



ESO Networks Stakeholder Group

2nd September 2020

Agenda

1. **Welcome**
2. Review of previous minutes and action log
3. How ENSG will work with other groups
4. Early Competition
5. Break
6. Offshore Coordination
7. Future ENSG Meetings
8. AOB
9. Close out



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Action Log

ID	Description	Owner	Due	Status	Date	Comments
1	Send Bio and photo to Alice McCormick	All	28/08/2020	Open	11/08/2020	
2	Email Alice M if you do not want to be added to the distribution list for project updates	All	28/08/2020	Open	11/08/2020	
3	ESO to consider engaging with Natural England	Hannah KW / Alice E	02/09/2020	Open	11/08/2020	
4	Discuss the overlap of ENSG with other groups and why the group has been formed	Hannah KW / Alice E	02/09/2020	Open	11/08/2020	Included on September agenda
5	Confirm England planning representative and consider inviting Local Government Association	Hannah KW	02/09/2020	Open	11/08/2020	
6	Create plan for future ENSG meetings	Alice M	02/09/2020	Open	11/08/2020	
7	Circulate Glossary of Terms	Alice M	18/08/2020	Closed	11/08/2020	
8	Circulate final draft of Terms of Reference for approval	Alice M	02/09/2020	Open	11/08/2020	
9	Publish approved version of Terms of Reference on website	Rachel Payne	09/09/2020	Open	11/08/2020	

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Early Competition

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1. Suitability for Competition

Sally Thatcher

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2. Roles and Responsibilities

