

Ofgem Connections Delivery Board

October 2024 Meeting Minutes

Thursday 31 October 2024 – 13:00 – 15:00

MS Teams Meeting

Attendees

Role Category	Representative	Organisation
Chair	Neal McLaughlin	Ofgem
Technical Secretariat	David Boyer	Energy Networks Association
	Kyle Smith	Energy Networks Association
	Natasha Sardinha	Energy Networks Association
	Rosie Head	Energy Networks Association
National Energy System Operator (NESO)	James Norman	National Energy System Operator
	Robyn Jenkins	National Energy System Operator
	Mark Worsley	National Energy System Operator
	Milly Lewis	National Energy System Operator
Distribution Network Operators	Steffan Jones	Electricity North West
	Ross Thompson	UK Power Networks
	Susana Neves E Brooks	SSE Distribution
	Andrew Scott	SSE
	Paul Glendinning	Northern Powergrid
	Laura Henry	National Grid Electricity Distribution
UK Government	Paul Hawker	Department for Energy Security and Net Zero
	Katherine Lovewell	Department for Energy Security and Net Zero
CPAG Chair	Merlin Hyman	Independent Chair of Connections Process Advisory Group (CPAG)
Connections Customer Representatives	Charles Wood	Energy UK
	Chris Hewett	Solar Energy UK
	Barnaby Wharton	Renewable UK
	Eddie Proffitt	Major Energy Users Council
National Governments	Michelle Young	Scottish Government
	Jennifer Pride	Welsh Government
Transmission Owners	Scott Mathieson	Scottish Power Transmission
	Annette Sloan	SSE
	Gareth Hislop	SP Energy Networks
	Richard Woodward	National Grid Electricity Transmission
Energy Regulator	Meadhbh Taylor	Ofgem
	Kingsley Emeana	Ofgem
	Klaudia Starzyk	Ofgem
	Salvatore Zingale	Ofgem
	Lee Wilkinson	Ofgem
	Jon-Paul Bignold	Ofgem
	Liam Cullen	Ofgem
	Ellie Ritchie	Ofgem
	James Macauley	Ofgem

Apologies

Organisation
BayWa r.e. UK
Global Infrastructure Investment Bank
Code Panel
Citizens Advice
HM Treasury

Key Summary

Agenda Item 1 – Welcome and update from Chair

- There was a 10GW (Gigawatts) increase in the contracted queue last month. It now stands at 732GW. The rate of new applications also remained roughly the same when comparing September with August.

Agenda Item 2 - CAP Action Area Summary Update and POAP

- Connections Reform - "TMO4+": NESO flagged that the amber RAG status for CR3.1 and 3.2 could potentially turn green if the financial element is confirmed or if robust evidence is provided through the financial instrument call for input that other measures will address the defect NESO has identified around speculative projects / re-sellers in the queue.
- CAP 3.1 – Raise Entry Requirements: ENA reported CAP 3.1.2 as amber due to an ongoing consultation until November 11, with positive feedback so far. On track for January 1 implementation.
- CAP 3.2 – Removing Stalled Projects: Ofgem requested the addition of missed milestones and project remedy status numbers (ie the number of projects that have missed a milestone but have not yet been terminated) as metrics to be included in the next CDB update. ENA to provide Dx data to be included.
- CAP 3.3 – Better Utilise Existing Network: Concerns about distribution sector challenges, particularly technical limits and unexpected costs from transmission upgrades. ENA is working on solutions, and NGET is improving transmission charging transparency.
- CAP 3.5 – Improve Data & Processes: ENA reported good progress but no final solution yet. SSE noted the complexity of options requiring further analysis, with a focus on industry engagement and clarity on timescales.

Actions:

- 3.2 Tec Sec to contact NESO for figures relating to CMP376 to add into tracking slides and to add a column for the core metric update.
- 3.2 ENA to provide Dx data to be included going forward.

