

Connections Process Advisory Group

Meeting 5 Minutes

Date: 07/03/2024

Location: MS Teams

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Merlin Hyman, Regen, CHAIR	Attend	Annette Sloan, SSENT	Attend
Neil Bennett, SSEN Transmission	Attend	Patrick Smart, RES Group	Attend
David Boyer, ENA	Attend	Ian Thel, Department for Energy Security and Net Zero	Attend
Lynne Bryceland, SPT	Attend	Spencer Thompson, INA	Regrets
Matt Chatfield, Department for Energy Security and Net Zero	Attend	Trung Tran, Aura Power	Attend
Chris Clark, Emtec Group	Regrets	Matt White, UKPN	Attend
Catherine Cleary, Roadnight Taylor	Attend	Lee Wilkinson, Ofgem	Attend
Liam Cullen, Ofgem	Attend	Michelle Young, Scottish Government	Attend
Arjan Geveke, EIUG	Regrets	Salvatore Zingale, Ofgem	Attend
Ben Godfrey, National Grid Electricity Distribution	Attend	Camille Gilsenan, ESO	Regrets
Garth Graham, SSE Generation	Attend	Robyn Jenkins, ESO	Attend
Paul Hawker, Department for Energy Security and Net Zero	Attend	Laura Henry, ESO	Attend
Eleanor Hoare, Welsh Government	Regrets	Paul Mullen, ESO	Attend
Claire Hynes, RWE	Attend	James Norman, ESO	Attend
Jade Ison, National Grid Electricity Transmission	Attend	Mike Oxenham, ESO	Attend
Allan Love, SPT	Regrets	Mike Robey, ESO (Tech Sec to CPAG)	Attend
James Macauley, Ofgem	Attend	Adam Towl, ESO	Attend
Holly Macdonald, Transmission Investment	Attend	Jo Greenan, ESO	Observe
Alasdair MacMillan, Ofgem	Attend	Alex Markham, ESO	Observe
Deborah, MacPherson, ScottishPower Renewables	Attend	Holli Moon, ESO	Observe
Zivanayi Musanhi, UKPN	Attend	Richard Paterson, ESO	Observe
Jennifer Pride, Welsh Government	Regrets	Alison Price, ESO	Observe
Oz Russell, ADE	Attend	Will Kirk-Wilson, ESO	Observe
Andrew Scott, SSE Distribution	Attend		

Agenda

1.	Welcome and matters arising	Merlin Hyman, James Norman
2.	Minutes and actions from meeting 4	Mike Robey
3.	Gate 2	Paul Mullen
4.	Package 3, 4 and 5 recommendations	James Norman and Mike Oxenham
5.	Distribution Forecasted Transmission Capacity	Ben Godfrey
6.	Disincentivise mod apps	Laura Henry
7.	Single digital view	Adam Towl
8.	Next steps	James Norman
9.	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

- The Chair welcomed everyone to the meeting and noted the focus of the agenda on Gate 2, ESO’s recommendation related to the options within Packages 3,4 and 5 and the approach to the Distribution Forecasted Transmission Capacity (DFTC).

2. Minutes and actions from meeting 4

- **Decision 5.2.1:** CPAG approved the meeting 4 minutes.
- **Action 5.2.1:** ESO to publish meeting 4 minutes.

3. Gate 2

- ESO thanked CPAG members for their help in convening the 28 February workshop with land experts on Gate 2. The workshop identified key considerations and resulted in three approaches being presented to CPAG. Following today’s discussion, ESO’s recommendation on Gate 2 will proceed to the March Connections Delivery Board (CDB) meeting and then into the code change governance process. ESO noted preference for approaches 2 or 3.
 - Approach 1: Land option secured
 - Approach 2: Land option secured and restrictions on changes to Red Line Boundary for Site and linked to Land Density Table (as set out in CMP427)
 - Approach 3: Land option secured and the approach 2 requirements and a commitment to submitting application for planning consent with a time period after signing the offer to accelerate the connection date.
- A member suggested consideration on Compulsory Purchase Orders within the land option and also noted that approach 3 with the commitment for future submission of an application for planning consent may not always be practical and may have complexities, whilst approach 2 is straightforward.
- On approach 1 a member noted land options are typically for 10 years, or 7 years with an option to extend to 10 years, which should be considered in the context of the current connection offers being issued for the late 2030s. For approach 2 the member felt that the Red Line Boundary should generally be firm unless the project has not gone into the consents stage yet. For approach 3, the member shared the concern about potential complexity and the need for differentiation between projects, which could make it more difficult to apply.