Urmi Mistry

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3. Tender Process

Sally Thatcher

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4. Commercial Model

Mike Oxenham

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5. Post Tender Award

Mike Oxenham

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6. Distribution

Richard Paterson

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7. General Feedback

Mike Oxenham

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8. Next Steps – Phase 3

Hannah Kirk-Wilson

Early Competition

Consultation Feedback



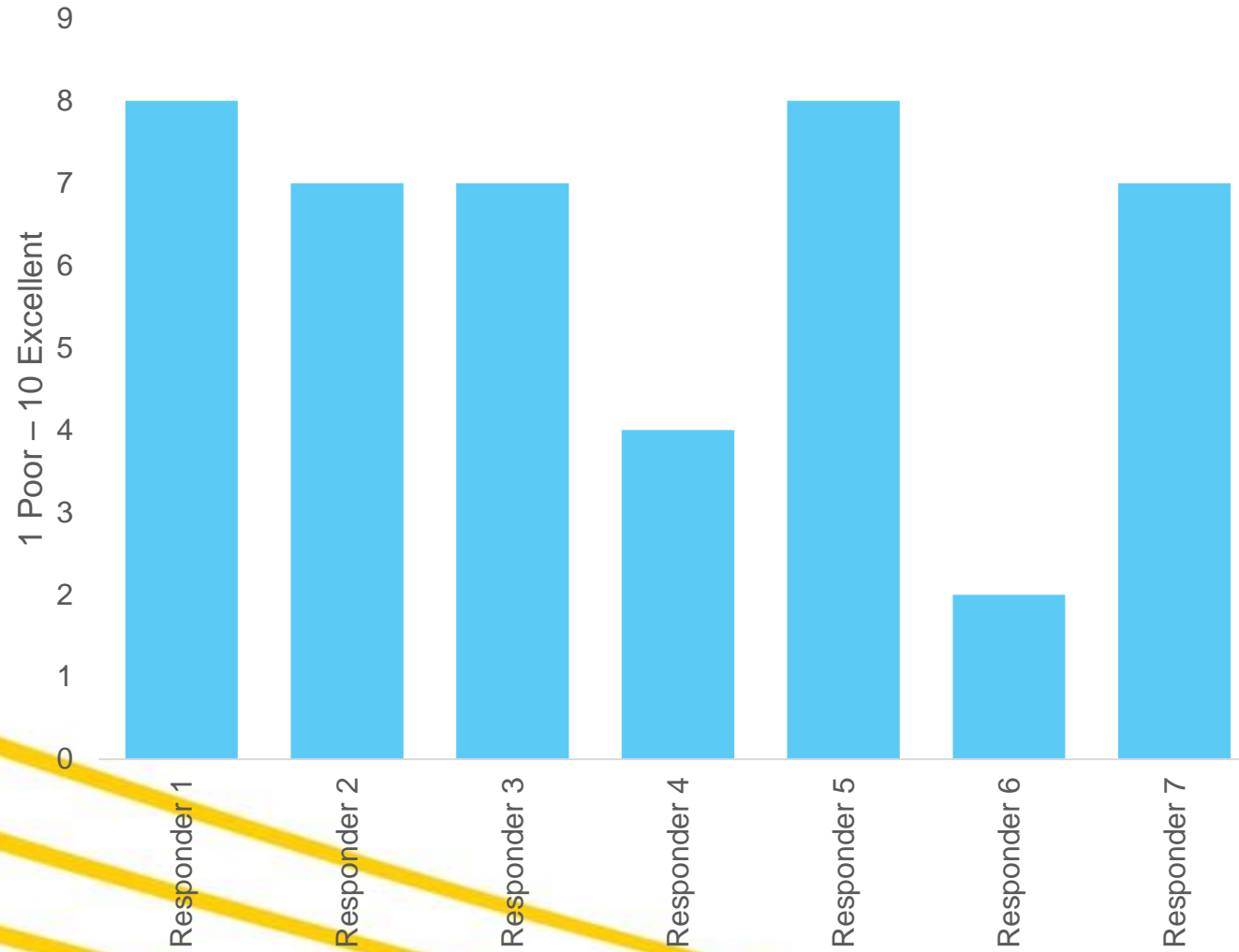


35
surveys
sent

7
responses

*5 responded to consultation

Feedback on consultation package



What we did well and to improve

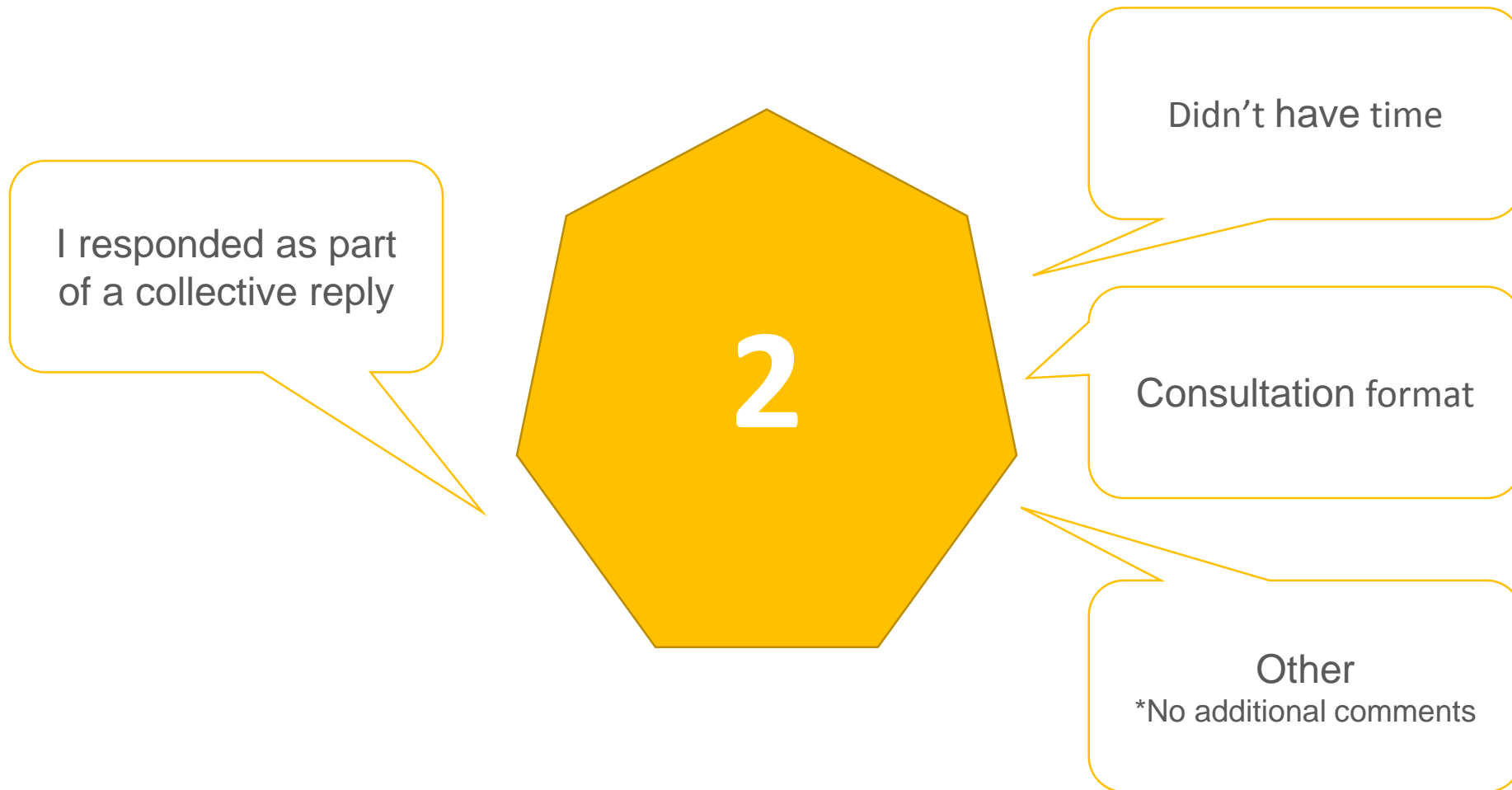
Suggestions for *improvement*

- Break the consultation down so that it is easier to respond to each part. This would also enable a slightly shorter consultation document for each consultation although clearly there would need to be more than one
- Asking some yes/no (which you did) or multiple choice questions would enable easier response. The tendency with 30 + questions is to write 30+ paragraph long answers otherwise
- Financial aspects of the proposal could have been presented and explored more effectively
- It seems there is quite a lot of information being presented. Often it is hard to see the wood for the trees with respect to the key issues being consulted on

Good

- Documentation and online meetings were very clear
- Almost all questions were answered clearly

Why didn't you respond to the consultation?



Other feedback/expectations

