

Connection: Reform Webinar

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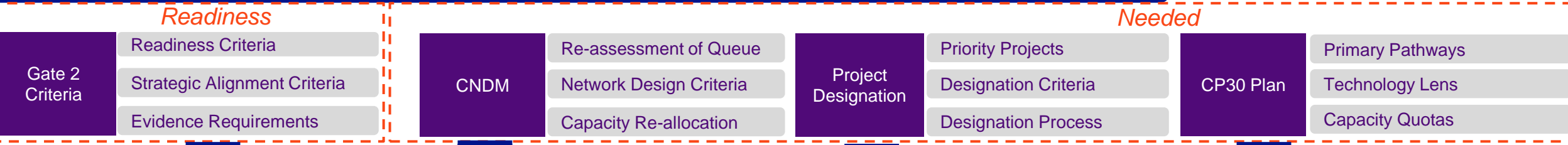
Today's Agenda

1. **Welcome**
2. **Background to Connections Reform**
3. **Connections Reform Code Modifications and NGED's positioning**
4. **Consultations**
5. **Gate 2 evidence**
6. **CP30**
7. **Customer engagement**
8. **DSO and Connections**
9. **G99 changes**
10. **Q&A**

Overview of Reform & CP30

Why → Shrink and reorder the queue based on readiness | Filter projects - technology mix for Net Zero System need

Reform Methodologies | CP30



TMO4+ - Reform Connection and Use of System Code (CUSC) Modifications

- Gated Approach
- Annual Application Window
- Queue Management
- Retrospective Application

Legal & Regulatory Framework

- Changes needed to the **Electricity Act**
- License changes** for NESO/DNO/TO to integrate methodologies
- Private contracts** - changes needed DNO directly contracted with customer

Ofgem E2E Connections Review

New regulatory and incentive framework to support connections service in networks.

SSEP/RESP - RIIO T3 (2026) - ED3 (2028)

- Strategic Spatial Energy Plan (SSEP) and Regional Energy Spatial Plan (RESP) coming in 2026
- ED3 – New regulatory price control to support SSEP & RESP

TMO4+ | This is a significant piece of industry reform and NGED has an opportunity to take a leading role



NGED's Positioning

- Negotiated with NESO to incorporate NGED's WACM into the original proposal
- Feeding into consultation to ensure there is alignment between the transmission and distribution processes
- Leading Energy Network Association (ENA) SCG workstreams on reform to drive change at DNO level: **Opportunity to lead on reform for the DNO community**

Next steps

- Implementation of the new process within NGED- new reform workgroup created
- Communication with our customers on the new process and what it means for them
- Collaborate with NESO/TOs/DNOs through the implementation hubs

Live consultations | High-level response messaging

We are broadly supportive of the proposed reforms, but some caveats apply

Connections methodologies



- CP30 plan needs to be developed with the DNOs, not just by NESO
- Further detail on which of the Gate 2 criteria evidence is required by distribution customers
- The absence of a Gate 1 at distribution creates challenges and needs to be addressed
- Project designation needs to be equitable for distribution customers

Code Modifications



- We support the code modification proposals, which better facilitate the relevant code objectives
- Some DNO processes need more definition in both the code mods and the legal text
- Concerns raised in relation to the implementation timeline associated with CMP 435

Financial Instrument



- We support the financial instrument in principle, but changes are required
- The proposed rate (£20k/MW) is too high for smaller developers
- NESO needs to consider the specific differences at distribution level when considering how to apply a £/MW charge

Evidence requirements | Customers will need to gather evidence to meet Gate 2 land criteria for existing & new projects >1MW, to access the connections queue

Evidence of Land Rights or DCO Planning Application Submitted

Meet one of the Strategic alignment criteria –
1. Align with the 2030 pathway or 2035 pathway
2. Identified as a designated project

Ongoing compliance with Land and planning as well as queue management milestones

Supporting documents

- ✓ Self Declaration Form
- ✓ Original red line boundary
- ✓ Meets the minimum acreage



Context: Clean Power 2030

Government commission:

At the end of August, the new government formally commissioned the NESO to provide “*practical advice on achieving clean power by 2030 for Great Britain*”.

