Electricity Distribution

Connections reform – Frequently Asked Questions — Updated 31 March 2025



Introduction: What is connections reform?

The number of connection applications received at both transmission and distribution level has grown at a rapid pace over the last 3 years which has resulted in over 700GW of contracted projects within the connections queue. This has caused strain on the processes and mechanisms which have not kept pace with the rapid acceleration of generation connections applications resulting in delays to connections dates that the network can offer. The current system must be subject to a reform in order to be able manage this exponential growth in contracted connections (mainly generation, but in some concentrated areas demand also) efficiently and effectively to be able to deliver on customers expectations, ensure delivery of value for consumers as we build a network that delivers on GBs net zero targets. Over the last 24 months, the electricity industry has come together to via collaborative ways of working developer and delivery improvements and change programmes which look to address the current connections queue, with a view of enabling progression of projects that are ready and need to connect. As a result, a number of change programmes and initiatives have been initiated, listed below:

- National Energy System Operator (NESO), with the 5-Point Plan (February 2022)
- Electricity Networks Association (ENA) and Network Organisations 3-Step Plan (April 2023) and the ENA 6-Step Plan (December 2023)
- Ofgem and the Department for Energy and Net Zero (DESNZ) Connections Action Plan (November 2023)
- NESO Connections Reform (October 2022)

We, in National Grid Electricity Distribution (NGED) continue to be focused on assuming though leader role and working industry, Government and Ofgem on development and implementing a initiatives driven by these projects, to support improvement of connection timescales for our Customer whilst also delivering on Government targets and value to consumers. to the network.

In addition, since October 2022 when Connections Reform project was launched, NESO has consulted with the industry on the Connections reform project to address the transmission connections framework, resulting oversubscribed connections queue and timescales for projects to connect. This has resulted in the proposed TMO4+ model being the finalised solution for the renewed transmission connections framework model. In 2024, NESO raised two CUSC code modifications to enable implementation of connections reform. These are CMP 434 (more information can be found here and CMP 435 (more information can be found here). If approved by Ofgem (a decision is expected in Q1 2025), these modifications will enable the connections reform project to be introduced in Connection and Use of System Code (CUSC) and delivery of reform



implementation programme in 2025, first to existing in scope contracts and then to new transmission applications.

To support this model and the recently announced Government's CP2030 plans, NESO has recently published Connection Reform Methodologies, which detail its proposals on how projects will be treated and how projects can accelerate transmission connection dates as they look to progress through Gate 2. These Methodologies sit alongside the code modifications, details of which can be found here <u>connections reform | National Energy System Operator</u>

This document aims to provide customers and stakeholders with responses to frequently asked questions. Should you not find the information you require, please submit your enquiry to box.connectionsreformnged@nationalgrid.com

Contents

		Page
1.	G99	4
2.	Gate 2 / Gate 2 Evidence	4
3.	Transition / Grandfathering (now protections)	9
4.	CP30	13
5.	Non-Firm Arrangements / Technical Limits	15
6.	Pause	16
7.	Securities Freeze	17
8.	General	18

All information contained in this FAQ guide is accurate as of 24 March 2025. It is subject to the conclusion of final industry consultations and decisions, which are expected to be announced in early 2025. All content is sourced from the National Energy System Operator (NESO). We do not assume responsibility for the accuracy of this information, which is emerging and subject to revision and change. Consequently, it should not be relied upon for making general business, investment or legal decisions.

The content is sourced from information that is publicly available from NESO

https://www.neso.energy/industry-information/connections/connections-reform .

G99

Can clarity be provided on whether it is landowner-signed Heads of Terms or a draft that will be required for evidence?

As per the ENA guidance document, the requirement will be for Heads of Terms signed by the landowner(s). More information on the G99 changes can be found in the ENA guidance document: 241218new-distribution-queue-entry-requirements-v1.pdf

 Why are the DNOs proposing different requirements for gate applications than those required at Transmission level? e.g. having Heads of Terms signed; not options

The Gate 2 evidence requirement will be the same across both transmission and distribution. The G99 changes which will be effective from 01 January 2025, are seeking to raise the barriers to entry ahead of the implementation of connections reform, which is reflective of the need for customers to demonstrate readiness to progress through to Gate 2 upon application. Please note that customers do not need to provide Gate 2 evidence upon application however any projects going through the G99 process will now need to meet the updated G99 requirements.

Why are Heads of Terms required for DNO applications, when Transmission only requires Letter of Authority (LoAs) for Gate 1 applications?

