BANKSRenewables

development with care

Our Ref: DSCT/RS BRL/KnowledgeCentre

27 July 2023

James Norman and Connections Reform team NGESO Connections reform consultation SENT BY EMAIL Box.ConnectionsReform@nationalgrideso.com

Dear James and Team

CONNECTIONS REFORM CONSULTATION

Thank you for the opportunity to respond to you on this consultation. We agree that the connections process and how it is delivered does need to be reformed to support the transition towards net zero.

Banks Renewables is a developer, constructor, owner, and operator of renewables generation projects. We are presently operating a portfolio of 223MW of onshore wind and have a development pipeline which includes solar and storage projects as well as onshore wind. Securing investable and deliverable grid connections for our projects is key to their success.

Please note: We have only included questions where we have made a response.

1. Do you generally agree with our overall initial positions on each of the foundational design options and key variations? Are there any foundational design options or key variations that we should have also considered?

Yes, we generally agree. We do not support central planning as a solution believing that well-structured markets are far more efficient. Could you have considered how to build a live model that is flexible enough to deal with a daily changing picture and use probabilities to drive investment decision outcomes. Please also see question 11.

2. Do you agree with our initial view that the current issues with the connections process could potentially be addressed on an enduring basis through other, less radical, and lower risk means than the introduction of capacity auctions?

Yes. Capacity auctions would not allow the required investment certainty to encourage new development.

3. Do you agree with our initial view that the reformed connections process should facilitate and enable efficient connection under either a market-based (i.e., locational signals) or `centralised` deployment approach (or an approach somewhere between the two), but not mandate which approach to follow?

We prefer the market approach but understand why you might try and design a system that could work in a centralised approach.



4. Do you agree with our initial recommendation that TMA A to TMA C should all be progressed, irrespective of the preferred TMO?

TMA A – data, yes please.

TMA B – Pre application meetings should be easy to arrange and not long to wait for. A basic checklist would be suitable but please do not make the hurdle too high to talk to the ESO / TO about a project/prospect.

TMA C – happy for this to be progressed but we are keen that optioneering is also done during the design of the solution during the offer stage, we have had minimal contact during this phase historically and it could add real value.

5. Do you agree with our initial recommendation on the introduction of a nominal Pre-Application Stage fee, discounted from the application fee for customers which go on to submit an application within a reasonable time period?

No. It is another hurdle involving PO's and invoices, and a pre app meeting should be able to be delivered by the ESO / TO. Is it worth considering provision of a landowner letter as a condition for booking a pre app?

6. Do you agree with the importance of the TMA A `Key Data`? Please provide suggestions for any other key data that you suggest we consider publishing at Pre-Application Stage.

This looks like a good data set to inform pre application meetings, but it is important it is kept up to date and includes the whole position including DNO data.

7. Do you agree with our initial recommendation with regards to TMA D (requirements to apply)?

We agree that a landowner letter should be added to the initial requirements.

8. Do you agree with our initial recommendation with regard to TMA E (determination of enabling works), including that it is right to wait until the impact of the 5-Point Plan is known before forming a view on whether further changes to TMA E are required?

We agree. We are also surprised there are not more recommendations in this report in relation to conditional access offers based on time / active network management / season / market price?

9. Do you agree with our initial recommendation with regard to TMA F (criteria for accelerating `priority` projects)?

No. We are not sure the government should decide access order. We are also not sure about who would choose which projects may make the greatest wider economic / societal benefit. We therefore don't agree with either of these suggestions. Projects that have planning consent and are ready to connect should be prioritised.



10. Do you agree with our initial recommendation with regard to TMA G ((queue management)?

We support fair and clear queue management.

11. Do you agree these four TMOs present a reasonable range of options to consider for reformed connections process?

We understand your model range.