The commission was brief and high-level. It requested the NESO’s advice to consist of a **range of pathways that enable the 2030 goal**, including:

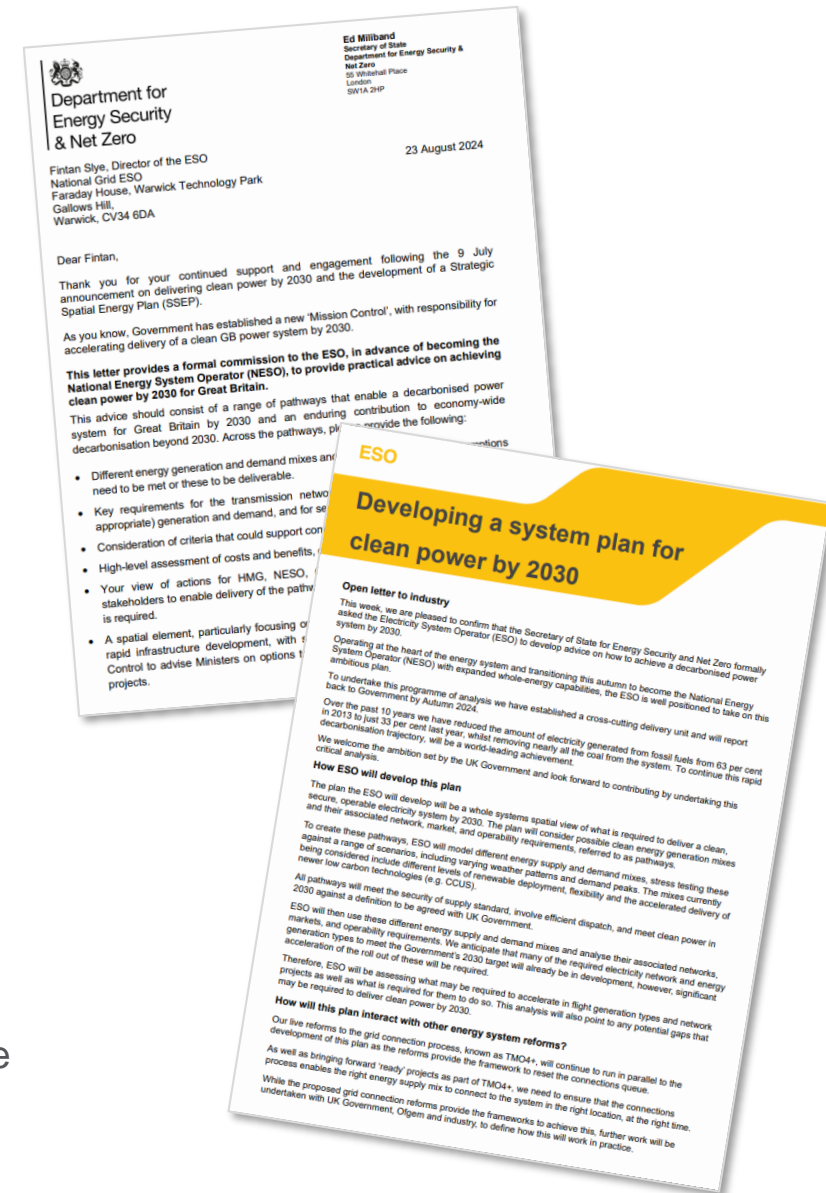
- different energy generation and demand mixes and the assumptions that need to be met for these to be deliverable
- key requirements for the transmission network
- consideration of criteria that could support connections reform
- high-level assessments of costs, benefits, opportunities, challenges and risks
- the NESO’s view on wider actions that would need to be taken to enable delivery of the pathways

How will Clean Power be measured?