- We now need clarity on what the project pipeline is likely to look like and clear criteria for whether projects will go 'non-compete', early competition or late competition
- It would be much helpful if the ESO could confirm in liaison with Ofgem consistency and alignment of this process with other relevant proposals on this matter consulted on with the Industry e.g. RII0-2
- An online central repository for all competition policy documentation. The way in which material on pathfinders is documented is particularly difficult to navigate
- A clear explanation around how Pathfinders might inform early competition (or not)
- Workshops are really good (structured and opportunity to engage with questions and comments)
- As before, we need ESO to state and evidence what problem they are trying to solve
- Risk and impact assessment. We would like to see more consideration of the possible unintended consequences and mitigating actions

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ENSG: Offshore Coordination Update

Alice Etheridge



Agenda

1. **Consultation Approach: Including stakeholder engagement** – Alice Etheridge
2. **Holistic approach to offshore transmission planning: Overview and key insights** - Dr. Biljana Stojkovska
3. **Connections Process Review: Overview and key insights** – Luke Wainwright
4. **Cost Benefit Analysis: Approach, current position and next steps** - Luke Wainwright
5. **Project Timeline & Next Steps** - Alice Etheridge

1. Consultation Approach: (Including stakeholder engagement)

– Alice Etheridge

Questions for ENSG:

1. Do you feel the proposed consultation document structure will clearly present the information?
2. Do you have any suggestions to more effectively gain feedback and help maximise the 4 week consultation period?

