Strategic Connections Group

Improving the customer connections experience

Wednesday 5th February 2025

Housekeeping

Please keep yourselves muted, unless you are asking a question.

We will be opening for a Q&A session after all the presenters have provided updates.

Therefore, we ask for people to put questions in the chat throughout the presentations and we will ask them within the Q&A session.

The full slide deck will be published online after the webinar.

Strategic Connections Group External Webinar - Agenda

Wednesday 5th February 2025, 13:00 – 14:30

ITEM	AGENDA ITEM	LEAD	Time
1	**Introduction and update since last webinar**	David Boyer & Kyle Smith	13:00 – 13:15
2	**SCG Sub-group benefits from 2024 and plan for 2025** • Queue Entry *& Queue Management – Steffan Jones* • T&D Tech Limits – Mark Adolphus • T&D Capacity Coordination - Kyle Smith • Battery Storage – Kyle Smith • Data Subgroup – Cuan Rowlands • TMO4+ Impacts – Laura Henry	ENA / Chair of subgroup	13:15 – 14:00
3	**Q&A**	All	14:00 – 14:25
4	**Finish and Close**	ENA	14:25 – 14:30
Close			

Strategic Connections Group

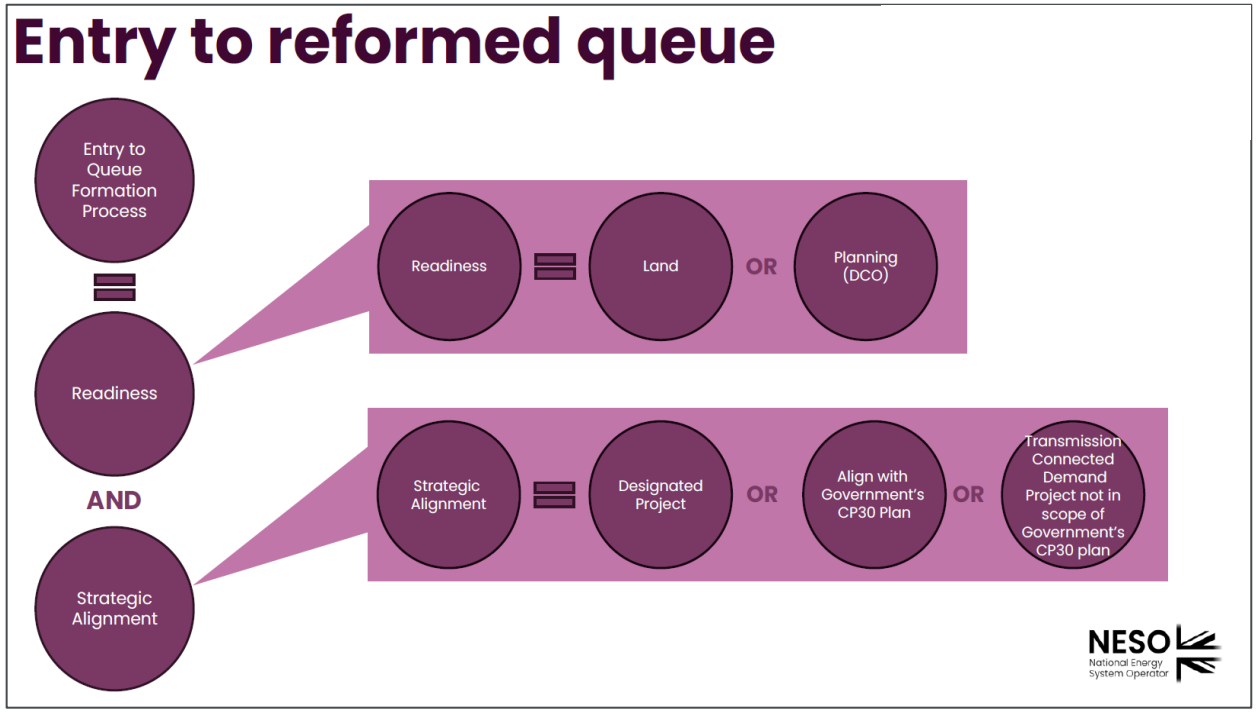
Through the ENAs Strategic Connections Group – all of Britain's networks are delivering reforms and significant benefits improving connections outcomes for customers in line with their plan for Rising to Britian's Net Zero Challenge, which are being delivered in coordination with NG ESO's wider Connections Reform and tactical initiatives at transmission level