DESNZ define as “ being on track to achieving at least 95% of low carbon generation by 2030 in line with advice from the National Energy System Operator (NESO)”

NESO report:

The NESO published their view in early November on how the Clean Power ambition could be delivered. This includes a view on **what infrastructure (generation and network) projects would need to be accelerated**, and a view on **what would be required for them to be accelerated**.

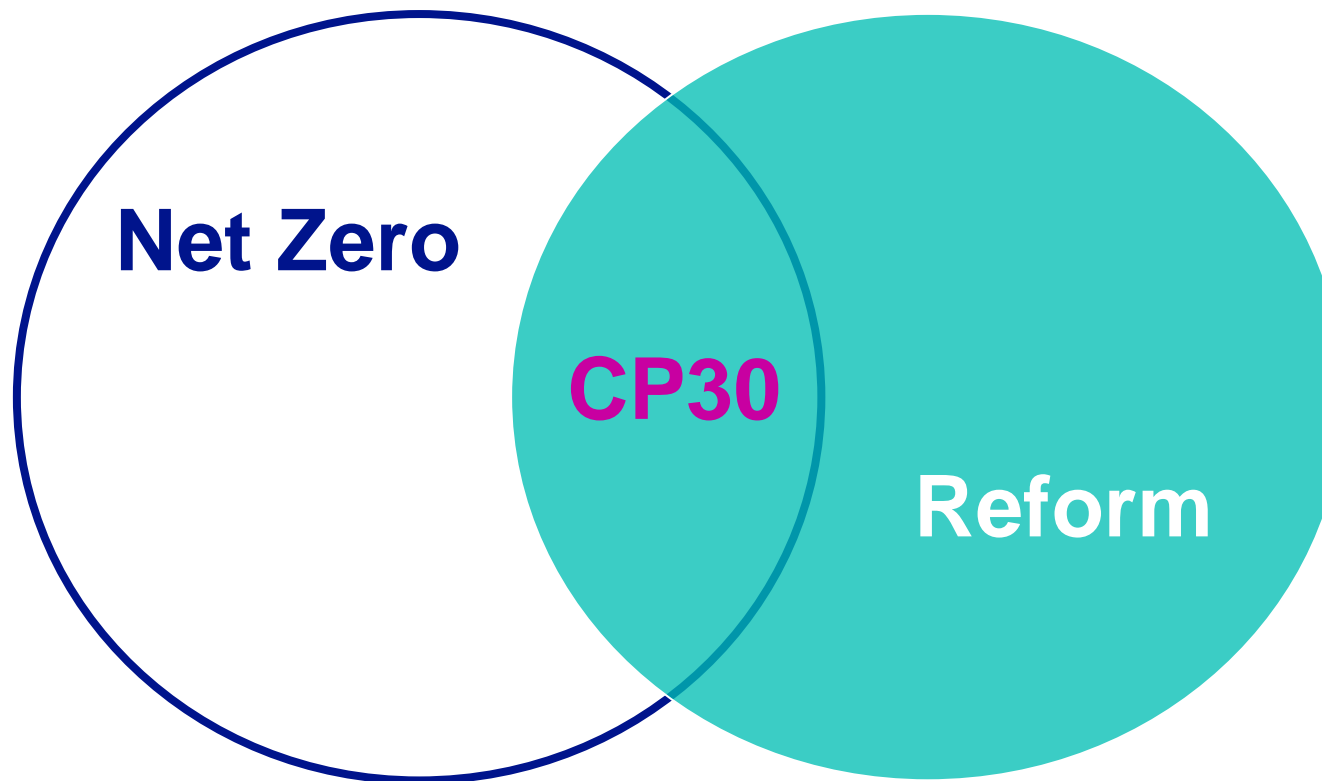


Clean Power 2030 | CP30 combines 'first ready' from the current reform initiatives to include 'first needed' before 'first connected'

On 9th July Mission Control asked the ESO to advise on decarbonising the power system by 2030



Given Transmission network constraints, the Distribution network is viewed as the key to the extra clean capacity needed

