

## Connections Reform - Policy Consultation on Required Licence Changes Response Form

We are consulting on conditions in the Electricity System Operator, Transmission and Distribution licences in relation to the ongoing connections reform process, which aims to enable quicker connection for ready-to-connect projects that align with strategic energy system plans and provide a more coordinated and efficient network design for connections.

We would like views from stakeholders with an interest in the electricity connections process and the ongoing reforms. We particularly welcome responses from connection customers, developers and network companies. We also welcome responses from other stakeholders including members of the public.

Your feedback is important to this process. Please take this opportunity to provide any feedback that you may have. To aid your response, each question is linked back to the relevant document for ease of reference.

We encourage you to read the Connections Reform - Policy Consultation on Required Licence Changes and the subsidiary documents:

- **Annex A:** Proposed NESO Licence Modifications; and
- **Annex B:** Proposed Transmission Standard Licence Modifications before responding to the consultation questions.

This document outlines the questions for this consultation and once the consultation is closed, we will consider all responses.

Please provide your feedback using this response form and sending a copy to [connections@ofgem.gov.uk](mailto:connections@ofgem.gov.uk) by 5pm on 6th January 2025.

We encourage early submission ahead of the deadline where possible to aid the processing of responses.

## Contents

### Connections Reform - Policy Consultation on Required Licence

<b>Changes Response Form.....</b>	<b>1</b>
<b>Data and confidentiality.....</b>	<b>3</b>
<b>Consultation questions.....</b>	<b>4</b>
<b>Proposed Electricity System Operator Licence Conditions.....</b>	<b>4</b>
General approach to changes to the Electricity System Operator licence .....	4
Section A: Definitions and Interpretation .....	5
Section E: Industry Codes and charging .....	7
<b>Proposed Electricity Transmission Standard Licence Conditions... ..</b>	<b>14</b>
General approach to modification of the Electricity Transmission Standard Licence Conditions.....	14
Section D: Transmission Owner Standard Conditions .....	15
Section E: Offshore Transmission Owner Standard Conditions.....	19
<b>Distribution Standard Licence Conditions – Policy Intent .....</b>	<b>20</b>
Chapter 1: Interpretation and application .....	20
Chapter 2: General obligations and arrangements.....	20
Chapter 4: Arrangements for the provision of services .....	21
Chapter 5: Industry codes and agreements.....	21
New Conditions .....	22
<b>Proposed Electricity Transmission Special Licence Conditions .....</b>	<b>23</b>
<b>Proposed Electricity Distribution Special Licence Conditions .....</b>	<b>23</b>
<b>Proposed Electricity Interconnector Standard Licence Conditions .....</b>	<b>23</b>
<b>Proposed Electricity Generation Standard Licence Conditions .....</b>	<b>23</b>
<b>General feedback.....</b>	<b>24</b>

## Data and confidentiality

Contact name: Mark Duffield

---

Role title: Regulatory Policy Manager

---

Company name: National Grid Ventures

---

Telephone number: 07795 354687

---

Email address: [mark.duffield@nationalgrid.com](mailto:mark.duffield@nationalgrid.com)

---

Date of submission: 6 January 2025

---

Do you want your response treated as confidential? Please choose the option that is relevant to you.

No

---

Please tell us if parts of your responses or your whole response contains confidential information and explain why below.

[Write your response here]

## Consultation questions

### Proposed Electricity System Operator Licence Conditions

#### General approach to changes to the Electricity System Operator licence

1. Do you agree that licence changes are necessary to adequately facilitate the policy intent of the reformed Connection Process, if it is approved?

Please provide the reasons for your answer.

Yes/ No Yes

These licence changes are of course a single part of a wider package of measures to implement Connections Reform. The proposed licence changes alongside the CMP434 and CMP435 CUSC Modifications, CM095 STC Modification, The Connections Reform Methodologies plus as yet unreleased but foreseen NESO guidance documents (for example on what might constitute a "Significant Modification").

All of these documents are under development and interactive with one another and so our answer to this question is inevitably contingent on what might happen in those other areas.

We do believe that **licence changes are necessary** but that the proposals are **not yet fully adequate** to fully and competently implement the TMO4+ Connections Reform model as discussed at length by industry, in particular at CUSC Working Groups for CMP434 and CMP435 – the primary vector for analysing and delivering the TMO4+ solution.