The change to G99 requirements resulted of Ofgem's connections action plan (CAP), which included a key action to look at raising the barriers to entry for DNO applications. Following the ENA consultation on the proposed changes, there was a view that the G99 changes should not be the same as a Gate 2 criteria to allow customers to apply before meeting Gate 2 if required.

Gate 2 / Gate 2 Evidence Requirements

What offer will I receive at Gate 2?

When a customer is successful in meeting the Gate 2 evidence criteria, it will be offered a firm transmission connection date with a firm connection site and associated costs. This will be documented within the Offer between NESO and NGED, which will result in an updated DNO offer that will be sent to Customers and which will contain the updated transmission requirements.

Will projects that have been accepted to progress to Gate 2 process hold their position in the DNO queue?

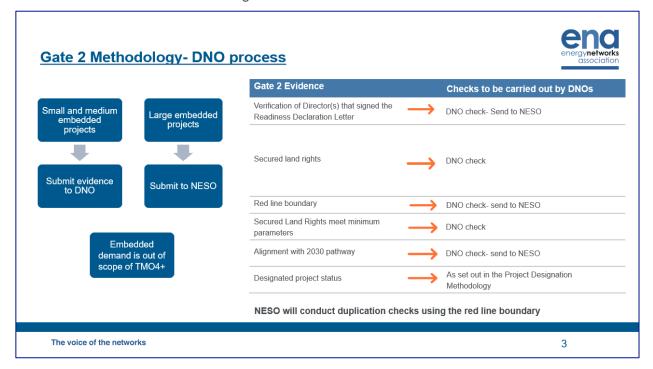
Any project that has signed their revised DNO Offer which includes the outcome of the Transmission impact assessment will go into the first (CMP435) window due to open in Q2 2025, pending code modifications approval by Ofgem. In order to be considered for a new agreement the project will need to meet the Gate 2 evidence criteria and the strategic alignment criteria. Currently NESO have communicated that there shall be two Windows in 2025:

 the first window in Q2 2025 (expected in May, exact date is to be confirmed) for those projects that have an accepted agreement that has already been through the Transmission Impact Assessment process.

- Any projects that have accepted but have not yet gone through this process will go through the first new application window (CMP434) which is currently scheduled to be towards the end of 2025.
- Will NGED be assessing Gate 2 evidence or is it for NESO to assess? If NGED, are you employing new staff with legal qualifications to assess land rights for example?

NGED, along with all other DNOs will be required to assess Gate 2 evidence prior to a final check by NESO. We are waiting for the final Methodologies to be signed off by Ofgem to confirm the process. There will be further communications in early 2025 highlighting the proposed process for assessing Gate 2 evidence. Please do not submit any evidence to your DNO until you have received communication from them.

Please find below an overview of how the Gate 2 Methodology shall be processed by DNOs, including which sections of the evidence will go to NESO for review



For those projects that meet Gate 2, will NGED carry out new network studies at the Point of Connection and scope of any associated Reinforcement Works, following the removal of projects which do not meet Gate 2; and how will the queue order be applied?

For those projects that have been deemed to meet the Gate 2 evidence criteria, there will be refreshed studies carried out by the Transmission Owner (TO) and NESO which could result in a revised Connection Date and Point of Connection. NGED will therefore review the Point of Connection and/or associated reinforcement works before and after it receives the updated NESO Offer, which will contain the latest TO assessment and connection solution.

The queue position will take the original NESO countersignature date as the base and then the process detailed within the CNDM will be applied to order the projects based on land access, planning status, project readiness and works required.

How can NGED give customers comfort that Gate 2 submissions will be processed in a timely manner, especially given the delays experienced in the current Statement of Works (SoW) process?

The windows for applications will be clearly defined and time bound by NESO. All projects that have met Gate 2 evidence will be included in the relevant window to allow for NESO and the Transmission Owner to carry out the Transmission Impact Assessment studies. We will engage with customers through the reform process to clearly signpost the windows and stages of reform. Details will be found on our website and also communicated at our customer reform webinars National Grid - Engagement.

Please note that DNOs do not have windows so once our evidence process is open customers can provide evidence to us at any point, however if it is after the closure of one NESO window the application will be put into the next NESO window.

We ask and thank customers for their patience in understanding that while we are working at pace, it will take time to implement these reforms to form the queue. The size of the queue is unprecedented, and we are working to streamline both the queue and our processes to better support customers, the network and the Government's CP2030 initiative. This is an extensive challenge.

How will we submit the information that is required for Gate 2?