Agenda Item 3 – Specific Updates from the 6 CAP areas (papers)

Agenda Item 3 CAP 3.3.1 - NESO and network companies to review and assess approaches to optimise use of the existing network and bring forward recommendations. – Slides for information

- Progress on Enabling Works & "Connect and Manage": updates to definitions and processes, including new criteria for "mixed substation" and adjustments to thermal issues, with final guidance expected by year-end to align with connections reform. A test on 60 offshore wind farms showed improved connection dates for 20-25% of customers.
- Concerns Raised by NGET & Ofgem: NGET highlighted misalignment between CUSC definitions and new guidance, while Ofgem sought clarity on the application of the economic test, its scalability, and its impact on enabling works and contracts. NGET confirmed they did not know the most appropriate time to proceed a code change. With NESO taking away if a code change would be required
- Economic Test Application: NESO clarified the economic test's role in distinguishing between works included in contracts and "wider works." This distinction aids future connections but complicates the reassessment of past connections. NESO expects application of the economic test to minimise enabling works, though rare cases may possibly result in later connection dates.

Action – NESO to return to CPAG and CDB when there is detail to share on how the economic judgement will be applied and the impact of applying the judgement. NESO to let Ofgem know if changes to regulatory framework will be needed to support the revised guidance.

Agenda Item 3 - TIA Paper- For Steer

- The SCG proposed raising the threshold for projects assessed for their impact on the transmission network from 1MW to 5MW for England and Wales, while keeping Scotland's threshold at 200kW due to regional differences. The aim is to make the assessment process more proportionate and efficient.
- CPAG and Solar Energy UK were in strong support of proposal however several members raised concerns, including SPEN's questions on whether the 5MW threshold would standardise across the UK or account for regional differences. Renewable UK warned that developers might keep projects just below 5MW, potentially leading to more smaller-scale projects and unintended impacts on the network. The need to consider demand was raised too.
- The SCG acknowledged the need for further analysis, particularly around potential impacts on curtailment and network reinforcement, alignment with CP30 recommendations, and consideration of demand. The proposal will move forward next year, with staged engagement and feedback from DNOs to ensure consistency and address concerns

Agenda Item 3 - TMO4+ Update on progress and stakeholder engagement – Verbal for information.

- NESO provided an update on the TMO4+ connections methodologies consultation, which will be published alongside the CP30 report on Tuesday 5th November. The consultation will focus on Gate 2 criteria, network design, and project designation, with a draft impact assessment exploring the effects of readiness requirements and CP30 alignment on the connection queue. The consultation will last 28 days, closing on 2nd December, and feedback will inform final recommendations to Ofgem by end of 2024.
- The consultation will feature about 14 questions, with 8 overarching, policy-focused questions and 6 specific questions targeting areas like queue formation and project designation. NGET sought clarification on whether the questions would be more strategic and less technical compared to previous consultations, and NESO confirmed this approach.
- The CPAG Chair emphasised the need to reduce uncertainty in the process to support project progression and investor confidence. NESO clarified that sub-queues will exist within the system for DNOs to manage distribution elements, while transmission access will be handled via a central queue. ENA highlighted the need to address the interaction between prioritisation options and legislative changes during the consultation.

Agenda Item 3 TMO4+Proposal for additional financial element – For update

- NESO proposed a £20,000 per MW financial instrument to address speculative resellers in the connection queue, aiming to incentivise developer commitment. NESO confirmed a call for input is to be published in November and will last for 2 weeks.
- Solar Energy UK and Renewable UK suggested a lower figure, referencing previous financial commitment ranges. They also called for more clarity on how "speculative projects" are defined and managed.
- Energy UK raised concerns about the upfront nature of the charge, particularly at Gate 2, fearing it could lead to higher investment risks and legal action. They recommended considering later application of the charge, similar to practices in Ireland and Spain.

Agenda Item 4 – Review of KPI development and monitoring

- The Connections Queue now stands at 732GW, 43GW being demand and 688GW from export and storage. In September, 16.63GW of new connections offers were accepted. The significant size of the queue continues to result in connection delays for customers.
- 51% of transmission offers in September met the requested connection date, with an average difference between offered and requested connection date of approximately 37 months for the month of September for those offers which did not meet the requested date (transmission only).

Action – ENA to take away Energy UK ask around if connecting customers figures from this month are correct.

Agenda Item 5 – Outstanding actions

- The outstanding actions from previous meetings was reviewed, no outstanding actions were marked red indicating no critical attention was required.

Action – Ofgem and NGET to discuss the implications of NGET’s TWR work showing that new CPA studies were not able to deliver material improvements and that limited additional capacity availability was found. NGET believes that they should not bring accelerated dates until reform reaches the decisions needed.

Agenda Item 6 – AOB & CDB schedule

The date and time of the next CDB meeting was noted 10th December at 13.00. The AOB items were:

- Cancel the December 26th CDB.
- Look into extending the CDB into Q1 2025.