- A member thought 'submission of planning' was still their preferred option and therefore preferred approach 3 of those presented today as the closest to this view. They recognised potential issues with approach 3 and suggested some flexibility would be required.
- Another member preferred approach 2 and 3 and recognised the challenges with 3. They questioned whether approach 1 was close to the CMP376 queue management (QM) milestone 3 and approach 3 close to QM milestone M1.
 - ESO noted that the QM milestone 3 could be used, although approach 3 gave the opportunity to provide evidence of achieving Gate 2 earlier.
 - A member drew distinction between Gate 2 and CMP376 milestone 3. They suggested CMP376 could be given more time to bed in first.
 - ESO also recognised the potential complexity of approach 3 and also the interaction between Gate 2 and the QM milestones. ESO noted that where projects were accelerated at Gate 2, their QM milestone dates would need updating.
- A member noted that approach 2 was similar to the current Distribution QM approach and questioned whether this was a high-enough bar given the state of the connections challenge. They preferred approach 3 and posed whether this could be 'submitted for consent'.
 - ESO reported that a substantial majority at the Gate 2 workshop felt that 'submitted for consent' was too late in the process, but this option could still be proposed through the code change open governance process.
 - Another member noted approach 1 is similar to the existing distribution QM approach and that distribution dates are planned forwards from acceptance dates. They also felt that approach 2 was quite close to the existing Distribution approach. Therefore they felt that approach 3 would give best additional benefits to distribution customers.
 - ESO agreed that Transmission and Distribution QM milestones were different which added some complexity to the considerations.
- A member highlighted the need for a level playing field between Transmission and Distribution connected projects and between technology types. They also highlighted the importance of good quality planning applications, rather than rushing to achieve an earlier Gate 2. Given this their preference was closer to approach 2.
 - Another member supported the need for good quality applications and also highlighted the need to brief planning teams on the reformed connections process. They felt that Land option and progress towards planning was the right balance.
- A member shared feedback they had secured from their network, which was a preference for approach 3. They emphasised that if Gate 2 was tied to planning dates this would put a requirement on Transmission Owners to deliver in a timely manner of aspects such as bay allocation. They also noted technology types was less of a concern for their contacts.
 - Another member reported preference from their network for approach 3.
 - ESO noted it was looking into how Gate 2 triggers validation checks of evidence, and how submissions might be batched. ESO noted that connection offers at Gate 2 would then link in the QM milestone dates.
 - A member drew distinction between QM setting milestone dates backwards from the connection date and Gate 2 which calculates queue position forwards. They expressed concern that adding the Gate 2 requirement to the existing queue could result in a substantial volume of planning applications in a short space of time, which could be overwhelming. Once the existing queue is resolved then for new applications this process will be more manageable.
 - A member highlighted the length of the current queue presented problems for Gate 2 as connection dates were 2035 and beyond, too far away for planning applications to be submitted. Therefore the Gate 2 design needed to ensure that the overall objectives to reduce the queue and ensure it's full of viable projects is achieved.
- The proposed approach to priority projects (ie TMA F1 and F2) was shared in the pack but not discussed.
- **Action 5.3.1** The Gate 2 approach will be taken to the March CDB for their steer.