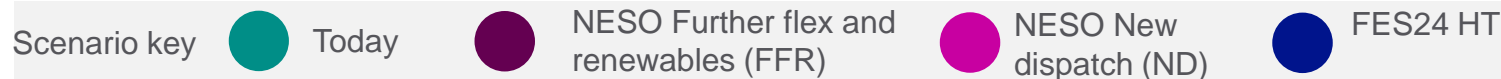


CP30 signals a shift from a market driven approach to a system driven approach to deliver clean, affordable and secure energy

For their analysis, NESO created Clean Power 2030 scenarios, with different mixes of technology from current assumptions.

Technology	Capacity comparison of today vs 2030 (GW)	NESO build rate increase
Offshore Wind	15 (Today) — 43 (NESO New dispatch (ND)) — 51 (NESO Further flex and renewables (FFR)) — 54 (FES24 HT)	~3 – 4 x
Onshore Wind	13 (Today) — 27 (NESO Further flex and renewables (FFR)) — 27 (FES24 HT)	~2 x
Solar	15 (Today) — 41 (FES24 HT) — 47 (NESO New dispatch (ND))	~3 x
Nuclear	4 (NESO Further flex and renewables (FFR)) — 4 (FES24 HT) — 6 (Today)	Reduced output
Biomass/BECCS	4 (Today) — 4 (NESO Further flex and renewables (FFR)) — 5 (FES24 HT)	Broadly consistent
New low carbon power (CCS, H2)	0 (Today) — 0 (NESO Further flex and renewables (FFR)) — 1 (FES24 HT) — 4 (NESO New dispatch (ND))	~3 – 5 new projects
Other renewables	5 (Today) — 6 (NESO Further flex and renewables (FFR)) — 6 (NESO New dispatch (ND)) — 10 (FES24 HT)	Broadly consistent
Batteries & LDES	8 (Today) — 28 (FES24 HT) — 27 (NESO New dispatch (ND)) — 35 (NESO Further flex and renewables (FFR))	~5 – 6 x BESS ~2 – 3 x LDES
Interconnectors	8 (Today) — 12 (FES24 HT) — 12 (NESO New dispatch (ND))	~1.5 x
Unabated gas	11 (FES24 HT) — 35 (NESO Further flex and renewables (FFR)) — 36 (Today)	Broadly consistent
Demand side flex	2 (Today) — 10 (NESO New dispatch (ND)) — 11 (NESO Further flex and renewables (FFR)) — 14 (FES24 HT)	~2 x

National Grid



Latest CP30 position | The NGED team made some specific requests to the NESO in response to the methodology's consultation including generally adding distribution detail

Capacity Allocations

- Allocations need to be adjusted to better align with market driven projects to minimise queue disruption
- Further work is needed to determine GSP allocations, and fold in network capability

Safeguard existing projects

- Support developer confidence
- Maintain momentum for CP30 delivery

Electricity Act & licenses

- CNDM gives DNOs a role not currently reflected in our frameworks
- This role is in line with the direction of RESP/SSEP and more DNO autonomy
- Frameworks need updating to enable this new role.

Timetable

- Timetable for reordering the queue very challenging – we need to find new ways of working to complete it in time
- Transmission & distribution should be aligned so all the distribution customers have their results in fair timescales with transmission

Project Designation

- Process should be objective, transparent and reportable for all networks as to why projects designation
- All categories also apply at distribution
- Socio-economic benefit should also be considered

Queue Positioning

- Legacy issues with historic treatment of queue study criteria
- G2WQ process next year – fixing now would delay reform implementation

NESO are expected to send their final advice to DESNZ on or around 20th Dec – which will feed into the final decisions on the methodologies next year

Grandfathering | Has been developed to give confidence to projects in delivery and maintain CP30 momentum – NESO published an open letter 10/12/24

25% of methodology consultation responses talked to this principle

Objectives



Criteria (DESNZ TBD)