1. Welcome & Update from Chair

NMcL

Ofgem opened the call by outlining the agenda, welcoming old and new attendees. It was noted a lastminute change to the chair due to unforeseen circumstances, Neal Mclaughlin of Ofgem took the chair for this meeting.

A monthly context was provided, highlighting that last month the queue was increased to 732GW, denoting a 10GW increase. The rate of new applications and acceptances remains to be high over the last month. Pointing out that the CDB focus is not only reducing the queue but also getting projects connected as quickly as possible.

The agenda was discussed, with no objections.

2. CAP Action Area Summary Update and POAP

NMcL, Board

The summary of each CAP area was given, noting that full detailed reports were share in the meeting pack.

Summary information included:

- Status updates
- Plan on Page
- Initiatives in design, implementation, and benefit stages
- KPIs and tracking
- Any major decisions required.

Summaries were provided, with detailed status reports taken as read.

Connections Reform – “TMO4+”

2. CAP Action Area Summary Update and POAP

NMcL, Board

- NESO flag that although the RAG 2 status for CR3.1 and 3.2 are amber, it is debatable if they would be amber if there was a financial element around them and the paper later in the meeting will go into more detail but there is potential for them to turn to green. Alternatively, they could turn green if robust evidence is provided through the financial instrument call for input that other measures will address the defect NESO has identified around speculative projects / re-sellers in the queue

CAP 3.1 – Raise Entry Requirements

- ENA inform the CDB that CAP 3.1.2 RAG 1 and 2 status is amber as they have had to go through an additional consultation that is open until the 11th November for industry to feedback on, there has so far been positive feedback and is still on track to implement on 1st January.

CAP 3.2 – Removing Stalled Projects

- Ofgem request for the next CDB if in the key insights where a milestone has been missed for it to be added as a metric to the core metric update of 3.2.1.
- Renewable UK mentions that during a discussion with members ahead of the call, concerns were raised about the progress on the implementation of CMP376 and its associated milestones. One member suggested that they could surpass the reported numbers with their own projects alone. There were also questions about the accuracy of the data shared, specifically whether the figures reflect progress at the T&D level.
- NESO noted that CMP376 only applies to transmission-connected projects therefore distribution connected customers contracts are not included in the figures.
 - **Action** -Tec Sec to contact NESO for figures relating to CMP376 to add into tracking slides and to add a column for the core metric update.

CAP 3.3 – Better Utilise Existing Network

- The Chair notes that CAP 3.1.1 is currently marked as amber status for RAG 1 and 2. He highlights there will be a paper presented today and reiterates the importance of continuing efforts in network utilisation, particularly through the use of smart technology. The Chair asks if the members feel the actions outlined are sufficient or if there are any gaps.
- The CPAG chair raises concerns regarding the distribution sector, particularly about how distribution customers are engaging with the process of network connections. He mentions challenges related to technical limits and charging methodologies, including issues around how customers on non-firm connections may face unexpected costs if an upgrade to the transmission network is triggered. He stresses that many projects are ready to go but are delayed due to uncertainties surrounding technical limits and the overall process, which creates a barrier to progress.
- ENA confirm that the working group is addressing the technical limits issue and developing a solution for BAU technical limits. Mentioning that the focus is on how technical limits will interact with connections reform and the broader TMO4+

2. CAP Action Area Summary Update and POAP

NMcL, Board

process. ENA acknowledges that allowing customers to stay on technical limits without triggering costly network upgrades is a key consideration, though there are concerns about free riders and other complexities.

- NGET mentions the workstream on transmission charging. Highlighting ongoing work to improve transparency and accessibility of transmission charging information for distribution customers, which may address some of CPAG's concerns. This should provide more clarity on the charging process and costs, particularly for distribution customers involved in upstream transmission works.

CAP 3.4 - Better Allocate Available Network Capacity

- No comments or questions.

CAP 3.5 – Improve Data & Processes; Sharpen Obligations & Incentives

- ENA provides a progress report on transmission charging for distribution customers, noting that the working group has made good progress in discussing the available options and engaging with Ofgem on the direction for the process. However, there is no detailed solution ready yet. ENA mentions that a potential code modification route is still under consideration, but the focus is on concluding the discussions before committing to a specific approach.
- SSE adds that the subject is complex and involves impact assessments of different options, which require time and data analysis. Apologising for the perceived lack of updates but assures the group that significant work is being done to reach a solid conclusion.
- CPAG's chair encourages early engagement with the industry and requests more clarity on timescales.

