



Energy for  
generations

# ESB GT's response to Ofgem's Policy Consultation on Required Licence Changes for TMO4+ Connections Reform

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## 1. INTRODUCTION

This submission presents ESB Generation and Trading's ("ESB GT") response to the Ofgem Consultation on *Required Licence Changes for TMO4+ Connections Reform*.

ESB GT welcomes this opportunity to discuss this important topic. ESB's portfolio in Great Britain includes a combined-cycle gas turbine plant in the northwest, offshore wind farm interests in Scotland, and a growing onshore wind presence. A central feature of ESB's business is to deliver benefits to consumers by investing in the most efficient renewable assets, particularly offshore and onshore wind at locations where the wind resource is highest. Naturally, it is important for the rules to facilitate investments at locations where the energy yield is economically viable for these renewable assets.

By way of an introduction, ESB is Ireland's foremost energy company, with around 7,000 employees. Established in 1927 by the Irish Government, and remaining 95% state owned, ESB created the first fully integrated electricity system in the world. ESB owns the transmission and distribution systems in Ireland and Northern Ireland. ESB have been present in Great Britain since market liberalisation and for 25 years has powered homes and businesses across the country, investing around £2 billion. ESB was one of the first IPPs in the UK with our investment in Corby Power Station (350 MW) in the early 1990's.

ESB is supporting Britain's transition to a low carbon future by investing in flexible and renewable generation assets, including combined-cycle gas turbine, wind, and biomass technologies. ESB opened Carrington Power Station (880 MW) in 2016, one of the most flexible and efficient plants in the market on the site of an old coal plant near Manchester. This was the first large-scale gas-fired station to come on stream in Great Britain since 2013. Carrington is owned by ESB's 100% subsidiary Carrington Power Limited. ESB also owns 125 MW of onshore wind generation capacity (with over 1,400 MW in the development pipeline across the UK), a 7 MW battery storage project in Lincolnshire, and has also invested in the 353 MW Galloper offshore wind project.

## 2. KEY POINTS

- i) ***A stable Policy and Regulatory Framework should be maintained and the regulatory burden on companies should be reduced.*** The GB energy market has proved to be an attractive area for investment since privatisation in the early 1990s. This has been due to a policy and regulatory regime where the licensing regime and industry codes have provided a stable governance framework.
- ii) ***ESB GT supports licence changes to enable a reformed connections process.*** The transition from a system that is ‘first-come-first-served’ to one based on readiness and strategic need requires licences to be referenced to the new Connections Methodologies and the changes to the Connection Use of System Code (CUSC) and The System Operator Transmission Owner Code (STC), through CMP434, CMP435 and CM095 (and CM 096). We believe that it is necessary and appropriate to have the new process reflected at the industry code level and embedded in the commitments made by market participants. The NESO should be responsible for the development and maintenance of the Connections Methodologies.
- iii) ***The timelines for implementing the proposed licence modifications need to be long enough to enable effective evaluation of the revised connection process.*** Network licensees need time to evaluate effectively the contracted background based on the new Gate 2 criteria and Connection Networks Design Methodology (CNDM), as well as time to ensure developers sign up to revised offers. This must conclude before new projects are allowed to be added into the newly reformed connections pipeline. The proposed timescales for implementation of TMO4+ to the existing queue currently only allow network companies a few months to conduct the necessary design studies to reissue customer contracts.
- iv) ***ESB GT agrees that NESO should have the power to designate projects in line with the criteria outlined but this power should only be used sparingly.*** However, further clarity is required on the definition of a project that ‘materially’ reduces the need for constraint management. Clarity is also needed on the meaning of innovative ‘novel-sub types’ of technologies. A clearer definition is required for projects that could be designated under this definition but are outside the scope of technologies referred to in CP2030. These existing definitions appear open-ended and could lead to various projects seeking designation and pushing back the connection time of non-designated projects with little order or standardisation of approach.