Solution 1: **Integrated queue management & Raising queue entry**	➢ Moving from first come first serve to first ready, first connected, and addressing the challenge of continuing growth in the queue and non-progressing schemes
Solution 2 & 3: **Changing how T&D coordinate the queue**	➢ Enabling distribution connecting customers to connect on a non-firm basis, without needing to wait on dependent transmission works
Solution 4 & 5: **Changing how storage connects to the network**	➢ Reforming how storage is assessed in order to release capacity and better utilise existing network
Solution 6: **Transmission charging for Distribution customers**	➢ Assessing options to improve the consistency and appropriateness of how required transmission connection costs are charged
Additional Action (Solution 1): **Queue data collation and data publication**	➢ Expanding and improving the consistency of the data shared with the market – on the status of connections market, and in order to better inform customers connections applications

2025 will see a ‘once in a generation’ reform for connections

Moving to ‘First ready, first needed, first connected’ framework - Enabling accelerating clean power to 2030

- ☑ Extensive design, development, and consultation on connections reform across NESO, Networks, DESNZ, Ofgem and industry
- ☑ Clean Power 2030 Plan published by Government December 2024
- ☐ CMP434 and 435 final proposals and associated methodologies now with the authority for approval



Joint T&D Databook – December Dashboard Summary

The summary of the joint T&D connections Databook, data is inclusive of transmission and distribution and demand, storage, and generation projects. Data compiled December 2024. Note that the data is compiled by all network companies on a reasonable endeavours basis, and in order to be produced on a monthly frequency is not assured to the standards of regulatory submission guidance.

- **Overall, the contracted queue continues to increase, with the rate of new applications and acceptances continue to be high**, with 753GW currently in the queue; 42GW being demand and 711GW from export and storage. In December 16.5GW of new connections offers were accepted.
- **The queue continues to be dominated by renewables** (348GW, 46% of the queue) **and storage** (262GW, 35% of the queue) **far exceeding GB energy needs for net zero.**
- **Networks are connecting customers at pace.**
- **There remains significant capacity that networks can accommodate without delay**, including over 55.39GW of distribution connecting customers that have no dependency on transmission works, and 53.3GW of transmission connecting projects that have been offered connection dates in the next three years. Actual connection of these projects will be subject to customer timelines, milestone management, attrition rates and other factors (e.g. supply chain).
- **However, the significant (and growing) queue continues to result in connection delays for customers**:
  - 28% of transmission offers in December met the requested connection date, with an average difference between offered and requested connection date at transmission of 58 months for the month of December.
  - 68% of distribution capacity contracted is dependent on or being assessed for transmission reinforcements.

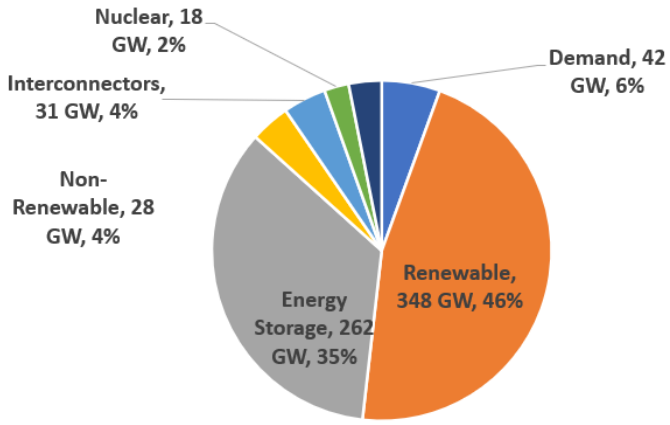
Connections queue summary – December 2024

	December		Transmission		Distribution	November
Total Contracted Connections Offer (GW)	753 GW	=	578 GW	+	175 GW	746 GW
Total Contracted Connections Offer (GW) - (Export & Storage)	711 GW	=	561 GW	+	151 GW	705 GW
Total Contracted Connections Offer (GW) - Demand	42 GW	=	17 GW	+	24 GW	41 GW
	December		Transmission		Distribution	November
New Applications Received	24.4 GW	=	5.2 GW	+	19.2 GW	17.8 GW
	December		Transmission		Distribution	November
New Connections Offers Accepted	16.5 GW	=	13.2 GW	+	3.3 GW	18.3 GW
	December		Transmission		Distribution	November
Total Connections Delivered	0.48 GW	=	0.09 GW	+	0.39 GW	0.33 GW