CAP 3.6 – Longer-term models; align with strategic planning.

- No comments or questions.

The plan on a page (POAP):

- No comments or questions.

New Actions

1	Tec Sec to contact NESO for figures relating to CMP376 to add into tracking slides and to add a column for the core metric update.	Nov CDB	Tec Sec
----------	--	---------	---------

3. Specific Updates from the 6 CAP areas (papers)

NESO, SCG,
Board

CAP 3.3.1 - NESO and network companies to review and assess approaches to optimise use of the existing network and bring forward recommendations. – Slides for information

NESO inform the CDB that over the past year, significant progress has been made with TOs to update the definitions and interpretations of enabling works used under the "connect and manage" process. Key changes to interpretations include introducing a new term for "mixed substation," updating criteria for pre-fault thermal issues (up to the "MITS substation" as enabling works) and refining the approach to post-fault thermal issues, which will be subject to additional testing based on constraint severity. Other elements like loss of infeed and fault level issues will be guided by flexible limits, with engineers given clear direction on application.

The final guidance is expected by the end of this year to align with the connections reform. A test on 60 offshore wind farms indicated that while most connection dates were unaffected, around 20-25% of customers experienced improvements, averaging a 2-year advancement.

Questions and conversation:

- NGET raised concerns about a misalignment between the CUSC definitions and the guidance being developed, specifically regarding the definition of "MITS substation" and the location of works. He asked if there are plans to revisit these definitions in the future.
- NESO notified NGET that a previous discussion at CPAG concluded that the misalignment doesn't require a code change, as the guidance would provide the necessary clarity. They confirmed there are no immediate plans for code amendments but agreed to carry out a final check to confirm this.
- Ofgem asked for greater clarity on how the economic test will be applied and its potential impacts, questioned whether the objective is still to minimise enabling works in contracts (while ensuring feasibility and efficiency), and sought more information on the test case's role in the timeline; Ofgem also raised concerns about the scalability of the economic test and its impact on wider works being classified outside contracts.
- NESO clarified that the economic test will classify works beyond defined boundaries (such as hard MITS or ETB substation) as wider works, meaning they won't be included in contracts. This distinction makes it easier to apply the test for future connections but harder to assess the impact on past connections, as recalculating past studies would be very labour intensive and not relevant in most cases in future due to changes as a result of the Gate 2 to the whole queue exercise. Regarding the test case, it will be ready for TMO4+ rollout and aims to ensure smooth interface and information flow, identifying and addressing any gaps. Initially, the work focused solely on aligning NESO and TO's definitions. However, with the introduction of the CAP, an additional objective was added to explore ways to accelerate connections and minimise unnecessary enabling works, though alignment remains the primary goal.

3. Specific Updates from the 6 CAP areas (papers)

NESO, SCG,
Board

- Ofgem asked a final question around how the economics test is applied.
- NESO explained that the application of the economic test, especially with changes to the definition of neighbourhoods, could theoretically lead to a situation where a party that would have received a connection date without enabling works now requires such works, resulting in a later connection date. However, NESO emphasised that this outcome is expected to be rare, with the more common scenario being the opposite, where enabling works are minimised or avoided.

Action - NESO to return to CPAG and CDB when there is detail to share on how the economic judgement will be applied and the impact of applying the judgement. NESO to let Ofgem know if changes to regulatory framework will be needed to support the revised guidance.

TIA Paper- For Steer

The SCG presented a proposal to update the threshold for projects assessed for their impact on the Transmission Network. The current threshold is 1MW, but the proposal is to raise it to 5MW for England and Wales, making the assessment process more proportionate for both transmission and distribution networks. Noting interactions with the TMO4+ process and CP30, emphasising the need to revisit the analysis and get feedback on whether CP30 should serve as the reference point.

The SCG also flagged concerns about potential inconsistencies between the approaches for England/Wales and the two Scottish regions, with the latter having different network characteristics justifying a different threshold.

The SCG requested steer from the CDB on whether the proposal should proceed which may require a code change. SCG highlighted that the change would help streamline the assessment process, reducing unnecessary burdens on customers while ensuring that projects are appropriately assessed based on their size and regional considerations.