The consultation will launch on 30 September and run for four weeks. The document will have three parts:

Overarching document

- Introduction
- Taking a collaborative approach
- Key messages at a high level coming from the:
 - Cost-benefit analysis
 - Holistic approach to offshore transmission planning
 - Connections report
- Next steps and how to respond

Summaries of the CBA, technology report and connections report

- Approach to developing the report
- Key messages from that report
- Summary of the report findings
- Changes planned for the final version [CBA only]
- Where the CBA could go beyond phase 1 [CBA only]
- Questions we would like feedback on

Full reports

- Cost-benefit analysis – DNV GL report
- Holistic approach to offshore transmission planning – DNV GL report
- Connections report – ESO report
- Plus a stakeholder engagement annex rounding up the engagement received during the period and how we have responded.

Increasing level of detail

Stakeholder Engagement Consultation Schedule

Following our publication of the consultation document we have scheduled engagement to support stakeholders during the four week consultation period and maximise their input.

Consultation Engagement	Timeline	Context
Launch of consultation	30/09/2020	The consultation document will be published onto the ESO website to give visibility and insight of our findings to date and invite feedback on our Cost benefit analysis, Holistic approach to offshore planning and Connections Reports .
Consultation	30/09/2020 - 28/10/2020	Following our launch of our consultation document we will provide progress updates and share our next steps. During this period stakeholders will have the opportunity to provide written feedback on the consultation and/or participate via mediums such as webinars and workshops.
Webinars & Workshops	Between 1/10/202 and 16/10/2020	We will run a webinar to talk through the consultation and workshops to seek feedback on it. Our current proposal is that the workshops will be mixed groups of stakeholders rather than the earlier approach of running workshops through existing groups of similar stakeholders.
Feedback	18/11/2020	We will collate and publish feedback received through the webinar and workshops and written responses following the end of the consultation period. We will explain how we have responded to the feedback or the reasons for not doing so if we haven't.
Final Report	16/12/2020	The final report, incorporating the feedback, will be published on the ESO website and submitted to Ofgem and BEIS. It will include key messages, the three finalised detailed reports and our recommendations.

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2. Technology Workstreams

Dr. Biljana Stojkivska

3. Connections Process Review:

Overview and key insights

- Luke Wainwright

Questions for ENSG:

1. Are there any options missing from your point of view?
2. Do you have any wider feedback?

Connections Process Review

The twin aims of the Connections Review are to:

Firstly, for the immediate and short term basis see if there are any quick wins that would enable coordination in live or nearly live works.

Secondly, for the medium and longer term to feed into and begin to prioritise actions for the potential Phase 2 of the Offshore Coordination project

Timeframe	Applicable to	Expected connection Date
Immediate Term	Contract for Difference(CfD) awarded and have a grid connection.	Early 2020s
Short Term	Sites with seabed leases that may have connections and may be seeking a grid connection	Mid-2020s
Medium Term	Crown Estate leasing round 4, Scotwind, latter Round 3 extensions	Mid - Late 2020s and early 2030s
Long Term	Latter Round 4 leases, Scotwind and future sites	Early/Mid 2030s and beyond

Options Reviewed

Connection Application:

- Application Fees & Reconciliation review
- Coordination with leasing rounds

Site Considerations

- Anticipatory investment (for Ofgem)

Reinforcement Works:

- Develop use of Network Options Assessment and Future Energy Scenarios
- Anticipatory investment (for Ofgem)
- Developer risk and financing
- Codes and charging

Liabilities for broad system and generator-driven investment

Connection and Infrastructure Options Note:

- Timescales
- Opportunity to encourage coordination rather than single connection
- Interactivity/"Reopen" CION
- Transparency /Clauses
- TEC Register Improvements