Distribution queue by network works

	December	December % of total
No Reinforcement Dependencies & Distribution Reinforcement only (No Transmission Reinforcement)	55.39 GW	32%
Transmission Reinforcement only & Distribution and Transmission Reinforcement	67.05 GW	38%
Pending Decision on Reinforcement Dependency	52.86 GW	30%
Total	175.30 GW	100%

T&D queue by customer/ technology type



Benefit Tracker Dashboard Summary

5.88 GW
Since April 24

Connections Delivered – All DNOs and TOs have connected nearly **9.7GW** of capacity within April 23 to March 24. With **5.88GW** connected this year since April 24.

*All connections recorded are >/= 1MVA/MW, connections made below this threshold are not included in this total.

10.4 GW By 6 Years
Offered: 21.61GW

Connections Accelerated – Through actions set out in the Connections Action Plan, connections are being accelerated to connect to the networks this includes; Technical Limits, Non-firm interim offers for Storage at Transmission.

32.5 GW
Offered: 65.5GW
Live solution target: 3GW + 2-3GW p.a.

Capacity released – Through Distribution modelling assumptions for storage connections, capacity which would have previously been utilised by Battery Storage is now able to be utilised for other connections due to a change in access rights. This has seen over **50GW** released through offers being sent out and **23.6GW** of accepted offers.

11.8 GW
Live \ complete solution target: 9GW

Capacity Removed – Through ongoing robust queue management at both Transmission and Distribution, we have removed over **10GW** of "Zombie projects" from the queue.

SCG Sub-group benefits and 2025 plan

SCG Sub-group
Integrated Queue Management & Entry

Distribution Queue Entry

Workstream Objective: Identify and bring forward proposals to strengthen queue entry requirements, to aid in reducing the congestion in the connections queue, implementing robust due diligence and rejecting unclear or speculative applications that lack detail and prioritising shovel ready projects.

updates	2025 plan
1. Through working with industry within Connection Delivery Board (CDB), Connections Process Advisory Group (CPAG) and ENA consultations we have developed new queue entry requirements. 2. Implementation of the new entry requirements was implemented on 1st January 2025. 3. G99 SAF updated and published. 4. Guidance documents developed and published.	• We continue to measure metrics, ensuring the changes implemented are robust and meeting the criteria set within Connections Action Plan. • As the solution has been implemented the working group is to focus on Queue management through 2025.

Distribution Queue Management

Workstream Objective: Ensure queue management milestones are robust, to aid in reducing the congestion in the connections queue, removing zombie projects and prioritising shovel ready projects.

updates	2025 plan
1. Reviewed existing Queue Management guidance and began to identify what changes are required to ensure robust queue management, identifying changes required for TMO4+. 2. Current areas identified for possible revision are: I. M4 (TIA process) II. Revise forward looking or backward-looking dependant on date given to connect.	• Continue to develop, implement and publish changes to queue management milestones. • Publish a revised ENA Queue Management Guidance document in Q2 2025 ready for implementation of TMO4+.

SCG Sub-group
Transmission & Distribution

Technical Limits – Delivering benefit to customers

Workstream Objective: Technical Limits was to set out the requirements to allow for customers to connect projects ahead of Transmission reinforcement on a non-firm basis.

Technical Limits updates

1. Technical Limits guidance document published on ENA's website.
2. Technical Limits rolled out under a phased approach across GB DNOs.
3. 88% of GSPs within scope of Technical Limits.

Technical limits benefits

- **14,250MW** of capacity offered Tech Limits with **7,760MW** of Accepted offers.
- Average acceleration of **72 Months** (6 years)
- Average curtailment by Technology:

Technology	Curtailment
PV	28.04%
Storage	17.63%
Hybrid	17.72%
Other	7.50%

Ongoing work

1. Identify and implement an accelerated Demand solution where required.
2. Discussions around Technical Limits BAU and enduring solutions following implementation of TMO4+.

T and D Coordination

Workstream Objective: Transmission and Distribution Coordination was designed to incorporate DFTC, however has now been progressed to incorporate ongoing collaboration between T and D activities.

