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Interim Director of Infrastructure and Security of Supply
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16/06/2023

Dear Akshay,

Open letter on future reform to the electricity connections process

Muirhall Energy Limited (Muirhall) is an independent developer of renewable energy projects based in rural South Lanarkshire. We have developed an industry-leading successful planning consent rate of >95% and organically have developed a pipeline of 2.2 GW of renewable energy projects and 1 GW of Battery Energy Storage Systems. We are proud of our award-winning “community first” engagement approach, our innovative approaches to technical issues and our commitment to the development of our team.

We were pleased to see the UK Government’s recent amendment to the Energy Bill, giving Ofgem a statutory net-zero duty, and thus a requirement support the UK Government meet legal obligations to get to net-zero by 2050, as required by the Climate Change Act 2008. However, we must not underestimate the significant challenges of successfully delivering the renewable energy pipeline we need to ensure we are on track to meet these targets.

One of the most major of these challenges is securing grid connections for renewable energy developments where, and when, they are needed. The industry needs urgent investment into infrastructure and rapid improvement to the connections process to reduce connection times, ensure the network can be built intelligently and ultimately, fit for a net-zero future.

Muirhall welcomes Ofgem’s proposals for the future reform to the electricity connections process in principle and consider them vital in not only allowing the successful deployment of renewable energy projects to meet increasing demand, but also in achieving Government’s net-zero targets. Muirhall also welcomes the recognition from Ofgem that the current connections process is no longer fit for purpose and that changes to the process will be required to achieve decarbonisation targets.

We support and echo the view of Scottish Renewables to put investment ahead of need. the government’s draft Strategy and Policy Statement (SPS) calls for the Future System Operator (FSO) to produce a Centralised Strategic Network Plan (CSNP) that will facilitate network investment delivered ahead of need. For this to work in practice, there must be clear commitment from both government, and Ofgem, to this investment. By having established anticipatory grid capacity, renewable energy projects will be able to connect immediately rather than having to wait for new infrastructure to be built. While there is currently room for the TOs to deliver ahead of need, in

practice, the risk of cost disallowances means they are unable to work at risk. As such Ofgem should be clearer as to how they will facilitate investment ahead of need.

In addition to the above, we would like to highlight the following points that Ofgem should consider as they progress with the various options towards real, and essential, solutions:

- Ofgem should further reconsider if Electrical Energy Storage should become its own 'class' of connection type different to either 'Generation' or 'Demand', due to its unique combination of both.
- **Annex B** has the potential to improve the connections process but as we move towards a more integrated energy system, the considerations of the FSO when providing new connections could take longer and longer as more policies, procedures and optimisations will need to be considered.
- Ofgem should simplify the procedure for TOs to propose upgrades to transmission capacity outside of the RIIO-2 framework, where generation projections have significantly increased compared to the pre-RIIO-2 submission situation. Increases in transmission capacity will increase generation capacity and therefore competition and lead to consumer benefits through security of supply and lower prices.
- Ofgem should encourage the TOs to allow User build of Connection Assets where they are not shared, and the User has the scope and ability to manage this process. For example, in NGET areas, the User can undertake the connection works. However, in Scotland, the TOs will not facilitate this, despite it being permissible under the CUSC (up to 2km).

Muirhall would be keen to engage further with this agenda and would be happy to discuss our response in more detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Amy Keast', with a long horizontal flourish extending to the right.

Amy Keast

Communications Manager