Charging Methodology review:

- Delay /Backfeed charges
- TNUoS charging for offshore generators and the Offshore Transmission Owner regime
- User Commitment

Policy & Codes:

- Review Connection Use of System Code
- Revisit Modification proposal on Offshore Networks

Legal Agreements Review

- Separate processes for Interconnectors

Manage Risk of implementation

Delivery model

Stakeholder Engagement

Our work has been directed and informed by our engagement with the industry:

- We have run webinars with the industry to get their ideas, input and challenge. We received very positive feedback on our interactive session that made use of a whiteboard tool.
- We have engaged with offshore and interconnector developers, Transmission Owners and internally in the ESO
- We have kept BEIS and OfGEM updated on our progress and will feedback our proposals to both them and the wider industry when completed

Next Steps and Early Insights

We have begun drafting up the process review paper and whilst further engaging with stakeholders both internal and external we are narrowing down those options that we will seek to propose to take forward.

Some early insights are:

- CION – how it operates and how can it more quickly be moved to aid coordination
- Liabilities – where they best sit in Offshore and how can they aid coordination
- Connections process review and how this can be changed to provide flexibility in the Offshore environment

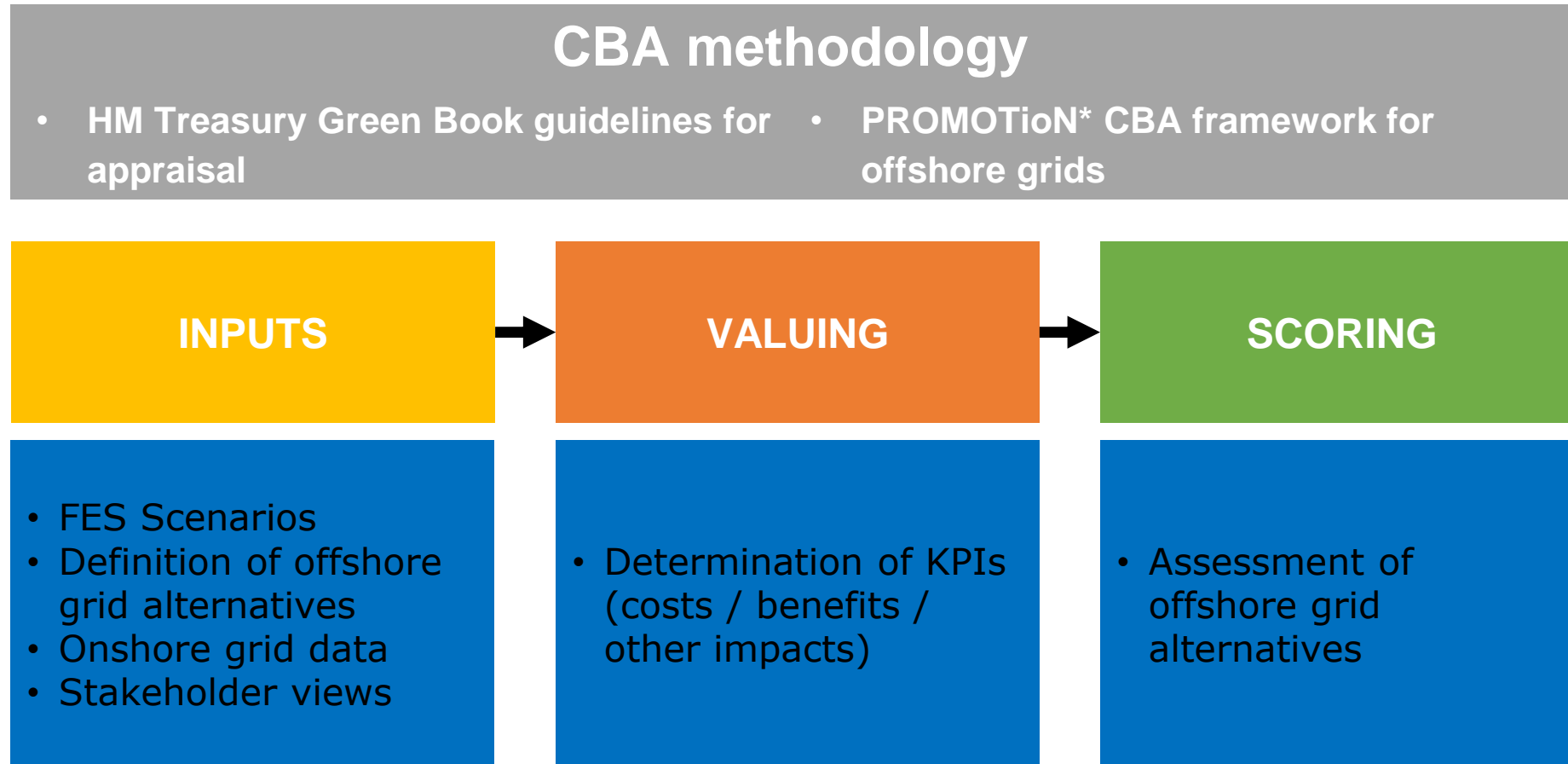
4. Cost Benefit Analysis: Approach, current position and next steps