NB: Projects will still need to meet gate2 land criteria

- Give comfort to projects in construction & reduce customer detriment
- Maintain momentum of renewables
- Stay aligned with reform & other government backed generation (e.g. CfDs & CM contracts)

- In construction (M7) and due to connect by 2026 – guarantees
- Planning consent by May 2025 (and submitted by 20/12/24)
- Have relevant CfD / CM contract /Cap & Floor approval

Keep Current Date	2035 Queue Position
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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* If these projects are contingent on a particular date – this date will be honored

Customer Engagement | Update



Dates for the diary

Connections Reform Webpage Launched

- Connections Reform web page is now live – This will provide information on the latest news for reform and highlight what customers need to prepare for in readiness for Connections Reform go live. In upcoming updates, there will be an FAQ page and an opportunity to submit questions.

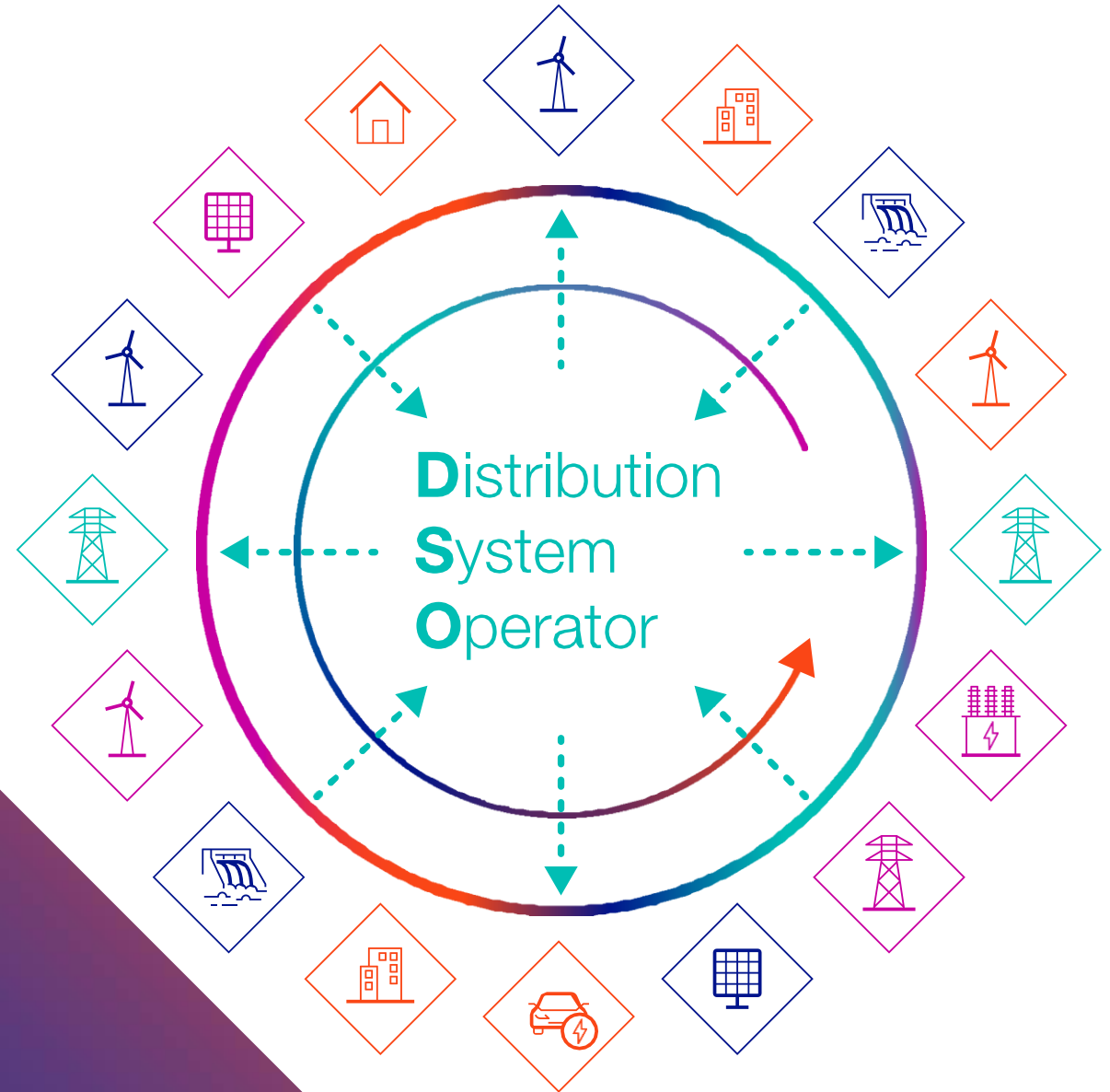
We want to hear from you

- It is important that we understand the questions and concerns you have with Connections Reform, and we are therefore launching the opportunity for you to ask questions via our dedicated email box account. Details can be found here: box.connectionsreformnged@nationalgrid.com
- Additionally, we are seeking your concerns that you may have with Connections Reform and would like you to add these concerns via our slido.

The next Connections Reform Webinar is 14th January 2025. How to register is provided towards the end of this slide pack
On the 15th November we wrote to our customers on Gate 2 criteria, more information will be provided in early 2025