The Original Proposal for CMP434 the Original Proposal presumes that Licence based Methodologies will play a key role in Connections Reform. That said there is a Working Group Alternative Consultation Modification that would see these Methodologies move into the CUSC – which is not reflected in this licence consultation.

Also we note in answer to some of the following questions that there are areas of the proposed TMO4+ solution that have not been picked up within the proposed Licence changes that may need to be and indeed items in the proposals that have not been previously discussed during the CUSC Working Groups and which we strongly oppose specifically around the manner in which projects might be Designated.

2. Do you agree with the approach summarised in paragraphs 3.2 to 3.8?

Please provide the reasons for your answer.

Yes/ No Yes

We mostly agree with the approach set out in paragraphs 3.2 to 3.8 on the General approach to changes to the Electricity System Operator Licence.

However we do have some concerns that we expand upon in our detailed answers to subsequent individual licence conditions. These relate to:

1. Application Window Timescales
2. The manner in which Gate 1 with Capacity Reservation is dealt with within the Licence Conditions
3. Project Designation

We also have some minor technical drafting points relating to Licence Condition E14, which we provide when responding to Q20.

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/ No No

We do believe that all relevant areas of the licences which might need modifications have been considered, but we do not feel that all relevant matters have had changes proposed. Specifically, the omitted items are related to Gate 1 with Capacity Reservation and we highlight our concerns later in response to specific licence conditions.

## Section A: Definitions and Interpretation

### Condition A1:

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 Connection Process?

Please provide the reasons for your answer and any alternative suggestions if you disagree.

Yes/ No Yes

We have no further detailed comments to make in relation to this 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.

Yes/ No Yes

We have no further detailed comments to make in relation to this question.

### Condition B3: Conduct of ISOP Business

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/ No Yes

We have no further detailed comments to make in relation to this question.

### Condition C11: Requirements of a Connect and Manage Connection

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 the reasons for your answer.

Yes/ No No

We believe that changes may be required to this licence condition (and more certainly to licence conditions E15 of the Electricity System Operator Licence and D4A of the Electricity Transmission Consolidated Licence) to more fully reflect the concept of a Gate 1 with Capacity Reservation Offer / Agreement.

Under CUSC (as amended by CMP434) such agreements would need to be prepared by NESO / TOs in timeframes less rapid than standard Gate 1 offers / agreements and in a timeframe more consistent with a full Gate 2 offer. It is also noted that the CUSC envisages that "Gate 1 with Capacity Reservation" offers / agreements will be of a similar standing to a Gate 2 offer in that the connection site and connection date is not "indicative" but rather fully confirmed, but conditional on the connectee reaching the Gate 2 requirements by a stipulated future date.

This concept is not captured by the Licence changes. There is no differentiation between the two types of Gate 1 Offer / Agreement with or without Capacity Reservation. We would suggest that the licence needs to be amended to reflect this, else NESO or a TO will not be under no licence condition to provide the

different requirements of a "Gate 1 with Capacity Reservation" offer that are incremental to a standard Gate 1 offer.

8. Do you agree that proposed text in condition C11, as set out in Annex A, gives appropriate effect to the policy intent?

Please provide the reasons for your answer.

Yes/ No No

Please see our response to Q7 above

## Section E: Industry Codes and charging

### Condition E2: Connection and Use of System Code (CUSC)

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/ No No

Please see our response to Q7 above. Site specific details should be provided to Gate 1 with Capacity Reservation sites although this is specifically more of an issue for licence condition E15, which is directly referenced in E2.8.

10. Do you agree that 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/ No Yes

The revised drafting of condition E8 is likely sufficient, notwithstanding our concerns about the drafting of E15 to which it directly references.

### Condition E12 (New): Connection Criteria Methodology

11. Do you agree with the proposal for the licensee to create and maintain the Connections Criteria Methodology as in paragraphs 3.30 and 3.34?

Please provide the reasons for your answer.

Yes/ No Yes

Provided that such criteria are not moved into the CUSC (which was proposed by a WACM to the Original CMP434 CUSC Modification) this licence condition is appropriate.

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 reasons for your answer.

Yes/ No Yes

We have no further detailed comments to make in relation to this question.

13. Do you agree that the 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/ No Yes

The change governance process for these licence methodologies is very important as they are proposed to sit outside of the normal industry change governance process that would apply if such methodologies were to be in CUSC for example. We believe that the core principles below included in the licence are vital and welcome their inclusion.