- v) ***Application windows need to be long enough to enable effective competition.*** We believe that the proposal to have application windows that last a minimum of two weeks and maximum of four weeks is not appropriate. Based on the draft timetables NESO has produced previously; application windows would need to run for at least four and a maximum of six weeks to allow sufficient time for all parties to submit their applications. A longer application window should allow the maximum number of applicants to enable effective competition for each regional technology bucket.
- vi) ***The role and licensing of Distribution Network Operators need careful consideration.*** If DNOs are given responsibility for assessing the strategic alignment of projects when progressing them to Gate 2, serious consideration would need to be given to the licence conditions they hold to ensure restrictions, disruptions or distortions to competition are not produced. This would require clear reference in the distribution licence conditions to a definition for strategic alignment with CP2030 and the Strategic Spatial Energy Plan (SSEP) and how that alignment interacts with the CNDM that DNOs can refer to when producing connection offers and progressing connections.
- vii) ***The risk of legal challenge from perceived discriminatory behaviour following connections reform should be reduced.*** Licence condition 19 explicitly disallows discriminatory behaviour when offering connections, but the overall connection reform process enabling alignment with CP2030 and SSEP could be viewed as discriminatory. Therefore, changes to this licence condition, or at least clear references to caveats under the CNDM and its interaction with strategic alignment, will be required. discriminatory by certain parties seeking to connect, and so every effort should be made to limit the risk of legal challenge from those that lose queue positions.

***Question 1: Do you agree that licence changes are necessary to adequately facilitate the policy intent of the reformed Connections Process, if it is approved? Please, provide the reasons for your answers.***

ESB GT supports licence changes to enable a reformed connections process. The transition from a system that is ‘first-come-first-served’ to one based on readiness and strategic need requires licences to be referenced to the new Connections Methodologies and the changes to the Connection Use of System Code (CUSC) and The System Operator Transmission Owner Code (STC), through CMP434, CMP435 and CM095 (and CM 096). We believe that it is necessary and appropriate to have the new process reflected at the industry code level and embedded in the commitments made by market participants.

***Question 2: Do you agree with the approach summarised in paragraphs 3.2 to 3.8? Please provide the reasons for your answer.***

ESB GT agrees with the approach focussing on aligning licence conditions with CMP 434, CMP 435 and CM 096. The NESO should be responsible for the development and maintenance of the Connections Methodologies. We agree with the proposed E15 -previously E12 condition to enable the provision of two distinct types of Gate 1 and Gate 2 connection offers. However, care should be taken with the phrasing of the content of Gate 1 offers - there is a need to ensure investor confidence for projects, given indicative dates, if they are expected to come forward later to meet emerging gaps in the connection queue. This may require explanatory phrasing, guidance notes or reference in the amended licence conditions.

***Question 3: Do you agree that we have considered all relevant areas of the licence which might need modifications, and that we have proposed changes in relation to all relevant matters? If there are areas we need to consider further, please specify. Also, please specify any matters that we have addressed but which you do not think should be relevant. Please, provide the reasons for your answer.***

Yes, we agree that the relevant areas concerning code modifications to licences have been considered. However, we believe that further consideration is needed regarding the licence obligations for Distribution Network Operators (DNOs). For example, we believe that there should be

a strong obligation for DNOs to submit projects that have met the evidence requirements for the next application window. We believe that proposed wording for this should be added to ensure that there are provisions in place to protect embedded generators for TMO4+ Go-live.

The DNO licence should also include a clear explanation for connecting customers of the requirements for a Gate 2 application, including fee arrangements. Currently, this is being left to the Energy Network Association's (ENA's) Strategic Connections Group (SGC). We have some concerns with this, as there have been issues raised in the past due to a lack of transparency and engagement by the SGC with connecting customers.

Another area to consider is that of the timelines for implementing the proposed licence modifications. These need to be long enough to enable effective evaluation of the revised connection process. Network licensees need time to evaluate effectively the contracted background based on the new Gate 2 criteria and Connection Networks Design Methodology (CNDM), as well as time to ensure developers sign up to revised offers. This must conclude before new projects are allowed to be added into the newly reformed connections pipeline. The proposed timescales for implementation of TMO4+ to the existing queue currently only allow network companies a few months to conduct the necessary design studies to reissue customer contracts. We believe there is significant potential for inefficient network design outcomes for customers should two offer windows substantially overlap, which, in turn, presents a risk to efficient delivery of CP2030 ambitions.

It is also worth considering the implications for these licence conditions given the NESO open letter which indicates that projects with advanced planning permission, Contracts for Difference (CfD) or Capacity Market (CM) contracts, or Cap and Floor support for interconnectors and offshore hybrid assets, will meet the strategic alignment criteria. While not directly in scope of the changes proposed in this consultation, NESO or the Transmission Operators (TOs) will need to, under the proposed licence conditions, make changes to the connections queue or their buildout plans, based on the proposals under TMO4+ and the Connections Methodologies. The obligations on NESO and TOs when parties meet strategic alignment criteria, but not the readiness criteria under TMO4+, need serious consideration.