nationalgrid DSO

Role of DSO in CP30



DSO roles and responsibilities align to the delivery of Clean Power 2030



Planning and Network Development

- Maximise 'hidden' capacity.
- Ensure network investment is delivered when it's needed, at the lowest cost to consumers.
- Collaborate and coordinate across the whole system to help stakeholders achieve their decarbonisation plans.



Flexibility Market Development

- Collaborate with industry stakeholders to simplify and standardise how we procure our flexibility services.
- Coordinate across the whole system to deliver new market opportunities and reduce barriers to entry for all customers.



Network Operation

- Facilitate whole system coordination that improves efficiency and transparency of decision-making.
- Continuously improve our data, technology, and processes to operate a responsive and dynamic network.



- We are committed to developing our network in line with meeting the needs of our stakeholders – CP30 provides more clarity on what this means for the generation energy mix
- We will provide capacity through a mixture of non-wires alternatives and conventional reinforcement
- We will continue to support stakeholders with data, insight and engagement sessions

National Grid DSO | Key Actions for CP30

Capacity Reallocation



- National Grid DSO manages the queue of generation customers at each Grid Supply Point and exchanges this monthly with NESO
- As withdrawals of schemes become clear, DSO can manage the reallocation of this capacity to the next relevant customer
- A capacity reallocation methodology has been agreed with NESO to account for technology changes
- Reallocation can help give early clarity to customers on their connection pathway