We are developing a digital process that shall enable the upload of relevant information for the CMP435, 'Gate 2 to Whole Queue' (G2TWQ) process where you will need to submit specific land evidence relating to project readiness to us. We are mindful that this process needs to be made simple and easy for our customers to submit their Gate 2 evidence, and this is why we are developing an online form, with document upload functionality, that will guide you through the submission process. We will continue to engage with our customers ahead of the start of connections reform implementation process to provide updates and will be sending you a link to upload your evidence submission when the form goes live. We would therefore kindly ask our customers to check all their contact details are correct to ensure all communication is received. To let us know your contact details have changed, please email: nged.ncot@nationalgrid.co.uk.

Ahead of the submission form going live, you can continue to submit documentation against the existing milestones for your project with your current planner or project support specialist. Valid milestones that are relevant to reform include M1, M2 and M7 for qualifying projects ENA Queue Management. Preparing and updating this documentation with NGED as early as possible will best prepare you for any project protections you expect to qualify for during the reform process.

If you do have any questions or feedback in the meantime, you can contact us either via our connections reform email account box.connectionsreformnged@nationalgrid.com

Is it only DCO applications that will serve as evidence of Gate 2 and not local level applications?

Yes, that is correct, it is land rights or a DCO application (as DCOs often contain compulsory purchase and therefore a customer may not have land rights). It is important to highlight, that although planning consent is not a requirement for Gate 2 evidence, this can demonstrate evidence of the project's progression against the queue management milestones and can provide protections from CP30 filtering as well as a more preferential position in the queue re-ordering process. If your project falls into a Protected Project category then you may be asked to provide evidence of planning consent in addition to the standard Gate 2 evidence, more information of project projects can be found in the Gate 2 methodology here

Is the Red line boundary a planning boundary (RLB submitted) or the option area agreed with the 3rd party?

The redline boundary should be for the site that the project is located. Any planning or land documents should also be for the same piece of land.

- If our option to lease, including the total length and longstop, is less than three years, but the lease extends beyond the energization date, how will this impact the project
 See answer below
- Do existing projects need a 3-year option for land or just need to be valid for point of submission?

Under CMP435 there is no minimum length for the land Option required if the Option is entered in to by the date when Ofgem's reform decision on this Code Modis published (TBD but expected to be April 2025). If the land Option is: (1)not achieved by the date when Ofgem's decision is published, (2) there is no evidence of existing land ownership, or (3) an existing lease on the land then the Gate 2 methodology states, any Option agreement must have a minimum 3-year period (unless NESO discretion applied) via this Gate 2 Criteria Methodology) from the date the Option is signed (and not the date the Gate 2 application is submitted).

There will be an ongoing requirement for the User to keep the land under option with the landowner until the connection date. The lease or purchase agreement, which accompanies the option Agreement must reflect a minimum 20 years from the date of exercise of the option unless the User can demonstrate, to the reasonable satisfaction of NESO, that the expected operational life of the project is less than 20 years e.g. in relation to test and demonstration projects.

Can you confirm if all DNO's are going to be aligned in checking against the Gate 2 criteria and have a standard guidance to follow?

Ahead of the implementation of Connections Reform, DNO's are working together with the ENA to produce a standard guidance document to issue to Customers, so as to ensure all DNO's align when checking the evidence that has been submitted.

Can you confirm how to submit the required evidence where the site for the project does not have an address and Post Code?

NESO's <u>guidance</u> confirms that Grid Coordinates will need to be provided, however address including the Post Code would only need to be submitted if available.

Is there a deadline yet for submitting our Gate 2 ready evidence to NGED?

We are still waiting for a final timeline from NESO for the 'Gate 2 to Whole Queue' process, which is dependent also on Ofgem's decision on the proposed CUSC Code modifications. We urge our customers to prepare their evidence now to ensure that they are ready in time for the start of connections reform. Details can be found on our connections reform page <u>National Grid - connections reform</u>. NGED will be in touch once we are ready to receive your Gate 2 evidence.

Can you confirm if Large Embedded projects need to submit evidence to NGED as well as NESO?

For Large Embedded Generation projects, evidence will need to be submitted to NESO, however NGED will also need to be informed. Details of the process will be included within a guidance document which will be published soon. We will communicate to customers once the guidance document is live.

Please can we have clarification that 'improved queue position' also means improved POC offered where possible?

For projects that meet the Gate 2 evidence criteria, NESO and the Transmission Owner (TO) will conduct refreshed studies. These studies will result in a revised offer, confirming both a revised Transmission Connection Date and Point of Connection. While this could potentially lead to earlier connection dates and more favourable points of connection, it is not guaranteed. Subsequently, NGED will review the distribution Point of Connection and any associated reinforcement works before and after the TO review, and will issue an updated distribution offer to our customers.