***Question 4: Do you agree that the new definitions as set out in paragraphs 3.12 to 3.19 and draft legal text in condition A1, as set out in Annex A, are necessary to and adequately facilitate the policy intent of the reformed Connections Process? Please provide the reasons and any alternative suggestions if you disagree.***

Yes, we agree that the definitions set out in line with the draft legal text in condition A1 are appropriate for the policy intent.

***Question 5: Do you agree that no changes are required to the existing definitions in condition A1, as set out in Annex A, and that the proposed new changes are enough? Please provide the reasons for your answer and identify any changes you consider to be needed.***

We agree that the other definitions in Annex A require no changes. However, given the interaction with strategic alignment criteria, a definition for strategic alignment with Clean Power by 2030 (CP2030) or the Strategic Spatial Energy Plan (SSEP) may be necessary.

***Question 6: Do you agree this clarification in paragraph 3.21 and proposed text in condition B3, as set out in Annex A, is required? Please provide the reasons for your answer.***

Yes, we agree with the need to clarify the licence condition regarding unfair commercial advantage, especially given the new power of the NESO, not just through Project Designation, but also through potential misuse or misapplication of the strategic alignment criteria. The wording to avoid undue competitive advantage to parties needs careful thought.

***Question 7: Do you agree with the policy intent behind the changes we are proposing that these types of “full” offers will only be made to the “non-gated” applications or “Gate 2” applications? Please provide reasons for your answer.***

Yes, we believe that it is appropriate for changes to be made to the licence to reflect the fact that only non-gated offers or Gate 2 offers need to specify enabling works.

***Question 8: Do you agree that the proposed text in condition C11, as set out in Annex A, gives appropriate effect to the policy intent? Please provide reasons for your answer.***

Yes, the proposed text is appropriate.

***Question 9: Do you agree with the policy intent behind the changes we are proposing in paragraphs 3.28 and 3.29? Please provide the reasons for your answer.***

Yes, we agree that it is appropriate for changes to be made to the licence to reflect the fact that only non-gated offers or Gate 2 offers need to specify site-specific details.

***Question 10: Do you agree that the proposed text in condition E2, as set out in Annex A, gives appropriate effect to the policy intent? Do you think any further changes would be appropriate? Please provide the reasons for your answer.***

Yes, the proposed text is appropriate.

***Question 11: Do you agree with the proposal for the Licensee to create and maintain the Connections Criteria Methodology as in paragraphs 3.30 to 3.34? Please provide the reasons for your answer.***

ESB GT agrees with the proposed condition to deliver and maintain the Connections Criteria Methodology as in paragraphs 3.30 to 3.34. We would propose that a condition for the publication to be easily accessible and intelligible is added to the proposed conditions.

***Question 12: Do you agree with the objectives and scope of the Connection Criteria Methodology as in paragraphs 3.32 and 3.33, respectively? Please provide the***

ESB GT agrees with the objectives and scope of the Connection Criteria Methodology. Another potential objective would be to include consumer interests and, at every step, balance the cost to the consumer with the other objectives.



***Question 13: Do you agree that the proposed text in new condition E12, as set out in Annex A, provides the right level of governance and industry engagement to ensure that the Connections Criteria Methodology is developed and modified in a robust manner? Please provide the reasons for your answer.***

Yes, the proposed text is appropriate.

***Question 14: Do you agree with the objectives of the Connections Network Design Methodology as in paragraph 3.38? Please provide the reasons for your answer.***

Yes, ESB GT agrees with the proposed objectives of the CNDM.

***Question 15: Do you agree with the scope of the Connections Network Design Methodology as set out in paragraph 3.35 and 3.37 is aligned with the TMO4+ connection reform process? Please provide the reasons for your answer.***

Yes, we agree with the outlined scope as it adequately enables the appropriate licence conditions required to meet the objectives of TMO4+.

***Question 16: We have kept the licence change broad for ‘preparing offers’ as in paragraph 3.37. Should we be more specific with the scope to include further description in the licence that it will determine the queue order, study applications and assess the infrastructure required to enable/prepare offers to enter into a “Gate 2” agreement? Please provide the reasons for your answer.***

Given the importance of the areas covered when NESO is preparing an offer, and the need for clear information to be provided to connecting customers, we would support more specific conditions to be placed on the NESO when preparing offers.