1. At least Annual consultation on changes to the methodologies, with Ofgem empowered to directly request a review if NESO is not otherwise minded to is appropriate.
2. That industry consultation on any changes is appropriate – the minimum 28 days is likely to be generally appropriate though Ofgem may wish to clarify how the requirement that any consultation is “of sufficient duration as to reasonably allow all parties to provide appropriate representations” is to be monitored in practice.



### Condition E13 (New): Connection Network Design Methodology

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/ No Yes

We have no further detailed comments to make in relation to this 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/ No Yes

We have no further detailed comments to make in relation to this 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.

Yes/ No Yes

The drafting of the proposed licence condition E13.2 (a) is very broad and high level, referring only to preparing offers in accordance with the licence, CUSC, Connections Methodologies and the STC. This does not reflect the complexity of the offer process, which has the three distinct forms of Gate 1, Gate 1 with Capacity Reservation and Gate 2, each with their own distinctive timeframes. We believe that the licence condition should be amended to define these three types of offer, their key characteristics and timeframes for production at the very least. Specifically for "Gate 1 with Capacity Reservation" type offers, the Licence drafting may also need to consider effective engagement with Project Developers in order to, for example, agree specific connection dates such that the information can inform the wider CNDM process.

17. Do you agree that the proposed addition of 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.

Yes/ No No

Please see our response to question 16 above.

### Condition E14 (New): Project Designation Methodology

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.

Yes/ No Yes

The ability to designate projects will be of particular importance to a small number of projects. These projects are (for all the reasons captured for Project Designation) likely to be critically or strategically important for Great Britain and they must have the ability to bring their projects forward and not be frustrated by the general aims of the TMO4+ Connection Reforms.

For example, interconnector projects are a necessarily long lead time project and the ability to secure a connection site and date early in the project's life-cycle is critical. There is a particular short-term risk brought about by CP2030 which only defines "need" up to 2035 which may mean that interconnector projects that are targeted beyond 2035 cannot secure their needed connection site or date under a TMO4+ model without robust Project Designation. Depending on how strategic planning via the Strategic Spatial Energy Plan (SSEP) and/or Centralised Strategic Network Plan (CSNP) evolves these too may not have firm "need" targets beyond a certain point into the future, providing an enduring need for project designation even after CP2030.

It is therefore vital that such a route exists within the overall TMO4+ framework and that it is drafted in such a way that gives confidence to developers of such projects. See also our specific comments to Q20 which also relates to this point in greater detail.

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.

Yes/ No No

We do not agree with the need for consultation. This is on two grounds:

1. Confidentiality: Designation is applied for as part of the Connection Application. This means that the project and its specific details are unknown to all parties except the developer, NESO and relevant TOs until such time as

the offer is prepared and accepted by the connectee, at which point its existence is made public via the relevant connections register on the NESO website. A consultation implies that any project wishing to apply for Designation would lose this confidentiality. Indeed, additional details of the project may need to be released as part of the consultation in order for NESO to justify its "minded to" position otherwise the consultation would be nugatory, stating essentially "Project X is minded to be designated but NESO cannot release why due to commercial confidentiality".

2. Purpose of Consultation: Another aspect of the consultation is what is it hoping to extract from respondents. The NESO is going to be the foremost expert on the development and application of the Designation Criteria and it is unclear what additional expertise is likely to be shed on the assessment by industry parties who will never have the same level of insight into a project as NESO has. Additionally it may just be that industry parties respond along their commercial preferences for their own project – objecting to a potential competitor in the absence of being able to engage with the detail of the Designation "minded to" Decision.

Additionally we understand from the CUSC working group discussions and draft methodologies that NESO is proposing to retain a "non-specific" designation power that would allow it to reserve positions in the queue for a volume of connections that are to be allocated to projects necessary for system operation or security of supply through future NESO tender processes (similar to historic "Pathfinder" exercises). It is completely unclear how such "Designation" could be consulted upon.

Finally we also note that under CMP435 there will be a very tight timetable to retrospectively apply the Reformed Connections process retrospectively to the existing Connections Queue. It is questionable whether the proposals for consultation set out are feasible given the timetable for CMP435.

Rather than mandate consultation in this manner, we believe that it would be far more appropriate for Ofgem to retain the right of review of any Designation decision after it has been taken by NESO. Ofgem could then retain the option to consult if it chooses.

Additionally, the Licence Condition does not specifically address the process where NESO chooses not to designate a project after a Developer has applied for such a decision. It is unclear whether this decision would fall under the existing Licence provisions that enable a Developer to refer an offer to the Authority for Dispute Resolution. In our view this needs to be specifically clarified in the Licence Conditions.

