCG RDC group or GC0162 have done – standardise the wording that the ESO will accept from all users.]

7. Next steps

Action: 8.7.1 ESO to schedule a Steering Group meeting in November, with transitions options allocated more substantial time on the agenda.

8. Any Other Business

Decisions and Actions

Decisions: Made at last meeting

ID	Description	Owner	Date
8.2.1	To publish the minutes of Meeting 7	Mike Robey	11/10/2023

Action items: In progress and completed since last meeting

ID	Description	Owner	Due	Status	Date
8.4.1	ESO to circulate the additional slide on Reserved Developer Capacity after the meeting.	Mike Robey	11/10/2023	Complete	11/10/2023
8.4.2	ESO to take thoughts on defining which generators are within scope of RDC to the SCG subgroup.	Owner	Click or tap to enter a date.	Status	Click or tap to enter a date.
8.5.1	All invited to share views with Ofgem on the governance proposals	Owner	Click or tap to enter a date.	Status	Click or tap to enter a date.
8.7.1	ESO to schedule a Steering Group meeting in November, with transitions options allocated more substantial time on the agenda.	Mike Robey	Click or tap to enter a date.	Status	Click or tap to enter a date.
7.3.1	Share updated slides including 5-point plan updates	Mike Robey	15/09/2023	Added to pack v2	
7.3.2	ESO to share the updated analysis, when available, of connections contracted capacity by generation type	Laura Henry	TBC. Check at next meeting.	In development.	

	versus the four FES scenarios, with hybrid sites shown separately to pure storage sites.			
7.3.3	ESO to share the 5-point plan timeline in future updates	Laura Henry	11/10/2023	Include in next meeting pack.
7.6.1	ESO to schedule a Steering Group meeting in October and a provision date in November, in case it is required.	Mike Robey	22/09/2023	October options circulated. Nov tbc
3.6.1	Steering Group members can respond to circulated slides with comments via email before the next meeting.	All	Ongoing	Open invitation for Steering Group members.
2.5.1	ESO to track progress with REMA, FSO and other strategic policies and to consider how the evolution of these affects consideration of the centralised planning process design option	James Norman	Ongoing	To keep under review

Decision Log

Decisions: Previously made

ID	Description	Owner	Date
1.01	Agreed to apply Chatham House rule – All participants not to attribute comments to individuals or their affiliations	ALL	16/02/2023
1.02	Steering Group agendas and minutes will be published. Minutes to be published following confirmation at the next meeting that they are a fair record. Additional documentation may be published (e.g., slide packs/papers taken to the Steering Group), but subject to confirmation by the Steering Group.	Mike Robey	02/03/2023
2.3.1	Approved the Terms of Reference v1.2 subject to the inclusion of the edits identified in Meeting 2 (creating v1.3)	Merlin Hyman	02/03/2023
2.5.1	General agreement with the position to not continue to develop Option C as a stand-alone option within the remaining sprints, but to consider whether elements of option C could be incorporated into options A and B.	Merlin Hyman	02/03/2023
2.5.2	Add-on 1 should not be a focus for Connections Reform	Merlin Hyman	02/03/2023
2.5.3	Add-on 3: Stakeholders identified some concerns to be further considered but there was a general overall view that this add-on is worthy of further consideration in later design sprints	James Norman	02/03/2023
2.5.4	Proposed that Add-on 4 is not given focus in later design sprints, although REMA developments will be monitored.	James Norman	02/03/2023
3.2	To publish the minutes of Meeting 2	Mike Robey	16/03/2023
3.2.1	To approve the Terms of Reference v1.3	Merlin Hyman	16/03/2023
4.2	To publish the minutes of Meeting 3	Mike Robey	30/03/2023
5.2	To publish the minutes of Meeting 5	Mike Robey	18/05/2023

Action Item Log

Action items: Previously completed

ID	Description	Owner	Due	Status	Date
0.1	Steering Group members to provide photograph and biography for Steering Group web page	All	09/03/2023	Complete	09/03/2023
1.2.1	ESO to update and circulate the Terms of Reference, updating the narrative on purpose and membership details (members, Welsh Government, Scottish Government, DNO representative(s)).	James Norman	23/02/2023	Complete	23/02/2023
1.2.2	To seek Steering Group agreement of updated Terms of Reference at meeting 2.	James Norman	02/03/2023	Agreed	02/02/2023
1.3.1	ESO to share details of who is contributing to the design sprint workshops, including which Steering Group members are participating.	Mike Oxenham	23/02/2023	Complete	23/02/2023
1.3.2	ESO to clarify how its evaluation of options within each design sprint will work at meeting 2.	Mike Oxenham	02/03/2023	Complete	02/03/2023
1.3.3	ESO to clarify the process following the consultation at the end of this phase of the connections reform project	James Norman	16/03/2023	Complete	17/03/2023
1.3.4	Strategic policy goals (particularly net zero and energy security) to be elevated and given more prominence within the design objectives	James Norman	02/03/2023	Adopted	02/03/2023
1.3.5	ESO to add a summary status of relevant code modifications and a summary of tactical initiatives to improve connections to the Steering Group pack	Ruth Matthews & Laura Henry	23/02/2023	Complete	23/03/2023
1.4.1	Relationship between connections at Transmission and Distribution levels to be discussed at meeting 2	James Norman	02/02/2023	Complete	16/03/2023
2.2.1	ENA to share updates from its Strategic Connections Group within subsequent Steering Group packs	David Boyer	16/02/2023	Included for 16/03 and ongoing	16/03/2023
2.3.1	ESO to update and circulate the agreed Terms of Reference (v1.3)	James Norman	09/02/2023	Circulated	16/03/2023
2.6.1	ESO to share project timeline	Mike Robey	09/02/2023	Circulated	10/03/2023
3.4.1	ESO to reconsider RAG rating for high-level options and provide more information on scoring in any future version	James Norman	30/03/2023	Status	27/04/2023
3.4.2	ESO to return to Steering Group with further views on the T&D interface at a later meeting	James Norman	30/03/2023	Added to 27 April agenda	27/04/2023
4.2.1	To discuss connections across the Transmission and Distribution interface at the 27 April Steering Group meeting.	James Norman	27/04/2023	Complete	27/04/2023
4.4.1	ESO will bring refined versions of the process options to the Steering Group in four weeks' time.	Mike Oxenham	27/04/2023	Complete	18/05/2023
6.9.1	ESO to consider Steering Group feedback in the finalisation of the consultation documents.	James Norman	12/06/2023	Complete	18/05/2023
6.9.2	ESO to schedule an additional Steering Group meeting in mid-September.	Mike Robey	18/05/2023	Complete	06/09/2023