4. Packages 3, 4 and 5

- ESO is recommending Package 3.1 is taken forward, with Gate 2 being applied to the whole queue. ESO stated Gate 2 may differ for some technology types and cited offshore wind and interconnectors as both needing separate approaches in line with the proposed criteria for Gate 2 discussed in the previous agenda item.
- ESO noted there may need to be some very limited exceptions to the requirement to achieve the Gate 2 readiness criterion before receiving a firm connection date. These require discussion with government and Ofgem, but could possibly include policy considerations such as nuclear, CCUS and hydrogen electrolyzers. SSEP and REMA will need consideration in the future, and whilst the details for these are not clear yet, it is clear that over time the queue may differ materially from the FES scenarios and therefore a readiness-only approach may skew away from policy goals.
- ESO is recommending incorporating this proposal into the TMO4 implementation schedule.
- [From online chat: A member raised whether the Section 36 moratorium could be applied (as happened with CCGTs in the late 90s) as a means to deal with location and technology.]
- A member queried what the impact on Gate 1 would be.
 - ESO advised there would still be annual application windows and this Gate 1 activity will allow consideration of coordinated network design, anticipatory investment, DFTC requirements and whether applicants have already met Gate 2. But a back-stop date would not be provided at Gate 1.
- A member supported the proposal and reflected with the current size of the queue there was effectively no point in doing the reforms without this Package 3.1 (applying to the existing queue). They asked how embedded projects will demonstrate they have achieved Gate 2 as they are a step away from the batched Project Progressions DNOs have at each Grid Supply Point. They emphasised it was important to ensure embedded projects are not disadvantaged.
 - **Action 5.4.1:** ESO and DNOs to consider within DFTC discussion.
 - **[From online chat:** ESO noted that it would not expect any contracted embedded project that had met Gate 2 to be still stuck in the pool of pre-Gate 2 projects as a result of the timing / approach of a DNO bulk submission.]
- A member reflected they preferred the option of a one-off auction and highlighted that ESO would need clear communications with developers on these proposals along the lines of “There are lots of speculative connection applications with connection dates 2030-2039, which this proposal seeks to resolve.”
- A trade body had consulted members at a recent meeting and shared the feedback received:
 - The need for consistency for T&D customers;
 - Conflation between Gate 2 and the backstop date;
 - Whether the TMO4 might be undermined;
 - Raising location and technology type for consideration;
 - Concern that ESO might be shifting away from a technology agnostic approach;
 - Proposed a concession that provides the existing queue with a limited amount of time to demonstrate achievement of Gate 2; and
 - Concern that the scale of this code mod may be too large for Ofgem to consider.
 - [From online chat: a member asked whether a similar note was available from discussions at a recent other trade body workshop, noting that there sounded like lots of valuable insight to be considered.]
- A member expressed concern that the volume of projects in the process waiting to achieve Gate 2 will just continue to grow and might this still have an impact on the indicative connection dates provided at Gate 1 and/or other unintended consequences? They shared concern about the technology mix within the pipeline, both before and after Gate 2 and how this compared to the need. They also asked how achievement of Gate 2 would be confirmed.
 - ESO agreed that a validation approach would be needed for Gate 2, ie ESO would need to confirm that projects have met Gate 2.
 - [From online chat: A member agreed with the concern raised and questioned whether there was a need to remove queue management milestones from projects that have not yet met Gate 2.
 - ESO clarified that there would be no back-stop connection date in the new proposed approach, only an indicative date (which might not even be in the contract). ESO noted that it is considering whether there should be a fee applying to projects waiting to achieve Gate

2 which could help to avoid the build-up of projects that are not progressing. The volume of projects waiting to achieve Gate 2 will create a challenge for network companies in how these are accounted for within coordinated network design; however, this is no different conceptually to the current principle of applying attrition CPAs. ESO further noted that there would be no queue management milestones or user commitment for projects that had not met Gate 2.