***Question 17: Do you agree that the proposed legal text in conditions E13, as per Annex A, and in this section provides the right level of governance and industry engagement to ensure that***

***the Connections Network Design Methodology is developed and modified in a robust manner? Please provide the reasons for your answer.***

The proposed text is appropriate but, as noted in our answer to Question 17, more specific conditions should be included in the text regarding expectations when NESO is preparing an offer.

***Question 18: Do you believe the NESO should be able to designate projects for prioritisation in the circumstances as specified in paragraph 3.42? Please provide the reasons for your answer.***

ESB GT agrees that NESO should have the power to designate projects in line with the criteria outlined but this power should only be used sparingly. However, further clarity is required on the definition of a project *that 'materially' reduces the need for constraint management*. Clarity is also needed on the meaning of innovative '*novel-sub types*' of technologies. A clearer definition is needed for projects that could be designated under this definition but are outside the scope of technologies referred to in CP2030. These existing definitions appear open-ended and could lead to various projects seeking designation and pushing back the connection time of non-designated projects with little order or standardisation of approach.

***Question 19: Do you agree that the NESO should only be able to designate projects after a period of consultation as in paragraph 3.43, for existing agreements also in the first application window? If not, please explain your reasoning, along with alternative suggestions if appropriate.***

ESB GT agrees that the NESO should only be able to designate projects after a period of consultation.

***Question 20: Do you agree that the proposed legal text in condition E14, as set out in Annex A, provide the right level of governance and industry engagement to ensure that the Project Designation Methodology is developed and modified in a robust manner? Please provide the reasons for your answer.***

The proposed text is appropriate but, as noted our answer to Question 18 above, more detail is needed on what constitutes the various use cases for Project Designation. This needs outlining in the license condition or the final Project Designation Methodology.

***Question 21: Do you agree with the requirements that an application window as in paragraph 3.56 is practical and sufficient? Please provide the reasons for your answer. What is the right maximum and/or minimum period for how long an application window should be open? Is the minimum requirement of there being at least one application window every year sufficient? Please provide the reasons for your answer.***

Application windows need to be long enough to enable effective competition. We believe that the proposal to have application windows that last a minimum of two weeks and maximum of four weeks is not appropriate. Based on the draft timetables NESO has produced previously; application windows would need to run for at least four and a maximum of six weeks to allow sufficient time for all parties to submit their applications. A longer application window should allow the maximum number of applicants to enable effective competition for each regional technology bucket.

***Question 22: Do you agree that 6 months as mentioned in paragraph 3.59 to provide an offer once the application window closes is adequate? Do you agree with our proposed option regarding timing for the NESO to make offers, or do you prefer any of the alternative options set out in paragraph 3.60? Are there any other options we should be considering? Please provide the reasons for your answer and suggest alternative.***

Given the importance of the first windows in 2025 and the need for investor certainty, ESB GT supports the second option presented in paragraph 3.60 i.e. that specific clauses be outlined in the licence for the first window: 'Gate 2' to whole queue and strategic energy plans, and then clear timescales for enduring Gates to be clearly outlined in the licence. Six months would be an appropriate period for the enduring Gates and should be outlined clearly in the licence.

***Question 23: Do you agree with our proposed approach of specifying which type of applications get which type of offers as in paragraphs 3.52 to 3.55? Does this cover all type of***

***applications? Please provide the reason for your answer and mention if any type of applications is not captured in here.***

It is appropriate to outline the different types of offers for Gate 1 and Gate 2 offers and offers that do not need to follow the Gate process - the proposed text achieves this.

***Question 24: Do you agree that the proposed legal text in condition E15, as set out in Annex A, meets the policy intent above? Please provide the reasons for your answer.***

The proposed text is appropriate but, as noted in our answer to Question 22 above, amendments should be made considering the timeframes of the Gate windows. These amendments should be included in the text.

***Question 25: Do you agree with our approach mentioned above in paragraphs 4.1 to 4.3? Please provide the reasons for your answer.***

ESB GT agrees with the policy intent and rationale behind the proposed modifications as these adequately enable the appropriate licence conditions needed in line with TMO4+.