20. Do you agree that the proposed additions of conditions 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.

Yes/ No Yes

The change governance process for these licence methodologies is very important as they are proposed to sit outside of the normal industry change open governance process that would apply if such methodologies were to be in CUSC

for example. We believe that the core principles below included in the licence are vital and welcome their inclusion.

1. At least Annual consultation on review of potential changes to the methodologies, with Ofgem permitted to directly request a review if NESO is not otherwise minded to do so.
2. That industry consultation on any changes is appropriate – the minimum 28 days is likely to be generally appropriate though Ofgem may wish to clarify how the requirement that any consultation is “of sufficient duration as to reasonably allow all parties to provide appropriate representations” is to be monitored in practice.

While not specifically related to the change governance process we also comment on the drafting of the criteria for Designation given under the proposed clauses E14.3 (d) and E14.3 (e).

As we noted above in our response to Q18 it is vital that the drafting of the Licence is able to give developers of projects capable of Designation confidence in the process. We therefore recommend that the Licence provides direction that the precise Designation Criteria contained in Methodologies are not ambiguously defined.

By way of example, the proposal for E14.3 (d) sets out that “Highly Innovative” or “New” technologies are assessed against a baseline set out in Clean Power for 2030 Action Plan. While this is appropriate in the immediate years following implementation it will increasingly be out of date as CP2030 is superseded by Strategic Spatial Energy Plans. While this can be corrected by future licence modifications, it may be prudent to consider if it is better to reference that what is “Highly Innovative” or “New” is stipulated in the Designation Methodology itself, rather than in the licence.

In a similar vein clause E14.3 (e) also fixes “long lead time projects” by reference to what is “beyond the 2035 pathway within the Clean Power 2030 Action Plan”. Again this will in time be superseded and so again we believe that a better approach would be to define within the Designation Methodology itself what constitutes a “Long Lead time project”.

### Condition E15: Requirement to offer terms

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

Please provide the reasons for your answer.

Yes/ No

We are concerned that the Licence mandates only a single application window in a calendar year. Moving to a connections regime based upon windows is a very significant shift to the current process and while warranted due to the huge shift in the volumes of connection applications now received, CUSC discussions have concluded that 2 windows per year is the minimum number needed to ensure

that projects are not unduly delayed by an infrequent connections application process. We therefore suggest that the minimum number of Application Windows is maintained at 2 per year within the licence drafting.

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.

Yes/ No Yes

We agree with the maximum time period of 6 months, but also note that the CUSC changes suggested a shorter period would be appropriate for simple Gate 1 Offers (without Capacity Reservation). We believe that CUSC and Licence should be consistent.

We do not believe that the timing for making offers should be set out anywhere other than the licence given the criticality of these timescales to the connections process. Ensuring that a robust and transparent framework is present is vital to project developers seeking connections to the transmission and distribution systems and we believe that a single 6 month obligation on timings set out in the licence is the only appropriate option.

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.

Yes/ No Yes

We do agree that there should be differentiation between which type of applications get which type of offer as described. However, as we have noted above in answer to other questions, we believe that the details for "Gate 1 with Capacity Reservation" type offers should also be differentiated in the licence drafting. Without this there is a clear risk that the specific rights and obligations for such offers that have been extensively discussed in the CUSC Working Groups are not fully reflected in the obligations on licensees.

Specifically the CUSC (as amended by CMP434) envisages that "Gate 1 with Capacity Reservation" offers / agreements will be of a similar standing to a Gate 2 offer in that the connection site and connection date is not "indicative" but rather fully confirmed, but conditional on the connectee reaching the Gate 2 requirements by a stipulated future date.

This concept is not captured by the Licence changes. There is no differentiation between the two types of Gate 1 Offer / Agreement with or without Capacity Reservation. We would suggest that the licence needs to be amended to reflect this, else NESO or a TO will not be under no licence condition to provide the different requirements of a "Gate 1 with Capacity Reservation" offer that are incremental to a standard Gate 1 offer.

24. Do you agree that the proposed legal text in condition E14, as set out in Annex A, meets the policy intent above?

Please provide the reason for your answer.

Yes/ No No

The legal text should specifically make reference to "Gate 1 with Capacity Reservation" type offers.

## Proposed Electricity Transmission Standard Licence Conditions

### **General approach to modification of the Electricity Transmission Standard Licence Conditions**

25. Do you agree with our approach mentioned in paragraphs 4.1 to 4.3?

Please provide the reasons for your answer.