- A member asked whether there were communication plans to share this with wider stakeholders, given the number of changes to the published TMO4 process which are now being proposed.
- ESO agreed this will be important, but that ESO will wait to receive a steer from the March CDB meeting first.
- A member proposed a grace period for existing projects within the connections queue, which they had outlined in an email circulated to CPAG members. This idea would provide a time-limited period for projects to provide evidence, and the time period could further be adjusted to give more time for projects that had the most evidence of progress from a defined list of indicators.
- The Chair noted the Government's [Budget Statement](#) included commentary on connections from page 53.
- A member supported the proposal to apply Gate 2 to the existing queue, noting that the current queue management requirements would be insufficient to tackle the problem. They queried whether new applications would still get a backstop connection date within TMO4, whilst the existing queue would move to 'waiting to achieve Gate 2' and would not have a backstop connection date. They did not support the Capacity Holding Charge option and raised how frequently ESO would review projects evidence of achieving Gate 2.
- A member raised concern about the impact on investor certainty without back-stop dates. They noted that some existing processes require a connection date (for example the cap and floor regime for interconnectors). They highlighted that achieving Gate 2 is therefore really important to allow projects to keep progressing.
 - Another member supported this point for projects such as interconnectors and long-duration storage.
 - ESO agreed the need to avoid unintended consequences and suggested some aspects could potentially be confirmed at Gate 1. But they reflected this was a 'catch 22' scenario where people want the certainty of a backstop date but that would also provide a queue position before Gate 2 has been achieved, which does not tackle the scale of the queue and the issue of stalled projects within it.
- A member noted there was a need to understand the impact of the proposal on the queue, on the technology mix and whether there were unintended consequences. They asked to see options with different requirements for the Gates.
 - A member agreed and highlighted the need for the reforms to support wider government objectives (on issues including offshore wind and nuclear) and to check for unintended consequences.
 - [From online chat: ESO noted that the Gate 2 proposal will go into the code modification process with ESO's preferred approach. Stakeholder alternatives can then be raised in the usual way for consideration.]
- A member asked for more clarity on how the proposal would work for offshore wind.
 - ESO suggested the approach could seek evidence of agreement to lease at Gate 2 for offshore wind (i.e. linking to the outcome of a seabed leasing round), with The Crown Estate / Crown Estate Scotland confirming the seabed area and leasing round for projects to apply to connect and meet the criteria for Gate 1. The details would need to be developed further.

Conclusion of discussion on Packages 3, 4 and 5

- From meeting discussion and from the online chat: There was general support for the recommendation to apply Gate 2 to the existing queue from CPAG members that expressed an opinion. Members highlighted that, given their far-reaching nature, it is important that there is an opportunity for wider industry input to the proposals and their design. Members also highlighted it is vital that there is clarity on how the proposals will apply to embedded projects and to interconnectors.

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- The Chair reflected that limited time remains before the detail needs to be locked down in April to adhere to the planned schedule.
 - ESO will take its recommended approach, a version of package 3.1, and applying Gate 2 to the existing queue to the March Connections Delivery Board meeting to seek a steer on it / next steps.
 - **Action 5.4.2:** ESO to take Package 3.1 recommendation to the March CDB meeting.
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5. Distribution Forecasted Transmission Capacity (DFTC)

- NGED introduced the concept of the DFTC as a means of mitigating the impact of annualised application windows within TMO4 on distribution-connected customers, enabling an anticipatory approach that would allow embedded projects to connect when ready, where capacity is available. Three options for the DFTC were presented with approaches centred upon quoted, accepted or connected capacity.
 - A member suggested an additional working group could be beneficial as a way of involving more industry input.
 - NGED noted that the proposal will go through the code modification process, which will allow for industry engagement.
 - A member queried how DFTC would work with the proposal for queue position not to be allocated until Gate 2 is achieved. Will there be a level playing field?
 - NGED confirmed that DFTC would need to align with this proposal, if it is taken forward.
 - A member challenged the indicative schedule and asked whether embedded generators would miss window 1 in the reformed connection process.
 - [From online chat: Another member queried whether the inclusion of 'Forecasted' in the process name was inaccurate if only Accepted capacity was considered. Another member expressed concern that the proposal was less pro-active than they thought was the idea.]
 - NGED clarified that the DFTC proposal would see DNOs forecasting capacity ahead of the launch of the application window.
 - A member encouraged engagement with industry on this, to avoid misunderstanding.
 - A member queried whether option 2 was based on accepted or forecasted capacity.
 - NGED noted the need to clarify wording before wider industry engagement.
 - [From online chat a member asked how DNOs would hold risk on acceptance assumptions under option 2.]
 - A member asked whether there was a risk of zero DFTC at many Grid Supply Points initially.
 - NGED acknowledged that there was a risk of this with the current scale of oversubscription.
 - ESO noted there could be an issue where reinforcement is needed before more capacity could become available. They highlighted that applying Gate 2 to the existing queue would help and create more opportunity for advancement.
 - [From online chat: A member expressed concern that there may be a real danger of regressing back to lengthy delays for distribution-connected projects to understand how they can progress where there is a transmission impact.]
 - **Action 5.5.1:** DFTC to come back to CPAG to reflect how it would work if Gate 2 were applied to the whole queue.
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6. Disincentivising mod apps

