

Future Reforms to the electricity Connections Process.

Pulse Clean Energy is an investor and developer of flexibility assets, with a mission to facilitate the transition to a low carbon future. We are backed by IMCO, a Canadian pension fund with approximately C\$70bn under management and IMCO have committed an initial C\$500m of equity and we have recently raised debt in order to fund our pipeline of over 1.2GW.

The ability to obtain timely grid connections, is the single biggest issue that is now holding us back in our desire to fulfil our business plan and we remain concerned that if this issue is not resolved in a timely fashion, then the costs to UK Plc and to consumers will be higher than they should be. Indeed, with the offshore wind regime and associated long term cfd, being well established, we see the risk that more and more variable energy will be fed into the grid yet the flexible assets required to balance the grid will remain held back by lengthy connection dates, thereby increasing volatility and costs for consumers.

We therefore welcome Ofgem's recent paper and consultation but would encourage you to look at some additional measures, which we believe could be enacted in the short to medium term:

- 1) In the short term we believe that battery assets should immediately be reclassified as neutral assets from a grid connection perspective, both at the DSO and Transmission level.
- 2) That all DSOs should be required to offer both an Active Management Connection and a firm connection date within a specific number of days. The AMC should be in a standard form, including modelling technique, data used and control systems across DSO in order to compare and contrast offers.
- 3) We support the move away from First Come First Served and believe that those assets in the existing connection queues, should be required to show progress against specific milestones and that if they have not met those milestones, then be able to be "jumped" in the queue. We would go further and say that BESS projects, as neutral assets, should be given priority in the queue as they are helping to solve system balancing issues.
- 4) There should be a sunset clause in all grid connections which means that an offer lapses by a certain back drop date i.e with 5 years of an offer, unless there are mitigating circumstances.
- 5) Where there is additional strategic investment in networks, it should be made very transparent on the nature and timing of these investments, so that investors in flexible assets can make decisions accordingly. This will become more important as we move to nodal or zonal pricing.

Given the increasing international competition for battery storage investment, we think that it is essential that we achieve faster connection times for assets which facilitate the transition to Net Zero. We welcome the fact that Ofgem is taking a stronger role in this area and look forward to working with you and other industry partners on this matter.

Regards

Paul Massara

CEO Pulse Clean Energy