Does G99 apply to existing connections applications?

G99 requirements are only for new applications from 01 January 2025. More details on these requirements can be found on the <u>ENA G99</u>. The Gate 2 criteria is required for all projects.

For 132kV schemes, there is a minimum of 2 years to be ready from ICP signing, therefore what certainty can be given to schemes due to be energised in 2027? Furthermore, we also seek clarity on the queue shuffling impact on the Active Network Management (ANM) schemes.

Projects energising in 2025/2026 will be retained in their original terms. Protected Projects currently due to connect after 2026 will have their queue position retained but energisation dates for firm access will be revisited, with the potential for advancement if requested. System access for ANM/flexible connections will be defined on the post-CP30 queue order.

For projects that have an export capacity 1MW and above, what offer will I receive at first and how is this different to a Gate 2 offer?

Your offer will provide details of the works required at distribution and an indicative transmission connection date and location until such time a project can demonstrate that it has met the Gate 2 Criteria. Once a project demonstrates it can meet the Gate 2 criteria, it will then be submitted by NGED (DNO) into the next available Gate 2 window, which once concluded will result in a firm transmission connection date and connection site being confirmed via a Variation to your contract.

Could you confirm if there is a formal process to confirm and or change a status of a project that has requested acceleration?

Projects will have the opportunity to request acceleration as per the NESO Gate 2 methodology guidance which can be found on the attached link **Project Readiness**.

Can you confirm if a project maintains its DNO queue position when offered a Gate
 2 Offer in Phase 2?

DNO queue position will be determined by the joint transmission and distribution queue ordering through the CNDM methodology. This order will also inform firm capacity dates, LIFO system access position and reinforcement costs. Non-firm connection dates will be mutually agreed where requested and permitted by the DNO, with LIFO positions aligned to firm capacity date order. Any project that is not protected by protection clause 1 may be subject to completion date change.

Transition to connections reform and protections (formally Grandfathering)

What will happen to customers experiencing delays in the project progression outcome, given that the embedded project queue position in the proposed Connection Network Design Methodology (CNDM) is determined by the date NESO countersigns the PP?

Where NESO countersigned an agreement 28 or more days later than the customer signed the agreement, the customer signature date will be used instead of the NESO countersignature date. For a Project Progression, the customer signature date is the date the DNO signed the agreement with NESO. For CMP434, the legacy process issues associated with signature determining queue position will be resolved, given the new process will determine queue position as the date Gate 2 was achieved instead.

How will NGED and NESO progress the outstanding projects going via Project Progressions before the start of reform?

NGED is working with NESO to try and process any outstanding project progressions before the start of connections reform Implementation.

How is NGED preparing for Gate 2 to Whole Queue next year in terms of resourcing and trial runs?

NGED has carried out assessment of the impact of reform implementation programme as currently known and will look to (1) collaborate with all relevant teams internally on the implementation plans, (2) recruitment of additional resources, (3) all of which supported by a training and support programme to ensure we are able to successfully implement reform and support our customers through the process.

What is the status of the ongoing Project Progression Step 2 outcomes for NGED GSPs such as Grendon? We have been waiting on a couple of outcomes since last May. Are they getting delayed due to the ongoing connections reform?

NGED are working with NESO to process any outstanding project progressions before the start of connections reform implementation to ensure access to the opportunities offered through the queue reordering.

 What is the position on projects with 2027 and 2028 connection dates? These projects are making significant financial investment and mobilising for construction.

These will be subject to the new Connections process and a network re-study by NESO and Transmission Owner. Current timelines communicated by NESO to industry state that it's expected that Offers post reform implementation shall be issued by end of 2025. We expect that these projects should remain in their relative queue position and will not be considered for acceleration, unless requested. These projects may also meet the protection criteria so although that doesn't protect the date, it does protect from removal from the queue.

Will projects with an accepted connection that have not yet gone through Project Progression, be allowed to participate in 'Gate 2 to Whole Queue'? If not, what is the status of Transitional Arrangement Phase 2, which promised to provide a 'step 1-type offer' to embedded projects and would therefore provide a route to participating in Gate 2 to Whole Queue?

Only projects that have gone through the Project Progression process and are in a signed contractual position following that process will be able to go through the Gate 2 to Whole Queue process. We are working with NESO to get all projects into the process ahead of confirmation from NESO on the transitional arrangements for DNO processes.