***Question 26: Do you agree that we have considered all the areas of the licence which might need modifications? Please provide the reasons for your answer and specify if you think we have missed some areas.***

We believe that it is appropriate within the scope of aligning the licence conditions, to focus on enabling TMO4+ for now through modification of connection offers and the Transmission Owner Construction Offer (TOCO) conditions. It is also appropriate to focus on the role that TOs must play in the development and maintenance of the CNDM.

***Question 27: Do you think any other modifications to definitions are required for the transmission licence in addition to the ones proposed for the System Operator Licence in paragraphs 3.12 to 3.19? Please provide a reason for your answer***

We believe that the definitions proposed are sufficient for the modifications required to the transmission licence.

***Question 28: Do you agree that the proposed text in SLC D1, as set out in Annex B, meets the policy intent? Please provide a reason for your answer.***

ESB GT agrees with the policy intent and rationale behind the proposed modifications as these adequately enable the appropriate licence conditions needed in line with TMO4+.

***Question 29: Would you suggest any changes to the new and existing definitions in SLC D1 that are pertinent to Connections Reform? Please provide a reason for your answer.***

Given the interaction with strategic alignment criteria, a definition for strategic alignment with Clean Power 2030 (CP30) or the Strategic Spatial Energy Plan (SSEP) may be necessary within SLC D1 to add greater clarity to investors.

***Question 30: Do you agree with the policy intent and the rationale described in the paragraphs 4.6 to 4.10, in respect of the changes to SLC D4A.1? Please provide a reason for your answer.***

ESB GT agrees with the policy intent and rationale behind the proposed modifications as these adequately enable the appropriate licence conditions needed in line with TMO4+.

***Question 31: Do you agree with the proposed changes to the text of SLC D4A.1, as set out in Annex B? If you disagree or partially agree, please provide a reason for your answer.***

We agree that the proposed phrasing overall adequately reflects the policy intent. To improve clarity for connecting customers, some reference in the licence to the definition of strategic alignment with CP2030 or the SSEP may be necessary.

***Question 32: Do you agree with the policy intent and the rationale for the proposed changes described in the paragraphs 4.11 to 4.13, in respect of the changes to SLC D4A.2? Please provide a reason for your answer.***

ESB GT agrees with the policy intent and rationale behind the proposed modifications as these adequately enable the appropriate licence conditions needed in line with TMO4+.

***Question 33: Do you agree that the proposed changes to the text of the new paragraph 2 of SLC D4A, as set out in Annex B, effectively facilitate the policy intent? Please provide a reason for your answer.***

ESB GT agrees with the proposed phrasing overall as we believe it adequately reflects the policy intent.

***Question 34: Do you agree with the policy intent described in paragraph 4.17, in respect of the changes suggested in paragraphs 2, 3, 4 and 5, now amended to become paragraph 3, 4, 5 and 6, of SLC D4A? Please provide a reason for your answer.***

ESB GT agrees with the policy intent and rationale behind the proposed modifications as these adequately enable the appropriate licence conditions needed in line with TMO4+.

***Question 35: Do you agree that the proposed changes to the text of the amended paragraph 3, 4, 5 and 6 of SLC D4A, as set out in Annex B, effectively facilitate the policy intent? Please provide a reason for your answer.***

ESB GT agrees with the proposed phrasing overall as we believe it adequately reflects the policy intent.

***Question 36: Do you agree with the policy intent and the rationale in respect of the proposed changes to SLC D16 as described in paragraphs 4.19 to 4.23? Please provide a reason for your answer.***

We agree with the policy intent and rationale behind the proposed modifications as these adequately enable the appropriate license conditions needed in line with TMO4+.

***Question 37: Do you agree that the proposed changes to the text of SLC D16, as set out in Annex B, effectively facilitate the policy intent? Please provide a reason for your answer.***

ESB GT agrees with the proposed phrasing overall as we believe it adequately reflects the policy intent.

***Question 38: Do you agree with the policy intent behind the proposed new licence condition as explained in paragraphs 4.24 to 4.26, in respect to the proposed SLC D18? Please provide a reason for your answer.***

ESB GT agrees with the policy intent overall of the proposed licence condition. Some greater clarity regarding the limits on information TOs must provide the NESO to facilitate the CNDM may be required to ensure commercially sensitive information is protected, as well as legally binding data protection requirements.