- Luke Wainwright

Questions for ENSG:

1. What feedback do you have on our approach and engagement thus far?
2. Do you have any other wider feedback?

CBA Process



CBA KPIs

The KPIs that we will assess in the CBA will compare a “Counterfactual” approach (all ways of working remain as they are out to 2050), against an “Integrated” approach which based on our technical and planning work outlines a coordinated/shared asset approach. Both approaches are based on the same scenario (Leading the Way: FES)

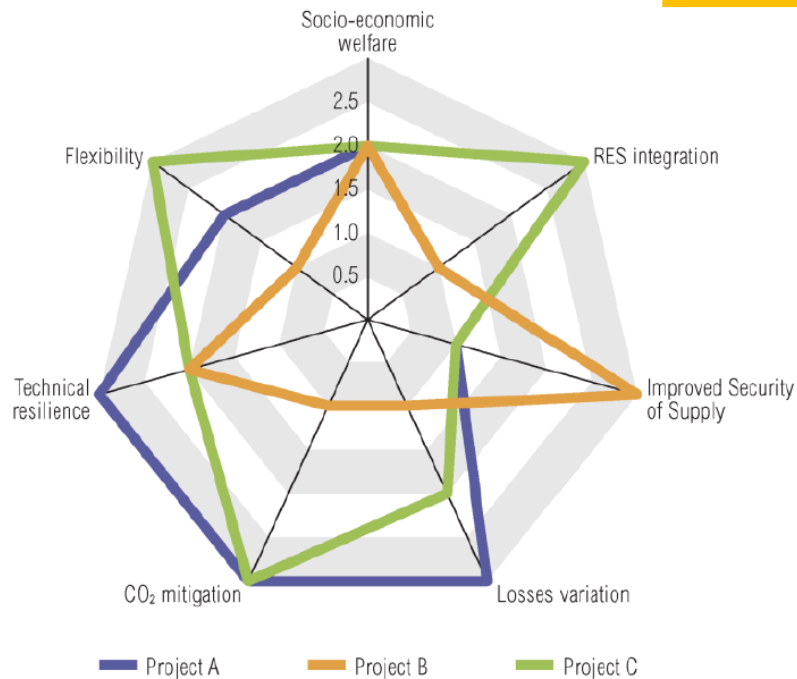
By assessing each KPI between the two we will develop a “scorecard” and our conclusions will be based on this.