Non-firm acceleration



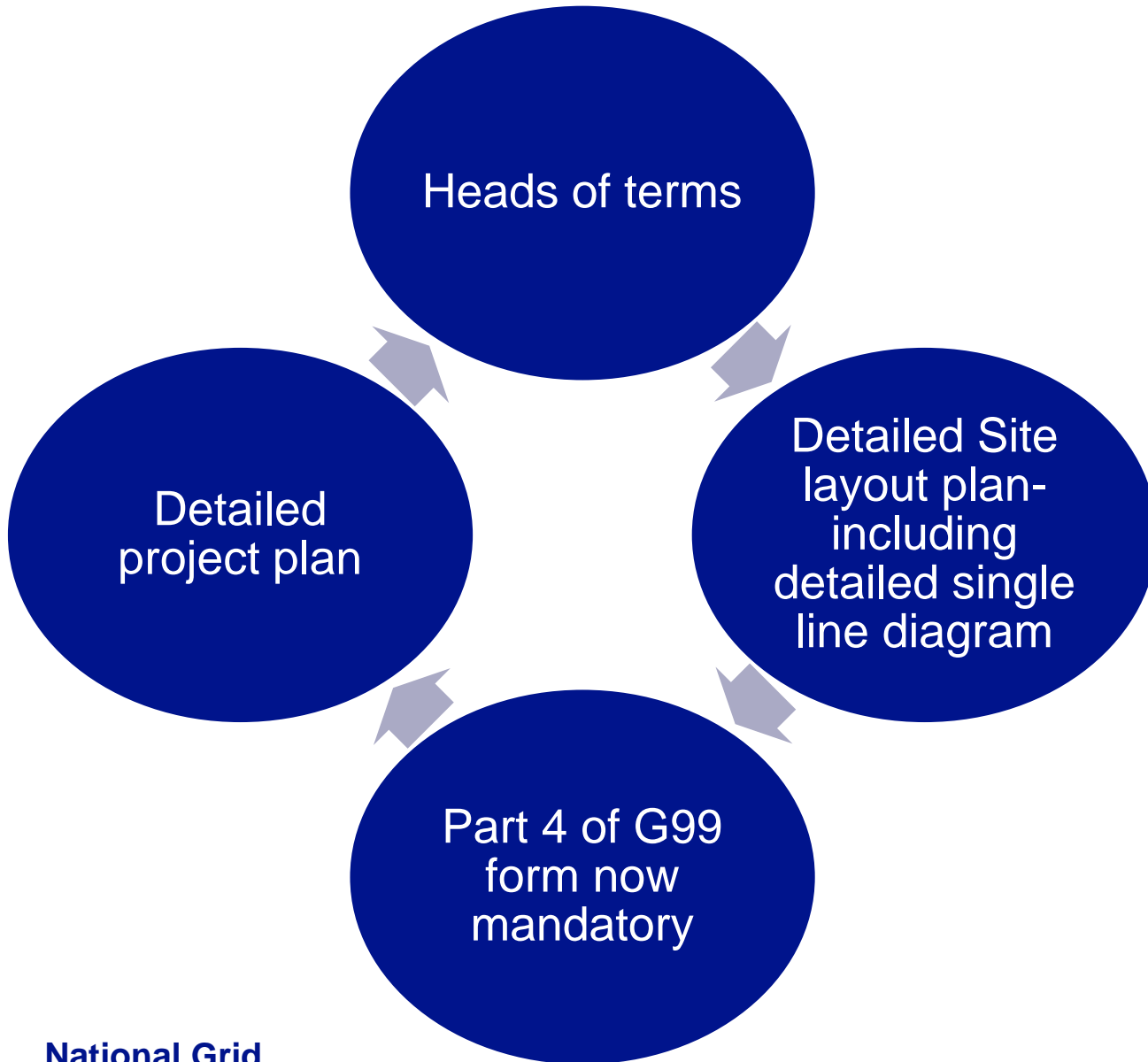
- Development of Technical Limits has enabled many customers to receive accelerated connection timescales
- 49 schemes have accelerated their connection date, totalling 1.6GW
- The average acceleration is 5.8 years
- Technical Limits will continue to be one of the ways to help customer projects connect to their timescales whilst the network develops in the background

Strategic Development



- The pipeline of connections across NGED's region has led to many Grid Supply Points requiring upgrades
- 146 planned transmission reinforcements and counting triggered during 2024
- Connections reform will alter the needs case for many of these reinforcements and DSO is well placed to trigger the needed capacity upgrades so that momentum is maintained where needed
- National Grid DSO will work with NGET to develop coordinated investment plans

G99 Changes | Proposed from 1st January- Applies to all projects above 1MW



Proposed changes currently out for consultation through the ENA

Closed on 11th November

[ENA-consultation.png \(1532 × 747\)](#)