***Question 39: Do you agree that the proposed text gives appropriate effect to the specific policy intent, as detailed in Annex B? Please provide a reason for your answer***

ESB GT agrees with the proposed phrasing overall as we believe that it adequately reflects the policy intent. However, as noted above, greater definition is required of the extent of the data that TOs might be expected to provide the NESO to facilitate the CNDM.

***Question 40: Do you agree with the policy intent and rationale in respect of the changes proposed to SLC E17, in paragraphs 4.28 to 4.34? Please provide a reason for your answer.***

ESB GT agrees with the policy intent overall of the proposed licence modifications detailed in paragraphs 4.28 to 4.34. However, the issue of the treatment of Competitively Awarded Transmission Operators (CATOs) needs to be considered. We have some issues with the modifications proposed in paragraph 4.33 regarding the condition that CATOs be offered terms 'as soon as reasonably

*practicable*'. We believe this phrasing is appropriate for Gate 1 offers, but CATOs that have met Gate 2 criteria or are not part of the Gate process should have offers granted within the Gate window in which they applied, as will be the case with other applicants. This is essential to ensuring the Gate process works on an equitable basis for all market participants.

***Question 41: Do you agree that the proposed changes to the text in SLC E17, as set out in Annex B, effectively facilitate the policy intent? Please provide a reason for your answer.***

ESB GT agrees with the proposed phrasing overall as we believe it adequately reflects the policy intent. However, as noted above we believe that CATOs applying and successfully meeting Gate 2 criteria should be offered terms within the window in which they applied. The phrasing in this condition should reflect this.

***Question 42: Do you agree with the policy intent behind the proposed new licence condition as explained in paragraph 4.35, in respect of the SLC E25? Please provide a reason for your answer***

ESB GT agrees with the policy intent overall of the proposed license condition. However, Energy UK agrees with the policy intent overall of the proposed license condition.

However, some greater clarity regarding the limits on information CATOs must provide the NESO to facilitate the CNDM may be required in order to ensure commercially sensitive information is protected as well as legally binding data protection requirements

***Question 43: Do you agree that the proposed text of the new condition, as detailed in Annex B, gives effect to the policy intent? Please provide a reason for your answer.***

ESB GT agrees with the proposed phrasing overall as we believe it adequately reflects the policy intent. However, as noted above, greater definition is needed of the limits on what data CATOs might be required to provide to the NESO to facilitate the CNDM.



***Question 44: Do you agree that changes are likely be required to some of the definitions within licence condition 1? Please provide any information / evidence you can provide to support your response.***

The definitions relating to the areas highlighted in the consultation would require explanation within the licence conditions. To improve clarity for connecting customers, some reference in the licence to the definition of strategic alignment with CP2030 or the SSEP may be necessary.

***Question 45: Do you consider any modifications to licence condition 4 are required?***

The role and licensing of Distribution Network Operators need careful consideration. If DNOs are given responsibility for assessing the strategic alignment of projects when progressing them to Gate 2, serious consideration would need to be given to the licence conditions they hold to ensure restrictions, disruptions or distortions to competition are not produced. This would require clear reference in the distribution licence conditions to a definition for strategic alignment with CP2030 and the Strategic Spatial Energy Plan (SSEP) and how that alignment interacts with the CNDM that DNOs can refer to when producing connection offers and progressing connections. This should reduce the potential for legal challenges where some offers could be considered discriminatory.

***Question 46: Do you agree with the policy intent to modify licence conditions 12.1 and 12.4 under both scenarios? Please provide a reason for your answer.***

ESB GT agrees with the policy intent and rationale behind the proposed modifications as we believe these enable the appropriate licence conditions needed in line with TMO4+.

***Question 47: Do you agree with our view that no changes to licence condition 19 are necessary under any of the two scenarios? If you disagree or partially agree, please provide a reason for your answer.***

Licence condition 19 explicitly disallows discriminatory behaviour when offering connections, but the overall connection reform process enabling alignment with CP2030 and SSEP can be viewed as discriminatory. Therefore, changes to this licence condition, or at least clear references to caveats

under the CNDM and its interaction with strategic alignment, will be required. There is a clear risk of legal challenge from perceived discriminatory behaviour following connections reform. Primary legislation is expected to be placed in front of parliament for approval to enable network operators to make connection offers in to meet the needs of CP2030 and the SSEP, but the timescales and exact nature of this primary legislation are not yet clear. This could be perceived as discriminatory by certain parties seeking to connect, and so every effort should be made to limit the risk of legal challenge from those that lose queue positions.