- Capex
- Opex
- Socio-Economic Welfare
- RES Integration (Curtailment)
- CO2 Variation
- Grid Losses

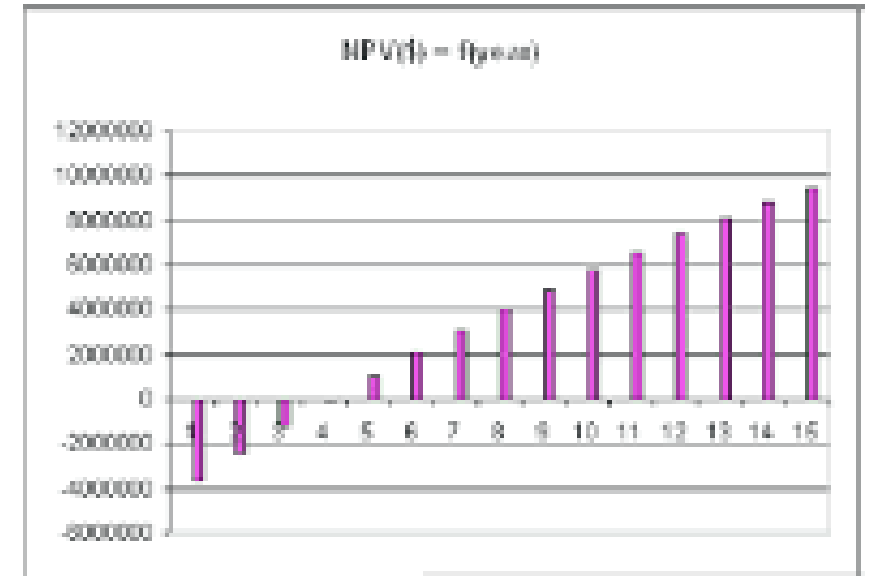
- Security of Supply – Adequacy
- Security of Supply – Security
- Security of Supply – Resilience
- Environmental
- Social

Project Comparisons – Assessment Framework

- Conceptual designs comparison
- Ideal vs practical
- Limits on full monetisation of KPIs
- Objective KPIs and display of results



Degree of
quantification and monetisation



Stakeholder Engagement: How



Stakeholder Engagement: Who

We have engaged on a wide basis to inform the framework that we have built for the CBA as well as sought direct input to the results for those KPIs that are based on qualified results.