Yes/ No Yes

We mostly agree with the approach set out in paragraphs 4.1 to 4.3 on the General approach to changes to the Electricity Transmission Standard Licence Conditions. However, we do have some concerns that we expand upon in our detailed answers specifically relating to the manner in which Gate 1 with Capacity Reservation is dealt with within the Licence Conditions.

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.

Yes/ No Yes

We do believe that all relevant areas of the licences which might need modifications have been considered, but we do not feel that all relevant areas have had changes proposed. Specifically, the omitted area is related to Gate 1

with Capacity Reservation, and we highlight our concerns later in response to licence condition D4A below.

## Section D: Transmission Owner Standard Conditions

### Condition D1: Interpretation of Section D

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, in the consultation document?

Please provide a reason for your answer.

Yes/ No No

We have no further detailed comments to make in relation to this 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.

Yes/ No Yes

We have no further detailed comments to make in relation to this 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.

Yes/ No No

We have no further detailed comments to make in relation to this question.

### Condition D4A: Obligations in relation to offers for connection etc. (Transmission Owners)

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, in the consultation document?

Please provide a reason for your answer.

Yes/ No No

We believe that changes may be required to this licence condition and Licence Condition D4A.2 to more fully reflect the concept of a Gate 1 with Capacity Reservation Offer / Agreement.

Under CUSC (as amended by CMP434) such agreements would need to be prepared by NESO / TOs in timeframes less rapid than standard Gate 1 offers / agreements and in a timeframe more consistent with a full Gate 2 offer. It is also noted that the CUSC envisages that "Gate 1 with Capacity Reservation" offers / agreements will be of a similar standing to a Gate 2 offer in that the connection site and connection date is not "indicative" but rather fully confirmed, but conditional on the connectee reaching the Gate 2 requirements by a stipulated future date.

This concept is not captured by the Licence changes. There is no differentiation between the two types of Gate 1 Offer / Agreement with or without Capacity Reservation. We would suggest that the licence needs to be amended to reflect this, else a TO will not be under no licence condition to provide the different requirements of a "Gate 1 with Capacity Reservation" offer that are incremental to a standard Gate 1 offer.

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.

Yes/ No No

Please see our response to Q30 above.

**D4A.2- New proposed Paragraph 2 – requirements to offer terms requirements to offer to enter into agreement with the ISOP and provisions for that offer**

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, in the consultation document?

Please provide a reason for your answer.

Yes/ No No

We believe that changes may be required to this licence condition and Licence Condition D4A.1 to more fully reflect the concept of a Gate 1 with Capacity Reservation Offer / Agreement.

Under CUSC (as amended by CMP434) such agreements would need to be prepared by NESO / TOs in timeframes less rapid than standard Gate 1 offers / agreements and in a timeframe more consistent with a full Gate 2 offer. It is also noted that the CUSC envisages that "Gate 1 with Capacity Reservation" offers / agreements will be of a similar standing to a Gate 2 offer in that the connection site and connection date is not "indicative" but rather fully confirmed,



but conditional on the connectee reaching the Gate 2 requirements by a stipulated future date.

This concept is not captured by the Licence changes. There is no differentiation between the two types of Gate 1 Offer / Agreement with or without Capacity Reservation. We would suggest that the licence needs to be amended to reflect this, else a TO will not be under no licence condition to provide the different requirements of a "Gate 1 with Capacity Reservation" offer that are incremental to a standard Gate 1 offer.

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.

Yes/ No No

Please see our response to Q32 above.

**D4A.2, D4A.3, D4A.4, D4A.5- Proposed paragraphs 3, 4, 5 and 6 (formerly paragraphs 2, 3, 4 and 5)**

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, in the consultation document?

Please provide a reason for your answer.

Yes/ No Yes

Notwithstanding our previous comments relating to the issue of Gate 1 with Capacity Reservation offers, the resolution of which might result in some knock on changes to the legal drafting of these paragraphs, we agree that the changes are appropriate.

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.

Yes/ No Yes

We have no further detailed comments to make in relation to this question.

### Condition D16: Requirements of a connect and manage connection

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, in the consultation document?

Please provide a reason for your answer.

Yes/ No No

There is an apparent difference in treatment between the production of "Connect and Manage" offers by NESO and a TO given the drafting of SLC D16. This implies that only in the specific circumstances that a Gate 2 offer (i.e. as drafted in the TO Standard Licence condition the applicant has "met the Connection Criteria") is the TO obliged to produce an offer.

