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Dear OFGEM Connections Team,

Response to OFGEM's Open Letter on ESO's updated electricity connections process

Eclipse Power welcomes the opportunity to provide stakeholder commentary and feedback regarding the ESO's update, as requested in your Open Letter of 19 April 2024.

We are an Independent Distribution Network Operator, working with many clients to help get them connected to the grid, and as such welcome initiatives to help get the ever-increasing GB connections queue freed up and moving. We have contributed feedback to OFGEM and ESO in many consultations on this topic over the last few years.

We are pleased to note that "TMO4+" has a much more aggressive implementation target than originally envisaged, to align with the Chancellor's Spring Budget aspirations regarding electricity connections reforms. We were concerned that under the original proposals, implementation would have been mid to late 2025.

We welcome the proposal to make the changes retrospective to pre-existing queue members.

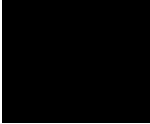
We agree with OFGEM's position as laid out in Annex A, and their expectations for taking the proposals forward in Annex B and make several further observations, some of which have been partially alluded to in your Open Letter:

1. We noted in our July 2023 response that our principal challenge of TMO4 was the presence of a single annual window, which we felt would put undue pressure on all parties as the window date approached. We suggested that this could be partially mitigated by incorporating a second window each year and continue to hold this opinion.
2. We continue to believe that TMO4/TMO4+ is complex, and as such there remains the possibility that the required code changes and industry educational needs will get bogged down in detail, making a 1st January 2025 implementation very difficult to achieve. We note that these changes are being put to OFGEM as requiring an "Urgent" status.
3. As noted above, the decision to extend the footprint of TMO4 to pre-existing queue members is broadly to be welcomed. However, this could be problematic for projects which may be almost ready, and which will be subjected to greater uncertainty as a result. Investor confidence can be fragile, and the consequences of such uncertainty could ripple through many other projects. Dealing with this, and possibly legal challenges, will add to pressures for critical industry resources in ESO and TOs. Adequate scenario planning, and consideration of the possibility of the impact of additional uncertainty, will be needed too, to mitigate against an adverse impact on the availability of capital (or a rise in risk premiums).
4. We agree that this proposal should not be in isolation, and that a range of tactical solutions should be considered too.
5. We offer the suggestion that driving the queue using Appendix J and compliance with DNO dates would perhaps be simpler, and less likely to increase uncertainty.

6. We believe that it would be useful to have an additional mechanism in these arrangements to handle regional or substation-level congestion in applications, to supplement the readiness criterion. If too many customers are trying to get connected at a particular location, a local sequencing mechanism would be useful.
7. Regarding obligations and incentives for the ESO and network companies, we suggest that these proposals should include an obligation for TOs and DNOs to actively coordinate to fairly resolve TO connections that impact DNO networks.

Eclipse Power is pleased to be able to contribute to this consultation and looks forward to assisting with taking these ideas forward, by participation in future workgroups and discussions.

Kind regards,



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Director of Finance, Regulation & Performance

Eclipse Power