Key points include:

- Proposal to Raise Threshold
- Interactions with TMO4+ and CP30
- Regional Inconsistencies
- Code Change Proposal
- Customer Impact

Concerns/clarifications raised:

- SPEN questioned whether the proposal to raise the TIA threshold to 5MW aims to standardise thresholds across the UK or take regional differences into account, especially Scotland's current 200kW threshold. They also asked if an impact assessment would be required and how governance would address potential inconsistencies.
- The SCG confirmed that the 5MW threshold would apply only to England and Wales, with Scotland's threshold remaining unchanged at 200kW. They

3. Specific Updates from the 6 CAP areas (papers)

NESO, SCG,
Board

stressed that the assessment for determining the appropriate threshold should be data-driven and linked to the CP30 pathways. The proposal is expected to move forward next year, but further discussion and feedback are still required.

- SSE sought clarification on whether the 5MW threshold for England and Wales would lead to regional reductions at key GSPs and if ongoing feedback from distribution customers would require reinforcement of the transmission network to maintain the 5MW capacity. They highlighted the need for clarity on whether a uniform 5MW capacity would be applied across regions or a more regionalised approach based on local network conditions.
- The SCG acknowledged concerns about potential regional adjustments and the need for network reinforcement. They confirmed the 5MW threshold was a starting point and that further analysis would be needed to determine if it is the correct level. While the intention is not to create a regionalised approach, they recognised the need for network investment to keep pace with demand and wanted to avoid frequent changes to the threshold.
- SSE shared that they had recently completed a review and raised the threshold for most GSPs from 50kW to 200kW. They stated that ongoing reviews will continue, with consideration of network constraints.
- Renewable UK expressed concern that raising the threshold to 5MW might lead developers to keep projects just below 5MW (e.g., 4.9MW), resulting in more smaller-scale projects which could disproportionately impact the network. They called for further analysis of current project distributions and potential behavioural changes, particularly in light of an example from Orkney where similar changes led to increased losses and export constraints.
- The SCG acknowledged concerns raised by Renewable UK about the potential for developers to adjust project sizes, leading to unintended impacts on the system. They agreed that updated analysis is needed, as the initial 5MW proposal was based on historical data, and more recent data and behavioural trends need to be considered.
- The CPAG Chair strongly supported the proposal, emphasising its alignment with the government's local power agenda and the need to enable smaller-scale projects to proceed. They pointed out that without these changes, smaller projects could be constrained, hindering progress. They also disagreed with concerns about the size of commercial projects, arguing that large-scale batteries, solar, and wind farms are typically much larger than 5-10 MW, so the proposal aligns with current industry trends.
- Although generation had been the focus of the analysis, NGET confirmed thresholds for demand customers will be further considered.
- Solar Energy UK also strongly supported the proposal, particularly for on-site generation projects like 2-3 MW rooftop solar on warehouses or supermarkets. They noted that these projects typically consume most of their generation locally, meaning the impact on the transmission network would be minimal. They also stressed the importance of consistent communication across DNOs to ensure projects are not wrongly rejected under the new threshold.

Summary

3. Specific Updates from the 6 CAP areas (papers)

NESO, SCG,
Board

The board steer was to proceed with the plan as described within the paper, with some final comments from board members.

Ofgem noted that further analysis is needed on the impacts, particularly on curtailment and costs. They also acknowledged the need to consider demand customers who will potentially add onsite generation, as this will help decarbonisation targets. Renewable UK urged that the impact on demand customers, who may later add onsite generation, be carefully considered as it could support broader decarbonisation goals. The SCG recognised the need for further analysis to validate the 5 MW threshold, especially considering CP30 recommendations. They proposed that the work be completed in stages, allowing for TMO4+ to progress and CP30 to be published and suggested kicking this off in Q3 of the next year, while ensuring that all stakeholders, especially from the DNOs, are involved in the process. He emphasised that communication and consistency are critical.

TMO4+ Update on progress and stakeholder engagement – Verbal for information.

NESO provided an update on the upcoming TMO4+ connections methodologies consultation, which will be published on Tuesday 5th November alongside the CP30 report. The consultation will focus on three key methodologies related to connections: Gate 2 criteria, network design, and project designation, with a draft impact assessment exploring the effects of readiness and CP30 alignment requirements on the connection queue. The consultation will last 28 days, closing on 2nd December, with feedback informing final recommendations to Ofgem by end of 2024. The consultation also aligns connections reform with CP30 and SSEP to ensure a smooth transition to future strategic energy plans. Code modifications and financial instruments are not part of this consultation but will be addressed separately.