- A paper had been shared ahead of the last CPAG meeting with ESO's recommendation relating to the CAP action on disincentivising mod apps, but there had been insufficient time to discuss.
 - A member queried whether there could be another option where "allowable changes" are specified, as occurs within the distribution connection process.
 - [From online chat: A member raised the definition and effect of 'materiality' on the mod app process. Currently the Grid Code considers a cost impact of £10,000 or greater as 'material'. They asked whether ESO should also be looking at assessing the definition of 'material impact' as part of a review of mod apps?]
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- A member raised whether detail could be provided within guidance information, rather than a code change.
 - ESO noted that they were looking at this and how CUSC is interpreted for different customer and technology types.
 - ESO thanked CPAG members for their views and advised the group that it would take its recommendation to the March CDB meeting.
 - **Action 5.6.1** ESO to take its disincentivising mod apps recommendation to the March CDB meeting.
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7. Single digital view

- ESO shared a paper on its approach to the CAP action relating to a single digital view of network data for connection customers.
 - A member queried whether the scope of ESO approach covered both transmission and distribution.
 - ESO confirmed its approach will cover transmission but has the potential to also cover distribution.
 - [From online chat: A member asked which forums / working groups the Single Digital View is being progressed through.
 - ESO noted that there was an SCG Data subgroup coordinated by the ENA looking at this and wider data work.
 - ESO clarified that the digital view will cover demand connections too.]
 - A member asked for clarification on what users would see. For example will gaps being made within the queue be visible to stakeholders.
 - [From online chat: A member asked whether there is an intention to show geographical data about projects in the map view, as well as the network. (the member assumed ESO would have access to this data through Land Rights milestones or LoA redlines or other means in the future).
 - ESO will review options for different views. The current priority is a minimum viable product approach and once this is working further developments will be dependent on feedback received.]
 - [From online chat: A member noted Ofgem / DESNZ endorsement of the Energy Data Taskforce recommendations – the presumption is that all energy data is open, unless justified not to publish as open energy data results in lower costs to consumers and a better network outcome (not publishing energy data leads to higher costs and less efficient network outcome) according to the taskforce.]
 - [From online chat: a member raised a risk related to the inconsistencies about the frequency of updated datasets. They noted that a real time data could be more difficult to maintain if a robust process is not in place.
 - ESO noted they are considering a data cut once a day at a set time, for example, with clear caveats / time stamps on the data.]
 - A member asked where the data would come from, TEC register, network operators etc.?
 - ESO acknowledged the need for clear data validation approaches and to engage with network operators.
 - A member noted that the TEC register was not as accurate as it could be. Another member agreed and further noted the variable quality of DNO registers too.
 - **Action 5.7.1** ESO to take its paper on the single digital view CAP action to CDB for their steer.
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8. Next steps

- The next CPAG meeting is scheduled for Thursday 21 March.
 - Post-meeting edit: This meeting has been cancelled and the next scheduled meeting is Thursday 18 April.
 - **Action 5.8.1** ESO to schedule CPAG meetings beyond April 2024.
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Decisions and Actions

