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Joint Direction and Letter of Comfort request from NESO and all three GB Transmission Owners (NGET, SSENT and SPT) – Extension of Transitional Arrangements Reliefs

Dear Jack,

We are writing to seek a short extension to the transitional arrangement reliefs as approved by Ofgem on 15 January¹, requesting that these reliefs remain effective until Connections Reform implementation, as NESO and the TOs continue to maintain a streamlined focus on the implementation of the Connections Reform changes at pace.

This is further to Ofgem's announcement approving the Connections Reform proposals², noting the implementation date of 10 June 2025 determined for these changes.

Context

In our previous letter, <u>dated 15 January 2025</u>, NESO and the three GB Transmission Owners (TOs) proposed a modification to the initial transitional arrangements as they then stood³. This modification request included the introduction of a "pause" in accepting or processing relevant applications, as well as other additional transitional activities which, in combination, would further facilitate the smooth transition into the then prospective Connections Reform process.

On 15 January 2025, Ofgem granted its approval of these additional activities required to transition into Connections Reform. As part of this approval, Ofgem's letter stated the reliefs granted would be effective from 29 January 2025 until:

a) in the event <u>CMP434</u>, <u>CMP435</u> and <u>CM095</u> are approved, **then the date of implementation** of those code modifications;

¹ <u>Decision on joint direction and Letter of Comfort requests on cut-over arrangements for new connection applications |</u> <u>Ofgem</u>

² Decision on Connections Reform Package (TM04+) | Ofgem

³ The initial transitional offer process was approved by Ofgem in their letter dated 21 August 2024



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- b) In the event <u>CMP434</u>, <u>CMP435</u> and <u>CM095</u> are rejected, Ofgem would confirm at that stage the expiry date of the reliefs provided in the letter;
- c) In any case (including delay to decision on the code modifications), the reliefs provided in the letter would expire **on 31 May 2025**.

In line with the above, the reliefs granted are set to expire on 31 May, leaving a gap between the end of reliefs and the implementation of connections reform (which will be implemented following Ofgem's decision to modify relevant licences on 15 April 2025 and the statutory 56-day standstill period - meaning these changes will take effect on 10 June 2025).

As such, to ensure seamless continuity of operations for industry, we seek a short extension of the reliefs as they currently stand, requesting that they remain effective until the connections reform implementation date of 10 June 2025.

Case For Change: Why is the extension needed?

The reasons as to why such reliefs are needed, as detailed in our request letter of 15 January remain appliable and relevant for this extension period. Any diversion from the focus on the now approved Connections Reform package risks jeopardising both the smooth transition into the new process, as well as the pace required to achieve key delivery milestones required as part of its implementation.

The purpose of the 31 May expiry, as set out in our letter dated 15 January, was to have a 'fallback' position to ensure certainty for industry. Industry continues to have certainty since the implementation timescales for Connections Reform are clear.⁴

Ask for Ofgem

Should Ofgem be minded to accept our request, we are seeking that the directions and letter of comfort given by Ofgem on 15 January 2025, which are currently in place, remain in effect until the end of the day on 9 June 2025, with the approved Connections Reform changes taking effect from 10 June 2025 onwards.

Conclusion

For the reasons as set out in our letter of 15 January, and as further reiterated above, the continuation of the applications pause and related reliefs until Connections Reform

⁴ NESO's announcement to industry following Ofgem's approval of Connections Reform can be found <u>here</u>. Additionally, communication on the confirmed implementation date for Connections Reform can be found within Ofgem's published code modification decisions for CMP434 <u>here</u>, and for CMP435 <u>here</u>.



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implementation remains the most optimal solution to facilitate the now approved reform process and ensure that it can provide the most benefits for industry.

We welcome further discussion on this, should Ofgem have any questions or concerns about the approach.

Yours sincerely

Matthew Magill Director of Engineering and Customer Solutions