Concerns/clarifications raised:

- NGET asked for clarification on the type of questions that will be included in the upcoming methodology consultations. They acknowledged that the consultation for the code modification will be relatively generic, being a secondary focus. However, they pointed out that previous consultations had involved many detailed questions, and wanted to know whether the methodology consultation would take a different, more general approach. NGET sought confirmation on whether the questions would be focused on specific areas of detail, but with a broader, less technical scope compared to past consultations, making it more accessible and strategic in nature.
- NESO confirms the consultation will include about 14 questions: 8 overarching, policy-focused questions on aligning with CP30 and 6 more specific questions targeting areas like queue formation, Red Line Boundaries, and project designation processes.

3. Specific Updates from the 6 CAP areas (papers)

NESO, SCG,
Board

- UKPN inquiries about the date for the Ofgem consultation on license implementation, expressing concerns about workload, parallel review of proposals and license modifications, and the overlap between the two.
- Ofgem can't comment at the moment but will provide an update in November.
- The CPAG Chair stresses the importance of reducing uncertainty in the process to enable projects to move forward, highlighting the need for clarity rather than prolonged debate. The Chair supports NESOs approach of creating two project pots 2025-2030 and 2031-2035 to allow for a larger pipeline, while ensuring a competitive process that delivers the best value for customers. They also point out the importance of providing transparency for projects not yet in the queue, so developers can make informed commercial decisions and investments early. The Chair expresses concern about projects close to completion—particularly those with planning permission—who may face uncertainty regarding grid connections and investor confidence and also raises a concern about the complexity of the new queue system and suggests revisiting a model where DNO/DSO manage connections within capacity limits, rather than relying on a single, centralised queue.
- NESO clarifies that sub-queues already exist within the system and that DNOs will manage the distribution elements of the CP30 pathways, while transmission access will be handled through an overall queue at specific locations, a structure that has historically been in place. They reassure that projects under construction with land secured and due to connect by end 2026 will be included in the queue, but note there is some uncertainty for technologies like storage beyond 2026. While most projects scheduled for 2027-2028 are likely to make the 2035 pathway, the large volume of storage projects in the queue (200GW) compared to CP30's target (30-40 GW) raises some concerns, although this is seen as unlikely to affect most technologies other than storage.
- ENA highlights the importance of considering the interaction between prioritisation options and license/legislative changes during the consultation. They suggest these issues be addressed in the coming days as part of the consultation responses, as they will affect the overall impact of proposed changes.

TMO4+Proposal for additional financial element – For update

NESO provided an update on the ongoing discussions around how to address the defect of speculative resellers in the connection queue. NESO initially proposed the possibility of a code modification to address the issue, introducing a £20,000 per MW financial instrument (security to be paid from Gate 2, returned at project FID) to incentivise commitment from developers. While many agreed at a discussion at TCMF in October that there was a defect, there was disagreement over whether future changes, such as Gate 2 criteria and red line boundaries, would fully resolve the issue. Additionally, the £20,000 figure received mixed feedback, with many industry stakeholders believing it was too high, though there was no consensus on what the appropriate value should be. In response to this debate, NESO plans to publish a call for input in November, seeking more formal feedback on the defect and on proposed solutions. The outcome will

3. Specific Updates from the 6 CAP areas (papers)

NESO, SCG,
Board

determine whether the financial instrument is introduced or adjusted, with further consultation on the issue expected through the code modification process before any final proposal is submitted to Ofgem for decision.

Concerns/clarifications raised:

- Solar Energy UK thanked NESO for addressing the high volume of responses regarding the proposed financial instrument for speculative resellers. They highlighted that the 80-20 split in feedback likely reflects the differing impacts on companies based on their size and financial capacity, with larger companies being less concerned about the £20,000 per MW figure, while smaller generators, particularly in solar and storage, expressed concerns about its potential impact on their business models. Solar Energy UK asked for clarification on whether the call for input would be published on November 5th, alongside the other consultation documents, which NESO confirmed. Solar Energy UK advised against sticking with the £20,000 per MW figure, emphasising that while there's consensus on the need to address speculative projects in the queue, there is significant disagreement on how to define and handle such projects. They expressed concern that retaining the £20,000 figure could spook investors, particularly in smaller generation sectors, causing them to delay investments until the issue is resolved, urging for a more open approach to finding solutions, which he believed would be more beneficial for the industry.
- NESO took on board the concerns raised and also highlighted the concern that without offering a potential value for the financial instrument in the Call for Input, it could imply no financial solution is needed and/or not receive the more detailed feedback NESO requires in order to decide next steps. They suggested it would be necessary to seek industry input on what an appropriate value should be for addressing speculative projects in the queue.
- Renewable UK thanked NESO for their openness and responsiveness regarding the speculative reselling issue. They noted that the sudden focus on the £20k figure caused significant debate, but appreciated the upcoming call for input. Renewable UK suggested that feedback from CMP192, which set a financial commitment range of £1,000 to £3,000 per MW, could serve as a starting point for discussions. They emphasised the need to carefully define "speculative projects" and recognised the challenge in distinguishing legitimate business models from those that might be considered speculative.
- The Chair of CPAG agreed with NESO's summary of the diverse industry perspectives on the £20k per MW figure. They noted that while £1 million upfront security (for a 50 MW solar farm) may not seem significant compared to overall construction costs, it could effectively double the development budget, highlighting the importance of understanding the financial impact within the broader development process when determining an appropriate commitment figure. The Chair expressed general support for the approach outlined by

3. Specific Updates from the 6 CAP areas (papers)			NESO, SCG, Board
<p>NESO and emphasised the need for careful consideration of feedback from developers.</p> <ul style="list-style-type: none"> Energy UK expressed concerns from their members, regarding the proposed £20k per MW financial instrument. They highlighted that the upfront nature of the security, particularly at Gate 2, could lead to significant investment risks, as projects may not be connected for many years. They welcomed the consultation process but suggested considering the timing of when the financial instrument is applied, pointing to examples from Ireland and Spain where such instruments are introduced at later milestones after greater certainty about connection timelines. They noted that applying such a charge too early could be unacceptable and lead to higher investment costs. 			
New Actions			
1	NESO to return to CPAG and CDB when there is detail to share on how the economic judgement will be applied and the impact of applying the judgement. NESO to let Ofgem know if changes to regulatory framework will be needed to support the revised guidance.	NESO	Nov CDB

4. Review of KPI development and monitoring	DB
<p>The discussion on KPI development and monitoring comprised a run through of two main slides, the SCG developed joint T&D dashboard highlighting key data trends and the updated CDB dashboard containing the impacts of various reforms across the connection process.</p> <p>SCG T&D Dashboard Summary:</p> <p>Overall, the contracted queue did increase this month by 10GW compared to the previous month, the rate of new applications and acceptances continue to be high, with 732GW currently in the queue; 43GW being demand and 688GW from export and storage. In September 16.63GW of new connections offers were accepted.</p> <p>The queue continues to be dominated by renewables (363GW, 50% of the queue) and storage (237GW, 32% of the queue) far exceeding GB energy needs for net zero.</p> <p>Networks are connecting customers at a greater pace than ever before.</p> <p>There remains significant capacity that networks can accommodate without delay, including over 51.25GW of distribution connecting customers that have no dependency on transmission works, and 60.19GW of transmission connecting projects that have been offered connection dates in the next three years. Actual connection of these projects will</p>	

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:

51% of transmission offers in September met the requested connection date, with an average difference between offered and requested connection date at transmission of 37 months for the month of September.

70% of distribution capacity contracted is dependent on or being assessed for transmission reinforcements

CDB Impacts Dashboard Summary:

- Accelerated Connection Dates: Progress has been made in accelerating connection dates for projects, primarily through technical limits at distribution and offers at transmission. 10.4 GW cumulative capacity across Transmission and Distribution (T&D) accelerated by an average of six years, with much more expected to follow.
- Capacity Released: Reforms, particularly for storage at distribution, have enabled more efficient use of network capacity, reducing the reinforcement needed and allowing more customers access to the network. 27.7 GW cumulative capacity released across T&D.
- Removal of Non-Progressing Projects: The queue management measures already agreed and in place have effectively removed over 11.3 GW of non-progressing projects across T&D from the queue, enhancing the efficiency of the connection process.
- Customer Service: There has been a monthly increase in meeting requested connection dates at transmission, emphasising the need for continued focus on improving the connection process. 51% of transmission connections were offered their requested connection date as of September 2024. The average delay, from requested date to date provided, for the remaining 49% of applications is currently approximately 37 months for August only.
-

1	Action – ENA to take away Energy UK ask around if connecting customers figures from this month are correct.	ENA	Nov CDB
---	--	-----	---------

5. Outstanding actions from the previous meeting

DB

The segment on outstanding actions began with a review of the progress made on previously identified actions. It was noted that no outstanding actions were marked as red, indicating critical attention was not required immediately.