Decisions: Made at last meeting

ID	Description	Owner	Date
5.2.1	Meeting 4 minutes agreed	Merlin Hyman	07/03/2024

Action items: In progress and completed since last meeting

ID	Description	Owner	Due	Status	Date
5.2.1	ESO to publish minutes of meeting 4	Mike Robey	21/03/2024	Published	
5.3.1	The Gate 2 approach will be taken to the March CDB for their steer.	James Norman	21/03/2024	Paper submitted to CDB	
5.4.1	ESO and DNOs to consider within DFTC discussion.	ESO & DNOs	25/04/2024	Ongoing	
5.4.2	ESO to take Package 3.1 recommendation to the March CDB meeting.	James Norman	21/03/2024	Paper submitted to CDB	
5.5.1	DFTC to come back to CPAG to reflect how it would work if Gate 2 were applied to the whole queue.	Ben Godfrey	18/04/2024	Proposed for next CPAG agenda	
5.6.1	ESO to take its disincentivising mod apps recommendation to the March CDB meeting.	James Norman	21/03/2024	Paper submitted to CDB	
5.7.1	ESO to take its paper on the single digital view CAP action to CDB for their steer	Adam Towl	21/03/2024	Paper submitted to CDB	
5.8.1	ESO to schedule CPAG meetings beyond April 2024	Mike Robey	21/03/2024	Complete	
4.1.2	ESO to trial pre-recording some presentations to introduce topics in advance of the meeting.	Mike Robey	04/03/2024	ESO to trial	
4.3.1	ESO to return to CPAG to share its updated recommendation for Package 2.	Djaved Rostom	21/03/2024	Ongoing	

Decision Log - Decisions: Previously made.

ID	Description	Owner	Date
4.2.1	Minutes of meeting 3 approved for publication	Merlin Hyman	08/02/2024
3.2.1	Minutes of meeting 2 approved for publication	Merlin Hyman	25/01/2024
2.1.1	Terms of Reference v2 approved for publication	Mike Robey	25/01/2024
2.2.1	Minutes of meeting 1 approved for publication	Mike Robey	25/01/2024

Action Item Log - Action items: Previously completed.

ID	Description	Owner	Due	Status	Date
3.2.1	ESO to publish the minutes of meeting 2	Mike Robey	22/02/2024	Complete	16/02/2024
4.1.1	ESO to look into sending papers in more than one batch, if this allows at least some to be circulated earlier.	Mike Robey	29/02/2024	Ongoing	04/03/2024
4.2.1	ESO to publish Minutes of meeting 3	Mike Robey	29/02/2024	Complete	26/02/2024
4.4.1	ESO will take forward the options Packages 3.1, 4.4 and 5 for more detailed discussion.	Mike Oxenham	07/03/2024	On agenda 07 March	07/03/2024
4.6.1	ESO to return to CPAG to discuss disincentivising mod apps	Ruth Matthew	07/03/2024	On agenda 07 March	07/03/2024
3.2.1	ESO to publish the minutes of meeting 2	Mike Robey	22/02/2024	Complete	16/02/2024
3.5.1	ESO agreed to look into holding a targeted workshop on Gate 2 to gather more views	Paul Mullen	28/02/2024	Scheduled	28/02/2024
3.7.1	ESO will bring fuller details on packages 3, 4 and 5 to the next CPAG meeting, providing clear links to the Connections Action Plan	Mike Oxenham	22/02/2024	Complete	22/02/2024
3.7.2	ESO to re-issue slides to address a typo on slide 36	Mike Robey	08/02/2024	Complete	08/02/2024
2.2.1	ESO to publish Terms of Reference	Mike Robey	08/02/2024	Complete	08/02/2024
2.2.2	ESO to publish minutes of meeting 1	Mike Robey	08/02/2024	Complete	08/02/2024
2.3.1	ESO to scope code defects and bring them to a future CPAG meeting	Paul Mullen	07/03/2024	On agenda 07 March	07/03/2024
2.4.1	ESO to bring update on queue position allocation to the 08 February CPAG meeting	Paul Mullen	08/02/2024	Complete	08/02/2024
2.5.1	ESO to bring bay re-allocation and standardisation back to CPAG	Shade Popoola	22/02/2024	Complete	22/02/2024
1.2.1	ESO to circulate the updated Terms of Reference document	Mike Robey	25/01/2024	Complete	22/01/2024
1.3.1	ESO to share its analysis of the impact of CMP376 on the existing TEC queue.	Kav Patel	08/02/2024	Quarterly updates to be provided	Ongoing
1.4.1	ESO to look at how and when details of the outcome of the ongoing transmission works review can be shared	Robyn Jenkins	08/02/2024	Update shared	08/02/2024
1.4.2	Technical secretary to follow-up liaison and co-ordination with CDB	Mike Robey	25/01/2024	In place	24/01/2024
1.4.3	ESO to confirm how much detail of code mods will be taken to CPAG before going to code mod working groups.	Paul Mullen	25/01/2024	Discussed 25 January	25/01/2024