Offshore
Developers

Technology
providers

Consultancy

Onshore
Transmission
Owners

Offshore
Transmission
Owners

Academia

Local
Government

Wind Europe,
ENTSOE

Transmission
connected
generators

Distribution
Network
Operators

Regulator

Crown Estate,
Crown Estate
Scotland

Consumer
representative

Interconnectors

Politicians

Government/
BEIS

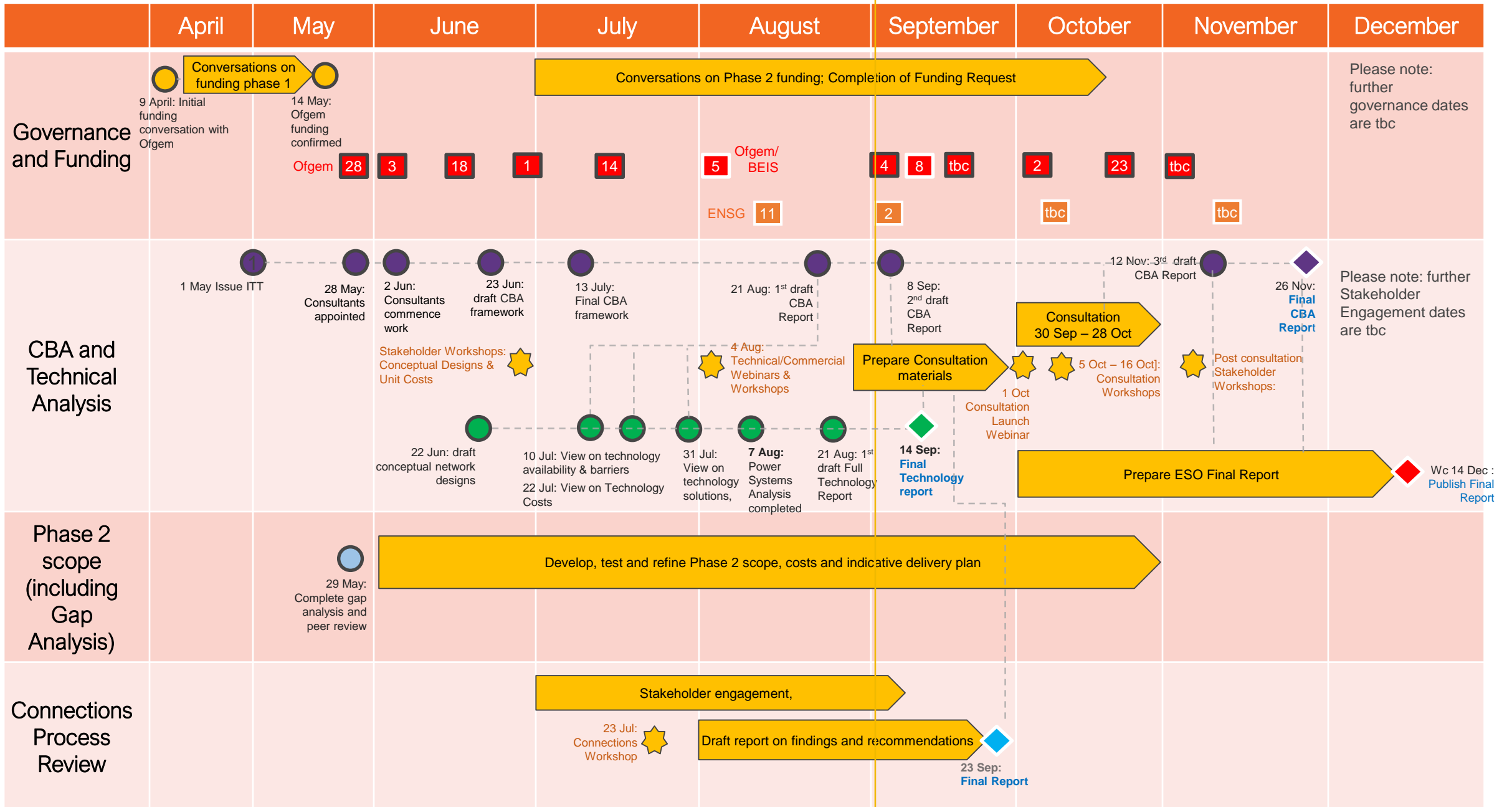
5. Project Timeline & Next Steps

- Alice Etheridge

Questions for ENSG:

1. For information – revised timeline

Revised phase 1 POAP (until mid-December 2020)



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Future ENSG Meetings

w/c 12th October

- Assessment of Early Competition proposals

w/c 2nd November

- Phase 3 consultation for Early Competition

w/c 16th November

- Phase 3 consultation for Early Competition
- Offshore Coordination Consultation

w/c 11th January

- Initial views of Early Competition phase 3 consultation

w/c 25th January

- Post Early Competition consultation feedback

w/c 22nd February

- Early Competition final report to Ofgem
- Final overview of how the ESO responded to stakeholder feedback

Early Competition ENSG Report

Chapter 1: The ENSG Process

- The role of the Stakeholder Group
- Purpose of the Group
- Members of the Group
- Chair
- Meetings

Chapter 2: Early Competition Phase 1 & 2 Summary

- Stakeholder Engagement Approach

Chapter 3: Early Competition Phase 3

- Stakeholder Engagement Approach
- Assessment of proposals
 - Suitability for competition
 - Roles and Responsibilities
 - Tender process
 - Commercial model
 - Post tender process
 - Distribution
 - Regulatory framework
 - Implementation plan

Chapter 4: Final Report

Chapter 5: How has ESO worked with ENSG?

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