***Question 48: If you disagree, what kind of change to the licence condition 19 do you believe is necessary?***

One solution would be the inclusion of a caveat regarding projects being advanced or not in line with the requirements of the CNDM and its interaction with the CP2030 or the SSEP. Alternatively, conditions regarding discrimination could be included to work specifically as subservient clauses to connection offers in line with connections reform and strategic alignment. Either of these solutions would require a definition of strategic alignment to be included in the licence condition. A sufficient degree of flexibility in these definitions would also be required to ensure that the licence conditions can be adapted in the event that future government plans change.

***Question 49: Do you see any risk related to introducing an obligation for DCUSA licensees to comply with the Clean Power 2030 Action Plan and SSEP?***

The principal risk ESB GT foresees is the lack of a clear definition of strategic alignment with CP2030 and the SSEP, and how that alignment interacts with the CNDM, if DCUSA licensees are to comply with these plans. A sufficient degree of flexibility in these definitions would also be required to ensure that the licence conditions can be adapted in the event that future government plans change.

***Question 50: Do you agree with the changes suggested to licence condition 20? If you disagree or partially agree, please provide a reason for your answer.***

ESB GT agrees that a licence condition modification to enable alignment with CP2030 and the SSEP, subject to clear definitions within the licence, is needed.

***Question 51: Do you agree with the proposal to define a new licence condition 12A.1 – requirement to perform “Gate 2” checks in line with the NESO methodology?***

ESB GT agrees with the proposal to ensure licence conditions for DNOs are aligned to connections reform. We welcome the intention to create explicit language to ensure that Gate 2 checks and submission to NESO for application is carried out in a timely manner. There must be a strong obligation on DNOs to perform Gate 2 checks and submit projects that have met the evidence requirements at the next Gate application window. We would like to see Ofgem include wording in a new licence condition to clarify the treatment of embedded generators, otherwise there may be uncertainty for embedded generators from TMO4+ go-live if DNOs do not meet the required performance. There is a need for greater certainty at this stage regarding DNOs' obligations on progressing connection requests. An obligation should also be included in the licence for DNOs to clearly, and to a minimum expected standard, explain to connecting customers the requirements for a Gate 2 application, including fee requirements. We have some concerns that it is proposed that responsibility for this will sit with the Energy Network Association's (ENA's) Strategic Connections Group (SGC) which has historically suffered from a lack of transparency and engagement with connecting customers.

***Question 52: Do you agree with the proposal to define a new licence condition 12A.2 – requirement to perform “Gate 2” checks in a timely manner? If so, do you consider the approach to the condition should be principles-based or prescriptive?***

Given the clear role that licence conditions play in DNO incentives with respect to connections, we believe a prescriptive licence condition to perform Gate 2 checks and notify the connecting customer is required. The timescales for this notification should be consistent with the timescales applied at the transmission level to ensure a level playing field at both the transmission and distribution levels.

***Question 53: Do you agree with the proposal to define new licence conditions 12A.3 and 12A.4 - this would introduce a requirement to submit projects for transmission assessment within a timely manner?***

ESB GT agrees with the intention of the two proposed modifications to the licence conditions. We would support stronger wording to ensure DNOs are incentivised to submit project applications or modification requests at the next available Gate application window upon submission of all the required criteria. The proposed wording of the condition in terms of ‘*all reasonable steps*’ could create delays in DNOs submitting requests to an application window – this would not support faster connections to meet CP2030 and other targets.

***Question 54: Do you think any Electricity Transmission Special Licence Conditions changes are required? If you think that changes are required, please provide a reason in your answer.***

ESB GT does not believe that changes to the Electricity Transmission Special Licence Conditions should be required to enable connections reform.

***Question 55: Do you think any Electricity Distribution Special Licence Conditions changes are required? If you think that changes are required, please provide a reason in your answer.***

ESB GT does not believe that changes to the Electricity Distribution Special Licence Conditions should be required to enable connections reform.

***Question 56: Do you think any Electricity Interconnector Standard Licence Conditions changes are required?***

ESB GT does not believe that changes to the Electricity Interconnector Standard Licence Conditions should be required to enable connections reform.

***Question 57: Do you think any Electricity Generation Standard Licence Conditions changes are required?***

ESB GT does not believe that changes to the Electricity Generation Standard Licence Conditions should be required to enable connections reform.