The application window concept looks to us like a backward step. It is an artificial and arbitrary deadline for transfer of industry information. Have you not considered the building and operating of a live future network model able to be kept up to date daily with all relevant connection applications scored with probabilities for final build? The model could then be used to develop and assess probabilistic outcomes on network design and build responses required. It seems like you are looking for options that do not allow the use of the latest information and would therefore not be the most economic and efficient.

Outside of the point above we are concerned about the resourcing of window bounded options in TM03 and TM04, both from an ESO / TO and a developer perspective. Can ESO/TO and developers get the skilled people to resource on this basis. Either TMO would make some work at a developer or ESO/TO very seasonal.

12. Do you think any of the four TMOs could be materially improved e.g., by adding, removing or changing a specific aspect of the TMO? If so, what and why?

TM02 backed by the live network model outlined above and linked to the queue management principles.

13. Are there any important TMOs we have missed?

See answer above.

14. Do you think `Submit Consent` too early for Gate 2 in TMO2 to TMO4? If so, what milestone should be used instead and why?

This is a difficult question and different projects have different timescales. We considered planning consent as the alternative which would give an even higher level of project certainty but may be too close in time to the required connection date. On balance we probably agree with `Submit Consent`.

15. Do you agree that TMO4 should be the preferred TMO?

No

16. Do you agree with our design criteria assessment of the four TMOs? If not, what would you change and why?

Yes



18. Do you think that there is a better TMO than TMO4? Whether that be TMO1 or TMO3, as presented, a materially different option, or a refined version of one of the four TMOs we have presented?

Yes, TM02 with live model as above.

20. Do you have any views on the appropriate mechanism to incentivise accurate forecasting of requirements and avoid more RDC than is necessary being requested by DNOs?

We are concerned in relation to your plans for the DNO interface as many GSPs are already viewed as at capacity limits.

- 21. Do you agree with our views on the process under which DNOs apply to the ESO on behalf of relevant small and medium EG which impacts on or uses the transmission system, including that (under TMO4):
 - 1. DNOs should be able to request RDC via application windows to allow them to continue to make offers to EG inter-window; and
 - II. Resulting offers should be for firm access until relevant EG has reached Gate 3 (at which point they can request advancement and an earlier nonfirm connection date)?

We are concerned in relation to your plans for the DNO interface as many GSPs are already viewed as at capacity limits.

We had hoped that DNO's in their transition to DSO's could have defined limits at GSP interface points to work to and optimise their networks. A live model of the network with planned connections as per question 11 above may help with managing this interface.

22. Do you agree that directly connected demand should be included within TMO4 and that the benefits and challenges are broadly similar as for directly connected generation?

Yes

23. Do you agree that TMO1 to TMO3 would require a separate offshore process, and that this would result in material disbenefits?

Offshore needs to have the same process.



27. Do you agree with our initial recommendation related to each of the TMAs within this chapter? If so, why? If not, what would you change and why?

TMA H – Yes. TMA I – No. ESO should not be able to reject a competent application. TMA J – Yes. TMA K – Yes. see above. TMA L – Yes. TMA M – Yes. TMA N – NO ESO should not be able to reject a competent modification. TMA O – Yes. TMA P – Yes. TMA Q – like the idea but probably unrealistic. TMA R – Yes. TMA S – Yes

28. Do you agree with our current views in respect of implementation period?

If the changes are the right ones. Can you go earlier?

30. What further action could Government and/or Ofgem take to support connections reform and reduce connection timescales, including in areas outside of connections process reform?

- Accelerate grid investment approvals.
- Reform planning and consenting for grid infrastructure to accelerate approvals.
- Our view is the key action required is to build more grid infrastructure. The building of grid infrastructure is the one action with the largest impact to support the move to a carbon free electricity system in the UK. This means government and Ofgem supporting investment approvals, planning, and consenting for grid infrastructure. The planning and consenting process for essential grid infrastructure presently takes way too long e.g., Kendoon to Tongland reinforcement project in SW Scotland.

Yours sincerely

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