How does NGED intend to deal with Hybrid schemes that decide to remove their contracted import capacity, so that they are not negatively affected by connections reform for having a battery? Will this be an allowable change?

Reducing import without affecting voltage is currently an allowable change. The latest published Methodologies confirm that with export only, only the capacity towards the second technology (non-storage) will count towards the CP30 allocations. The Methodologies can be found here: https://www.neso.energy/industry-information/connections/connections-reform.

For Hybrid project that have a mix of solar and wind, can the technology be amended on entry to Gate 2 to replace the solar with additional wind?

Due to the change in technology, this would not be an allowable change as it will have a different impact on the network compared to the original technology.

It is reported that NESO will not allow connections with offers to proceed to Gate 2 unless evidence of planning application is shown by December 20th 2024, and permission granted by May 2025. This does not seem to align with NGED's view. Can clarity be provided?

NESO has now published the details of the Protected Projects in the Gate 2 Methodology (link above)— the objective of which is to protect projects that are significantly progressed and provide developer certainty. Whilst projects that have met Gate 2 from a land access perspective will be put forward for strategic alignment assessment, without planning permission, strategic alignment cannot be guaranteed. This is because there is a maximum cap to the capacity that can be given to projects that have not obtained planning permission. Therefore, for the best chance of securing a guaranteed position in the newly reformed queue, a customer should seek to achieve planning permission before May this year.

Regarding the contents of the 'protections slide presented at NGED's recent Connection Reform Webinar, is this now agreed, or awaiting approval?

Since our webinar in December 2024, NESO has published its final position on protections. https://www.neso.energy/document/349496/download along with the other Connection Reform Methodologies please see the link here for more information connections reform | National Energy System Operator. This is subject to approval by Ofgem, expected in late March 25.

I would like more clarity on the protections that you presented at your recent Connection Reform Webinar. Could you further explain why projects won't be permitted to keep their current energisation dates, even if they obtain their planning consent by May 2025?

Projects will keep their current queue position if they can meet the 2026 protection requirements as detailed within NESO's final position (https://www.neso.energy/document/349496/download). However, as the whole queue is going to be re-studied to enable advancement there may still be a change to dates and works following this process.

• If a project meets the newly confirmed Strategic Alignment via Capacity Market Agreement, does it still need to go through the CP2030 Action Plan assessment for tech type/regions or will it automatically receive a Gate 2 Offer and be allowed to construct?

The latest publication of the Gate 2 methodology, section 6.2, lists out the conditions that a project could qualify for protections. If a project already has a Capacity Market / CfD contract and can demonstrate Gate 2 land readiness criteria by close of the 'Gate 2 to Whole Queue' evidence submission window (which is expected at the end of May 2025) then they will be assumed to meet the strategic alignment. NESO published its final Methodologies on 20th December 2024 which provide further details on how projects will be treated. connections reform | National Energy System Operator

Can NGED please supply customers with the countersigned 'BCA' dates for the project progression from NESO? We need these to assess where our projects are within the GB wide connection queue.

NGED is currently working with NESO to confirm Project Progression countersignature dates and Appendix G countersignature dates to determine the transmission queue entry positions. Further updates will be provided to customers once we have concluded the Gate 2 to Whole Queue exercise.

At present, it is not clear whether a 'protected' project will need to have an energisation date pre-2027 to be classed as 'protected' (assuming it holds a 3-year land option and meets the necessary planning requirements). Please can NGED provide clarity? For projects that are 'protected' will a submission of relevant gate 2 evidence still be required?

A Gate 2 evidence submission is required for all existing projects that impact transmission (currently deemed to be above 1MW), whether protected or not.

There are different categories of protected projects which can be found under Section 6.2 of the Gate 2 Methodology. Projects connecting before 2027 could be protected and their existing date maintained.

Any projects could be protected if they are seen to be progressing i.e. planning submitted by 20th December and planning consent granted before the implementation of CMP435 window, or a live CFD (Contract for Difference) contract – but if connecting after 31/12/26 the connection date could change.

HTTPs://www.neso.energy/document/350236/download

Can you confirm whether there will be interactive offers issued as part of the Gate 2 to Whole Queue process and if so, how this affects what is offered to the later projects should the first project in the interactive queue not sign its Gate 2 Offer?

We are unlikely to run the normal interactivity process during the CMP435 reform programme, owing to the tight timescales. We will send the best offer to each scheme and look to vary any offers if the projects ahead of them do not accept their Gate 2 offers, in cases where this could materially improve the offers.

Can you confirm what evidence is required to satisfy Milestone M7 of the Queue Management process?