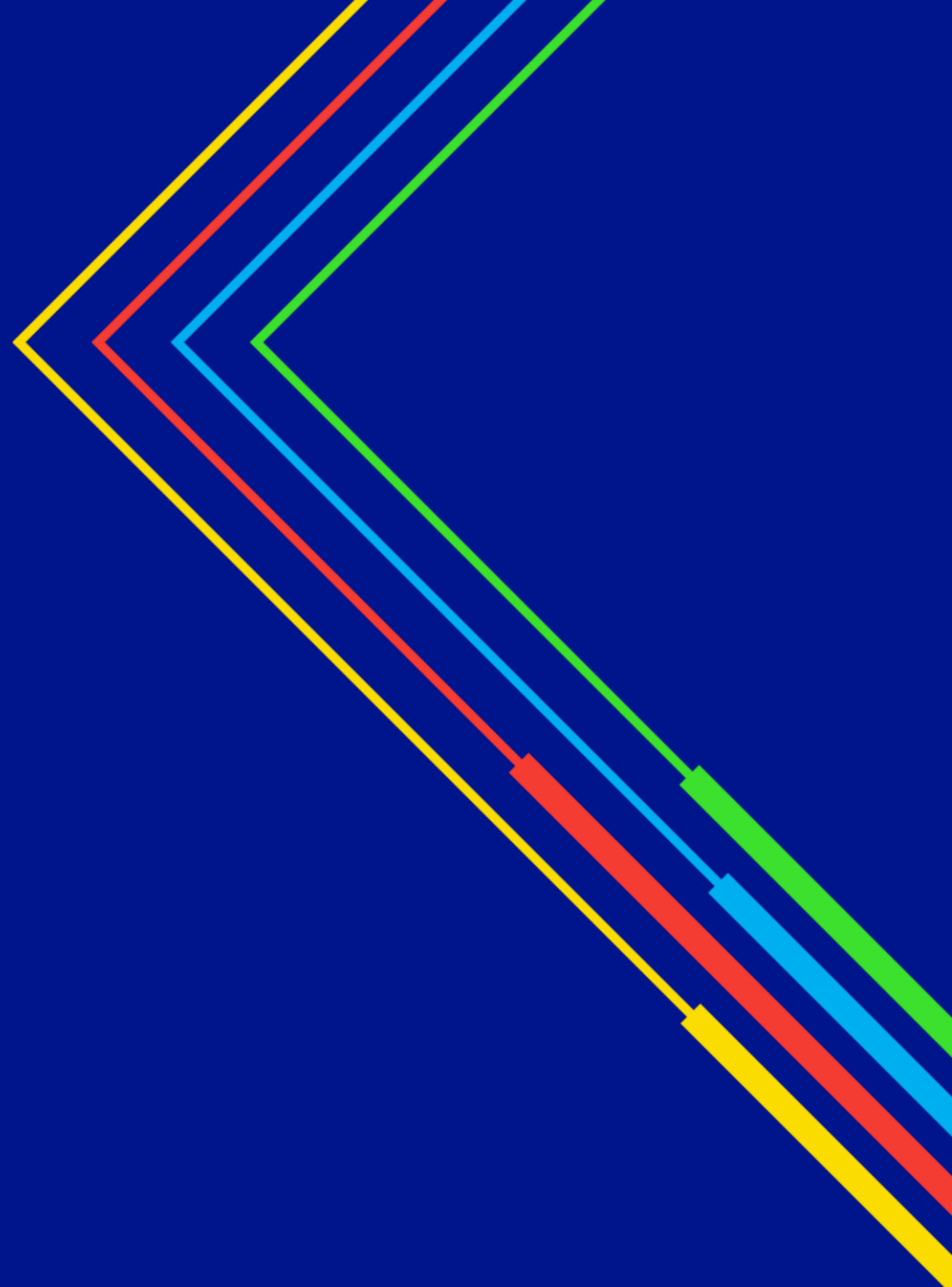


**Electricity
Distribution**

Q&A

**Hosted by Dave Witherspoon
Customer Engagement Manager**

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Upcoming Events

Connections: Reform

Online Webinar

Tuesday 14th January

Connections: Virtual

Online Webinar

Tuesday 28th January

All attendees on this call will receive an email invite to these events or you can visit

www.connections.nationalgrid.co.uk/engagement