The amber outstanding actions - Ofgem and NGET to discuss the implications of NGET's TWR work showing that new CPA studies were not able to deliver material improvements and that limited additional capacity availability was found. NGET believes that they should not bring accelerated dates until reform reaches the decisions needed.

6. AOB, CDB Schedule, and date of next meeting

NMcL, SZ, DB

Several AOB topics were raised:

- The meeting Schedule and Agenda for Next Meeting – There was confirmation of the November CDB will be postponed to the 10th December and the 26th December CDB to be cancelled.
- Proposal for the CDB to be extended further into 2025.

The chair thanked the board for attendance and closed the meeting.

7. Appendix A

Plan on a Page - October 2024

Owner

SCG, NESO, DESNZ,
Ofgem

Action Area	Owner	Initiative	2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
CAP 3.1 - Raise Entry Requirements	NESO	3.1.1 – Introduce letter of authority at transmission (LoA)	Design	Voluntary + Phase 1 Mod			Implementation and Benefits									
	NESO	3.1.2 - Identify, assess, bring forward proposals to strengthen entry requirements	Included in TMO4+													
	SCG	3.1.2 - Identify, assess and bring forward proposals to strengthen entry requirements	Design				Implement				Benefits					
CAP 3.2 - Remove Stalled Projects	NESO	3.2.1 – CMP376 implementation – transmission queue management	Design	Implement							Benefits					
	SCG	3.2.2 – Monitor application of queue management at distribution	Design	Implement							Benefits					
	NESO	3.2.3 - Bring forward recommendations to improve certainty and progression of customers holding capacity	Included in TMO4+													
CAP 3.3 - Better Utilise Existing Network	NESO	3.3.1 - Forward recommendations to optimise existing network capacity	Design		5-point plan: Implement acceleration for non-firm storage and where revised network modelling allows								Benefits			
	SCG	3.3.1 - Forward recommendations to optimise existing network capacity	Design	Implement											Benefits	
	NESO	3.3.2 – Review scope for improvements in CPAs for optimised planning	Design				Detailed design / prepare to implement from January 2025									
	NESO	3.3.3 – Review the scope of enabling works	Design				Detailed design / prepare to implement from January 2025									
CAP 3.4 - Better allocate available network	NESO	3.4.1 – Effectively allocate capacity released in short-term	Included in TMO4+													
	SCG	3.4.1 – Effectively allocate capacity released in short-term	Design													
	NESO	3.4.2 – Approach to allocate capacity with strategic planning	Included in TMO4+													
CAP 3.5 - Improve Data and Processes	SCG	3.5.1 – A single digital view of network data for connection customers	Design		Implement				Benefits							
	SCG	3.5.2 – Process for T impacts of D connections	DFTC Design				detailed design				Prepare to go Live from January 2025					
	SCG	3.5.3 – Agreed 'technical limits' across identified GSPs	Implement				Benefits & Further implementation for Phase 2 and Scotland.									
	SCG	3.5.4 – Identify and resolve inconsistencies	Design						Implementation and further design on additional areas							
	Ofgem	3.5.5 – Review incentives, obligations and requirements	Undertake review of connection incentives, obligations and requirements													
CAP 3.6	NESO / DESNZ / Ofgem	Develop Longer-term Connection Process to align with strategic planning, transmission build acceleration and future market reforms including REMA	Ongoing													
TMO4+ - first ready, first connected process reform	NESO	TMO4+ proposal development and implementation	TMO4 to TMO4+ design			Proposal	End-to-end process – detailed design, SOPs, training									
	NESO	CUSC and STC code modifications for TMO4+ (re-baselined)	Design	Proposal		Workgroups						Report				
	NESO	Transitional offers (renamed from 'ligh-touch')	12	Design				Set-up	1: New Apps - Implemented				2: Mod Apps / Project Progression - Implemented			