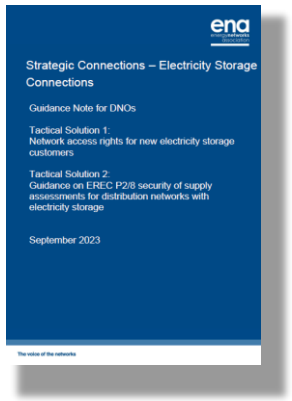
updates	2025 plan
1. DFTC removed from scope of TMO4+ and the benefit to forecast of future generation moved into existing Grid Code modification to enhance the data provisions between D and T. 2. TIA lower threshold in England and Wales discussed with data and input provided to aid the ongoing CAP action. Developed into a code mod (CMP446) 3. Guidance document started on difference of connecting at Transmission or Distribution, for customers.	• Aid with any additional data or requirements to enable CMP446 to progress. • Develop and publish a Transmission and Distribution guidance document to assist customer on differences for connecting to each network.

SCG Sub-group
Battery Storage Connections

Distribution BESS – (Jan'23 – Dec'24)

Implemented coordinated and aligned access rights with over 60GW of connections offered under the revised arrangements.

Tactical Solutions



ENA Guidance documents published and implemented

Better defined and aligned access rights for new ES connections

Metrics

62GW offered

28GW accepted

Making better use of network capacity for customers.

SCG Sub-group
Connections Data

Data Working Group

Workstream Objective: Delivery against CAP action 3.5.1 a “Digital View of Connections”. To implement a plan for digital view of connections to be made available for all connecting customers providing clarity and visibility of the connections queue.

Updates

1. Hosting all connections related information available for customers in one location on ENA’s website, allowing connecting customers visibility of tools available to aid the connections process.
2. Publish queue data and benefits each month for visibility.
3. Provide an update each month at CDB on the combined T&D queue, newly accepted projects and applications which have been requested.

Digital View of Connections

1. NESO published Connections 360: A geospatial mapping tool to produce a digital view of the transmission pipeline
2. All DNOs published a digital view of connections, available for customers to view on their websites.

2025 Plan

1. Digital view of connections –
   - I. Identify opportunities to progress from MVP and providing further granularity of the queue where possible, and investigating where DNO and NESO systems can be linked.
   - II. Reviewing considering TMO4+ and Gate 2 to whole queue.
2. Review connections data reporting to ensure that they are reflective of the TMO4+ outcomes and Ofgem’s end to end review of connections incentives and obligations.

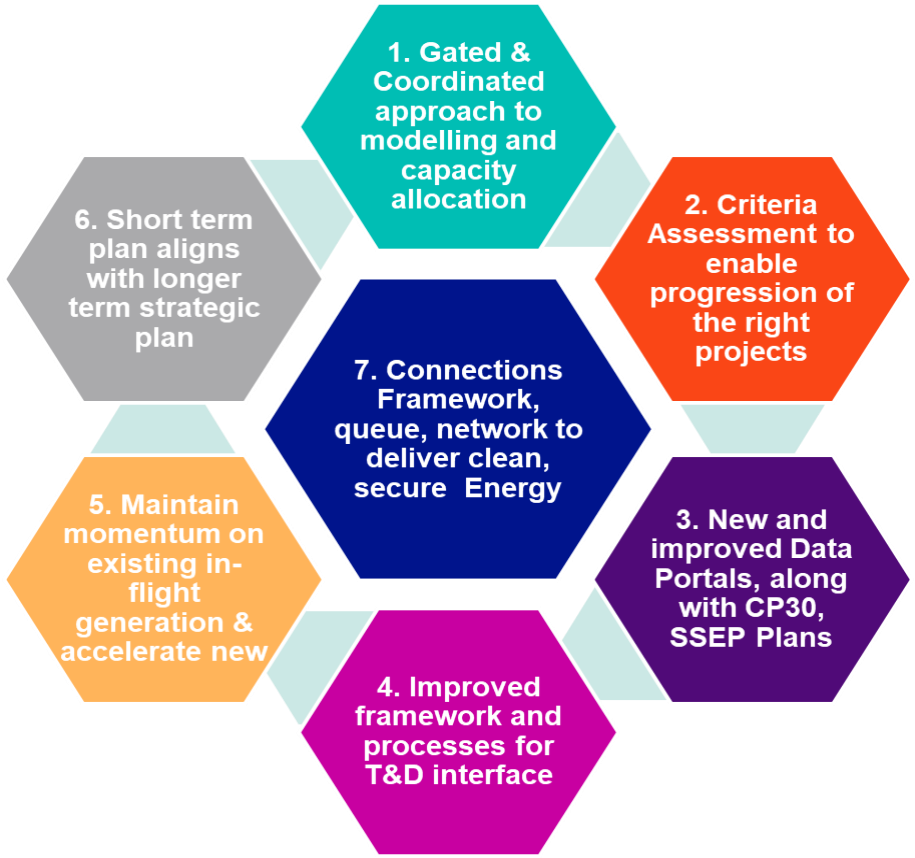
SCG Sub-group
TMO4+ Impact and Assessment