As per the ENA Queue Management guidance document <u>ENA Queue Management</u>, the evidence required is one of the following:

- · Binding contract for main plant equipment; or
- Staged payment made to the network company; or
- · Board paper Evidencing Final Investment Decision (FID); or
- · Subsidy award.

There is however currently a review underway, within the ENA queue management workgroup, as to whether the guidance should be updated ahead of CMP435. We will confirm as soon as we are able. We are aware the queue management group are discussing the mandatory purchase of plant as a confirmation of M7. This is however not yet finalised in terms of specification or timelines for implementation.

Will a Project Progression first step offer counter signature date count as the signature date for the initial queue position as part of the Gate 2 to Whole Queue process?

Yes - unless the step 1 countersigned date is later than 28 days after signing - in which place signing date is taken as queue entry date.

Can NGED confirm how it intends to apply a consistent approach to the contracted date as this is important when seeking to apply for protection as per the protection methodology NESO has communicated?

This will be as per the date listed in the Appendix G of the BCA between NESO and the DNO.

For a project to qualify for a relevant protection clause, it is a necessity that it must also have a Support Contract (such as a CFD, Capacity Market Contract or a Cap and Floor) too?

There is not a requirement for a project to have a Support Contract too. There are different levels to planning permission. Further guidance on protections can be found via NESO's recent <u>Protections</u> webinar.

Would a project be eligible for Protection Clause 3 if the planning application was submitted after the 20 December 2024 but ahead of the window closing for CMP435?

To qualify for protection clause 3 a project does not need to have submitted planning consent by 20th December 2024. NESO recently outlined the various scenarios by which the protection clauses are applied and to which window. Details can be found via the attached link **Protections**.

CP30

Is the Capacity Reallocation Methodology process/document available?

The document is available on the NESO website: connections reform | National Energy System Operator

Who determines whether my project aligns with 2030 or 2035 pathway?

There is currently an Ofgem license consultation to determine which party (DNO or NESO) will determine how projects will be aligned. The latest version of the CNDM methodology states that this alignment will provisionally be undertaken by the DNO for small and medium projects that are regionally allocated, subject to NESO confirmation, and the alignment of remaining projects (large) will be completed by NESO. The Department for Energy and Net Zero (DESNZ) also published its plan on 13 December 2024. Details can be found here Government sets out plan for new era of clean electricity - GOV.UK.

Is there a better way than specific technology caps. Have NESO considered specifying the characteristics of the energy required?

NESO have looked at a number of options to ensure that connections reform has the biggest impact possible to allow those projects that are progressing to connect. If you have further questions on this please contact NESO directly. You can find the NESO report on CP30 recommendations here: <u>Clean Power 2030 | National Energy System Operator</u>.

How often will NESO update project design specifics as technology moves very fast and less land will be needed per MW?

The plan as communicated by NESO on their latest publications, is for the Methodologies to be updated once a year.

Does NGED have confidence that it can deliver all the MWs in different distribution zones that NESO CP30 allocates?

The CP30 capacities that have been assigned to the DNOs per region, serve as a cap as to the maximum and ideal capacity needed to deliver a Net Zero energy system, rather than any obligation for NGED to ensure compliance with those numbers.

NGED has a demonstrable track record of connecting large volumes of DER within its region. CP30 is an enormous challenge and will be a step change for the whole industry. We will continue to work with our customers who are ready and meeting their milestones, to connect the generation needed for Net Zero.

How will NGED work out the LIFO queue for ANM connections with the new Gate 2 to Whole Queue grid queue?

In moving from first come, first served, to first ready & first needed, first connected, the LIFO queues will be ordered in alignment to the joint T-D queue being established by NESO. This will not affect non-firm connections already operational or those expected to be delivered in 2025/6. As the LIFO stacks are reestablished, curtailment reports will need to be refreshed to reflect removed/reordered projects.

• For the energy mixes and requirements proposed in CP2030 do the 'bucket' targets include operational technology?

CP30 capacity targets per technology are a total target for 2030 and 2035 for the >1MW generation connections needed within our region. These include storage, onshore wind and solar which are built and delivered by our customers. When considering what capacity from the targets can be allocated to new generation connections, we will remove capacity already allocated to existing projects >1MW which are operational.

You said NESO is due to publish the capacity allocations by the end of the year, will these allocations be made public or just for DNOs? Will it be split by GSP?