This overlooks the question of how a Gate 1 with Capacity Reservation offer is to be produced for a Connect and Manage applicant. As discussed at the CUSC Working Group that type of offer is not "indicative" as the text in the Ofgem consultation implies, but rather "conditional" on meeting a future Gate 2 deadline. If that Gate 2 deadline is met then the Gate 1 with Capacity Reservation offer becomes a firm Gate 2 offer without amendment of Connection site or connection date.

If there is no TO involvement in the production of Gate 1 with Capacity Reservation offers, then it cannot be possible for the Gate 1 with Capacity Reservation process to function as it will be necessary for the TOs to be involved in the production of the offer to ensure the "conditional" nature (rather than "indicative") can be fulfilled.

The proposed text for SLC D16 therefore need to be amended to ensure that TOs are involved in the production of Gate 1 with Capacity Reservation offers under Connect and Manage applications and not just Gate 2 offers.

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.

Yes/ No No

Please see our response to Q36 above.

### New Condition D18: Requirements to comply with connection network design methodology for Use of System and connection (Transmission Owners)

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, in the consultation document?

Please provide a reason for your answer.

Yes/ No Yes

We have no further detailed comments to make in relation to this 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.

Yes/ No Yes

We have no further detailed comments to make in relation to this question.

## Section E: Offshore Transmission Owner Standard Conditions

### Condition E17: Obligations in relation to offers for connection etc. (Offshore Transmission Owners)

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, in the consultation document?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this 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.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

## **New Condition E25: Requirements to comply with connection network design methodology for Use of System and connection (Offshore Transmission Owners)**

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, in the consultation document?

Please provide a reason for your answer.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this 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.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

## **Distribution Standard Licence Conditions – Policy Intent**

### **Chapter 1: Interpretation and application**

#### **Condition 1: Definitions for the standard conditions**

44. Do you agree that changes are likely be required to some of the definitions within licence condition 1?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

### **Chapter 2: General obligations and arrangements**

#### **Condition 4: No abuse of the licensee's special position**

45. Do you consider any modifications to licence condition 4 are required?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

## Chapter 4: Arrangements for the provision of services

### Condition 12: Requirement to offer terms for Use of System and connection

46. Do you agree with the policy intent to modify licence conditions 12.1 and 12.4 under both scenarios?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

### Condition 19. Prohibition of discrimination under Chapters 4 and 5

47. Do you agree with our view that no changes to licence condition 19 are necessary under any of the two scenarios?

If no or you partially agree, please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

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

Please provide the reasons for your answer.

We have chosen not to answer this question

## Chapter 5: Industry codes and agreements

### Condition 20. Compliance with Core Industry Documents

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?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

50. Do you agree with the changes suggested to licence condition 20?

If no or you partially agree, please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

### **Condition 12A. Requirement to progress User applications into the Gated Window process**

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?

Please provide the reasons for your answer.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this 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?

Please provide any information / evidence you can to support your response.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

### **New Conditions**

#### **New Conditions 12A.3 and 12A.4 - Submission of projects for transmission assessment**

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?

Please provide any information / evidence you can to support your response.

Yes/ No Click or tap here to enter text.

We have chosen not to answer this question

## Proposed Electricity Transmission Special Licence Conditions

54. Do you think any Electricity Transmission Special Licence Conditions changes are required?

If you think that changes are required, please provide the reasons for your answer.

No

## Proposed Electricity Distribution Special Licence Conditions

55. Do you think any Electricity Interconnector Standard Licence Conditions changes are required?

If you think that changes are required, please provide the reasons for your answer.

We have chosen not to answer this question

## Proposed Electricity Interconnector Standard Licence Conditions

56. Do you think any Electricity Interconnector Standard Licence Conditions changes are required?

If you think that changes are required, please provide the reasons for your answer.

No

## Proposed Electricity Generation Standard Licence Conditions

57. Do you think any Electricity Generation Standard Licence Conditions changes are required?

If you think that changes are required, please provide the reasons for your answer.

We have chosen not to answer this question

## General feedback

We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

Do you have any comments about the overall process of this consultation?

---

Do you have any comments about its tone and content?

---

Was it easy to read and understand? Or could it have been better written?

---

Were its conclusions balanced?

---

Did it make reasoned recommendations for improvement?

---

Any further comments?

[Write your response here]