TMO4+ Impacts Group

Workstream Objective: Identify and bring forward proposals to ensure consistency and alignment when developing and implementation connections reform

2024 Achievements	2025 plan
1. Developed a coordinated approach on the connections reform code modifications, through both the workgroups and the responses to workgroup documentation 2. Developed a DNO view and process for the NESOs pause 3. Sought alignment and consistency of responses on key reform consultation documents (methodologies and licence changes)	• Ensure alignment on key policy decisions throughout the implementation of connections reform in 2025 • Have a voice on industry implementation hubs • Ensure key messaging in relation to connections reform is consistent • Ensure connections reform is fit for purpose for DNOs and our customers • Ensure licence changes reflect the changes needed for DNOs and our customers

Benefits of TMO4+ to the DNO network

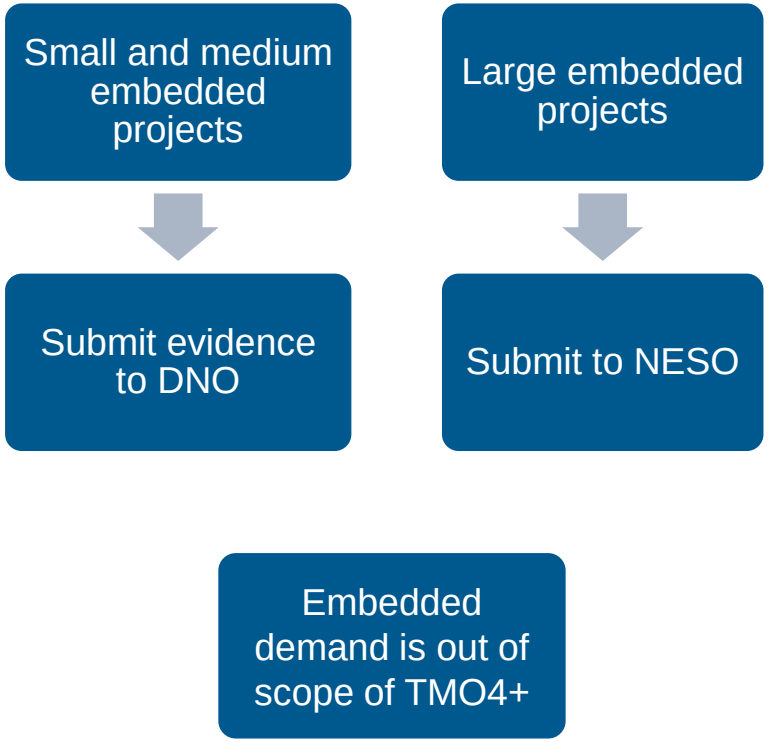


Note: DNOs will only be able to send offers to our customers once they are received from NESO to the DNO

1. **Coordinated modelling and study** of applications by NESO & TOs[1]. through new window process
2. Ability to **accelerate needed projects** to deliver at pace and support reduced queue more effectively
3. Updated **information** will deliver **value and transparency** to customers
4. Simplified processes will drive **faster and more collaborative implementation** of changes
5. **Prioritisation of projects to deliver CP30 and protection** for projects that are progressed
6. Development of projects that **deliver to GB energy needs** and longer-term consumer value
7. **Right sized generation queue, framework and network** designed to deliver Net Zero efficiently

[1]No DNO windows – year-round application at distribution still applies

Gate 2 Methodology- DNO process



Gate 2 Evidence		Checks to be carried out by DNOs
Verification of Director(s) that signed the Readiness Declaration Letter	→	DNO check- Send to NESO
Secured land rights **or** DCO planning consent	→	DNO check
Red line boundary	→	DNO check- send to NESO
Secured Land Rights meet minimum parameters	→	DNO check
Alignment with 2030 pathway	→	DNO check- send to NESO
Designated project status	→	As set out in the Project Designation Methodology