NESO has published its advice to Government on 5th December. Government has now also published the Clean Power 2030 Action plan on the 13 December in the public domain <u>Government sets out plan for new era of clean electricity - GOV.UK</u>. Allocations are per DNO for the technologies that are split regionally. For the GB wide technologies, this is one UK allocation. Here is a link to the DESNZ webpage listing all the allocations per region: https://www.gov.uk/government/publications/clean-power-2030-action-plan/62b4c26c-3b79-4bbd-b2b7-062b0fcca01d

How will applications to add generating technology to existing sites be treated if CP2030 pots are full. e.g. adding solar to existing wind farm which may require no additional works on network (subject to curtailment / export limit etc) but under new arrangements may never be given gate 2 offer?

Hybrid renewable and storage projects with both export capacity and import capacity will contribute to both technology quotas at their capacity levels. Hybrid projects with only an export capacity will contribute to

the non-storage technology cap only. Any overallocation will be processed in line with the <u>Connections</u> <u>Network Design Methodology (CNDM)</u>.

Projects will be able to reduce import and/or export capacity downwards and/or reduce/remove a technology component of a hybrid site as an allowable change during the Gate 2 evidence gathering exercise – but increases will not be allowable under the existing allowable changes guidance.

Do I need to apply to NESO and or the DNO if my project is a 'new technology' or 'highly innovative', as described in the NESO's Project Designation Methodology?

In the Designation Methodology published by NESO on 20th December 2024, (see <u>Clean Project Designation Methodology Post Con</u>) any User seeking a new technology or highly innovative designation must make a formal application to NESO. The DNO may also notify NESO where it considers a project may be an appropriate candidate.

Will Gate 1 offers be issued ahead of Gate 2 offers as it was suggested that this could be known by July 2025?

The full G2TWQ (reform implementation process to existing queue) timeline is yet to be published. We do know however that section 5.18 of CNDM states that NESO will publish the outcomes of the G2WQ process as soon as this is complete. Therefore, projects will know whether they are Gate 1 or Gate 2, and this is likely to be in the summer of 2025 (TBD – dependant on the Ofgem decision date).

Will Gate 1 offers be managed in a published queue and how will they be selected to backfill attrition?

Gate 1 will not be selected to backfill attrition. Gate 1 projects will be offered the opportunity to apply to meet Gate 2 when they are ready, in the same way as any other new applicant

Non-Firm Arrangements / Technical Limits

How will existing projects, with non-firm connections be affected by these reforms when waiting for a firm connection?

Projects will be entered into the reform process based on their existing firm connection date. Projects meeting Gate 2 *and* a) being subject to protections; or b) falling within the CP30 regional quotas will be entitled to request advancement. Advancement will look to accelerate projects both for firm energisation dates and non-firm energisation dates to seek the best advancement options for the connection.

There are projects in the queue with Technical Limits Offers. Has NGED received confirmation from NESO on whether these can still be connected as agreed, or will these fall into the queue gating process?

Updated guidance on Technical Limits has been included in the updated Methodologies publication by NESO on the 20th of December 2024. Protections will not filter out projects with planning before May 2025 (and submitted before 20/12/24), but the firm date (if after 2026) will be subject to Transmission Owner Network restudies and therefore the date could change.

Please provide an update on technical limits - has connections reform delayed tranche 2 (originally, all variations were due to be issued by November)?

Tranche 2 variations have been issued. If you have any queries in relation to your tranche 2 offer, please contact your connections engineer.

How will the proposed changes affect projects which have technical limits associated with them?

Projects that are in-flight with expected energisation dates in 2025 and 2026 will be retained as long as they meet the protections criteria and/or Gate 2 readiness criteria. All other projects with firm dates beyond 2026 will be issued updated connection offers in line with reform processes and timescales.

Will non-firm variation offers continue to be made under Technical Limits whilst the queue reform process is taking place?

DNOs have been working through the process for technical limits in the context of how this interacts with connections reform. We are therefore not expecting to issue any further Technical Limit offers ahead of the conclusion of Gate 2 to Whole Queue process.

How will completion dates offered via technical limit offers be treated in the proposed TM04+ Connections Reform model? Will these dates be maintained as without further clarity, it provides uncertainty and risks to our projects?

We understand that this provides a level of uncertainty and risk but we are working hard with the engineering hub and the rest of industry, to define the earliest dates customers can be given their outcomes. Section 6.2 of the Gate 2 methodology regarding protection clause 1 states that for projects contracted to connect under temporary restrictions to availability by 31st December 2026 (i.e. a temporary non-firm connection), with a firm connection date in 2027 or later, this clause will only cover the non-firm date. The firm capacity will be covered by Protection Clause 2 and so will be subject to change

NESO Pause

• Are all generation and demand applications are affected by the Pause?

All generation connection applications above 950kva received after the 29th of January 2025 will be affected by the NESO pause. Embedded Demand applications are not part of the NESO pause although DNOs cannot submit project progression applications to NESO during this time.

How long will the NESO pause be effective for?

NESOs pause is effective from 29th January 2025 until the first CMP434 (new reformed application window) is live which is expected to open towards the end of 2025. You can keep up to date with the latest developments on CMP434 via the NESO website CMP434 Via the NESO Website CMP434 Implementing Connections Reform | National Energy System Operator.

Will Appendix G submissions happen during the pause?

Due to the freeze on transmission applications, we will not be able to submit any Project Progressions to NESO until the Pause is lifted. NGED will continue to process DNO applications, whereby customers will receive DNO offers. However, we will not forward the Transmission Impact Assessment until the new window opens (CMP434). More details can be found via our Connection Reform webpage National Grid-Connections Reform.

How will new applications that are submitted after the Pause is live be treated? If we applied for a DNO connection offer after the Pause is effective and receive a DNO offer, will the NGED offer be updated post Gate 2 to Whole Queue conclusion?

If you are just applying to NGED after the start of the Pause, we will issue an NGED offer. However, due to the transmission Pause, we would not be able to submit the Project Progression to NESO. As a result, these projects will not be part of the Gate 2 To whole Queue and shall be processed as part of the next Transmission Application Window.

It is important to highlight, customers can still sign their DNO offers from NGED and collate Gate 2 evidence in preparation. Once the first CMP434 window (next submission opportunity after the Gate 2 to whole queue process) is live (it is expected to be later this year), NGED will communicate to customers to ensure that they are prepared for Gate 2 evidence submission.

Securities Freeze

Does the cancellation liability continue during the Securities Freeze?

Yes it does. Customers that currently secure against the Transmission Reinforcement Works within their current contracts will have their current securities values frozen as per their current Cancellation Charge statements. Therefore, any project that is terminated over the next two securities periods will follow the normal termination process whereby charges will be levied as per the current MM2 Cancellation Charge Statement. Securities freeze simply means securities charges will not increase during this period.

Do projects in Gate 1 incur any securities liabilities?

Gate 1 is not currently a officially confirmed process for distribution, however, when this position changes, there will be no securities associated with a Gate 1 offers, as per the transmission design. Further updates as to whether Gate 1 will be introduced for distribution will be communicated via our Connection Reform webinars and Connection Reform webpages.

General

The current milestones don't give me enough time to submit planning. Will these be reviewed as part of the reform process?

All queue management milestones are implemented in line with the ENA's queue management guidance. This is reviewed on a regular basis to ensure it is still fit for purpose. Click here for ENA's guidance

When NGED states "1MW", to categorise projects that are subject to the connections reform process, does this refer to export capacity or installed capacity (e.g. what happens if my plant is 1.2MW, but I export below 1MW to the network)?

For NGED embedded projects a project will be deemed relevant to the Transmission Impact Assessment process if it has a registered capacity of 1MW to 1decimal point "0.0499999MW". We use export capacity to determine this threshold as prescribed in the Grid Code (THE GRID CODE)

What are the thresholds for small, medium and large embedded demand? How does the proposed changes to the Transmission Impact Assessment threshold limit effect the classification of this?

As per the Grid Code, Small embedded projects are currently projects with registered capacity <50MW, Medium is projects with registered capacity >50MW and <100MW and large is projects with registered capacity >100MW. The proposed changes to the Transmission Impact Assessment through CUSC Modification (CMP) 446 is looking to increase the threshold from 1MW to 5MW (in England and Wales only). Therefore, only projects above 5MW would go through the project progression process and be assigned associated transmission works. Please note that under the Grid Code capacities are rounded up, for example projects with a capacity of 4.95MW would be treated as 5MW by NESO.

• If CMP446 is implemented, can NGED confirm if affected projects would be reassessed and a quote sent out removing caveats for transmission impact review?

To confirm, CMP446 has been raised to increase the minimum Transmission Impact Assessment threshold from 1MW to 5MW in England and Wales. Where there are Fault Level Headroom restrictions the threshold may remain at 1MW, this will be assessed on a GSP-by-GSP basis. Should the CUSC Code Modification be approved by Ofgem and ahead of the start of Connection Reform Gate 2 to Whole Queue reassessment process, projects that fall under that threshold would not be subject to transmission reinforcement. This will mean modifying the offers to remove transmission reinforcement requirements from the connection contracts.