NESO will conduct duplication checks using the red line boundary

Protected projects- Evidence

Protected Clause	All protected project evidence to be checked by DNOs
Protection Clause 1: Projects contracted to connect by end 2026 (CMP435)	Meet Milestone 2 (planning consent) and Milestone 7 (FID)
Protection Clause 2a: Projects which are significantly progressed (CMP435)	Evidence of meeting Milestone M1 and M2 or hold a valid CfD/CM contract, Cap and Floor arrangement or Merchant Interconnector approval
Protection Clause 2b: Projects which are significantly progressed (those who reapply in CMP434 only))	Provide evidence of holding a “live” Contracts for Difference Contract; or “live” Capacity Market Contract; or “live” Cap and Floor arrangement or Merchant Interconnector approval
Protection Clause 3: Projects which Obtain planning consent after closure of the CMP435 Gated Application Window (those who reapply in CMP434 only)	Provide evidence of meeting M1 (must show this was submitted to the Statutory Planning Authority prior to the closure of the CMP435 Gated Application Window) and Provide evidence of meeting Queue Management Milestone M2.

How do the protections play out for tech limits?

Technical Limits Customers – Delivering before 2027

Non-Firm Date	Firm Date	M2 by May 2025	M7 by May 2025	
■	■	✓	✓	= Current Dates Protected
■	■	✓	✓	= Non-firm date protected Firm date may change, 2035 position

Tech limits is seen as a key tool the DNOs can use to manage acceleration of connections.

Advancement may be able to bring projects forwards, and there may also be cases where projects move back.

We expect that in the main, owning to the benefits of a smaller queue, the case where current connection dates move back, should be minimal.

M1 = planning submitted
M2 = Planning achieved
M7 = Financial investment decision taken
May = assumed to be the close of the Gate 2 evidence window (TBC)

■ Current Date Pre-2027
■ Current Date 2027+

Technical Limits Customers – With Planning submission by 20 Dec 2024

Non-Firm Date	Firm Date	M1 by 20/12/24	M2 by May 2025	
■	■	✓	✓	= 2035 position Firm & non-firm dates may change
■	■	✓	✗	= 2035 if M2 by CMP434 window, reapply – needed to be in 435 process*

*Capacity subject to GB capacity availability

Roles of the DNO in CNDM / Queue Filtering & Reordering

1. Conducting the **Gate 2 Readiness Criteria Checks** for relevant projects in the existing distribution queue and in future Gate 2 application windows, and informing NESO of the outcome

2. **Provisionally assessing** relevant projects in the existing distribution queue and in future Gate 2 application windows against the Gate 2 **Strategic Alignment Criteria** and making a recommendation of strategically aligned projects to NESO for final determination

3. **Reviewing advancement** requests made by Users with existing agreements and providing a 'DNO maximum advancement date' where required

4. **Determining suitable projects for capacity reallocation** when a distribution-connected project exits the queue and engaging with relevant IDNO(s) where required

5. Supplying NESO (for onward sharing to the relevant TO) with the necessary **project data** to conduct the Gated Design Process

NESOs Pause| What it means for DNO customers

Scope

- Applications to DNOs can still be made during the pause
- Above 1MW projects are in scope of the pause and cannot be sent to NESO
- Embedded demand and generation projects below 1MW are out of scope of the pause

Project Progressions

- Reasonable endeavours to submit Accepted Distribution Offer's to NESO before the 29th of January.

Two step offers

- DNOs continue to work with NESO to resolve outstanding issues with Modification Offers

NESOs Security Freeze | What it means for DNO customers

Proposal

As per the communication from NESO on the 10th January 2025, the net to securities **periods** starting 1st April 2025 and ending 31st March 2026 will be frozen at the September 2024- March 2025 statement amount.

Benefits to DNO customers

- **Removes** the uncertainty for projects lodging increased security before the new reformed process
- **Allows** customers to focus on obtaining the evidence needed for Gate 2 rather than obtaining/lodging increased securities
- Securities are subject to **change** when new offers are received, by freezing the amounts now it means that customers can provide the update amount as and when a new offer is made.

Q&A

Thank you