

Connections Reform Steering Group

Meeting 7 Minutes

Date: 06/09/2023

Location: MS Teams

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Merlin Hyman, Regen, CHAIR	Attend	Claire Jones, Scottish Government	Regrets
Neil Bennett, SSEN Transmission	Attend	Deborah, MacPherson, ScottishPower Renewables	Attend
Sally Boyd, PeakGen	Attend	Andy Manning, Citizens Advice	Attend
David Boyer, ENA	Attend	David Wildash, ESO	Attend
Catherine Cleary, Roadnight Taylor	Regrets	James Norman, ESO	Attend
James Dickson, Transmission Investment	Attend	Mike Oxenham, ESO	Attend
Amy Freund, Ofgem	Attend	Laura Henry, ESO	Attend
Oz Russell, ADE	Attend	Jennifer Pride, Welsh Government	Regrets
Sotiris Georgiopoulos, UKPN	Regrets	Patrick Smart, RES Group	Attend
Arjan Geveke, EIUG	Regrets	Spencer Thompson, INA	Attend
Ben Godfrey, National Grid Electricity Distribution	Attend	John Twomey, National Grid Electricity Transmission	Attend
Garth Graham, SSE Generation	Attend	Matthew White, UK Power Networks	Regrets
Gemma Grimes, Solar Energy UK	Attend	Charles Wood, Energy UK	Regrets
Paul Hawker, Department of Energy Security and Net Zero	Attend	Olly Frankland, Regen	Attend
Lynne Bryceland, Scottish Power Transmission	Attend	Mike Robey, ESO, Technical Secretary	Attend

Agenda

#	Topics to be discussed	
1.	Welcome and matters arising	Merlin Hyman
2.	Actions from Meeting 6	Mike Robey
3.	Update on current activities - Connections 5-point plan - Strategic Connections Group	Laura Henry David Boyer
4.	Summary of responses to the Connections Reform Consultation	Mike Oxenham
5.	High-level update on implementation	James Norman
6.	Next steps	James Norman
7.	Any Other Business	Merlin Hyman

Discussion and details

Minutes from meeting, including online meeting group text chat during meeting, where referenced as “[From online chat]”

1. Welcome and Matters arising

Welcome to Oz Russell, replacing Chris Fielder as ADE’s representative and to David Wildash, ESO’s new Head of Customer Connections.

The Steering Group noted the formation of the CISG subgroup (a new CUSC panel sub-group discussing some of the initiatives being taken forward under the 5-point plan).

ESO is to hold a Connections Seminar on 16 October in London covering both current tactical initiatives (such as the 5-point plan) and roundtables on aspects of longer-term connections reform. The next ESO Customer Connection Agora take place online on 20th September.

Regen is hosting an event “Reforming Grid Connections: Preparing Britain’s electricity networks for net zero” on 03 October.

DESNZ and Ofgem are preparing the Connections Action Plan for publication later this year. Ofgem confirmed it is reviewing the options for queue management within CMP376 with a decision expected soon.

2. Actions from Meeting 6

The two new actions from meeting 6 (6.9.1 and 6.9.2) are now closed.

Under the ongoing action 2.5.1 to track other strategic policies, Steering Group noted that the Nick Winser (UK Electricity Networks Commissioner) report on accelerating electricity transmission network deployment has been published¹ with recommendations including a Strategic Spatial Energy Plan.

¹ Accelerating electricity transmission network deployment: Electricity Networks Commissioner’s recommendations - GOV.UK (www.gov.uk)

3. Update on current activities

- Connections 5-point plan
- Strategic Connections Group

Connections Five-point plan

- **Action 7.3.1:** To circulate the updated slide pack including the 5-point plan slides.
- Approximately 50% of the 25GW of capacity due to connect in the next three years has not yet secured planning permission.
- A steering group member challenged the chart showing the volume of capacity contracted within the connection queue by generation type versus the generation capacity and types envisioned within the four Future Energy Scenarios (FES). The member challenged whether the contracted volume for storage as presented in the chart, included the capacity of hybrid sites (e.g. solar and battery) and the capacity of both components. ESO committed to making this information available. ESO will also add distribution queue data into the future updates.
- [From online chat: A member noted it was interesting to see the size of the queue challenge is still getting bigger and queried how this is being considered by the Reform Team. The member noted that they and their customers are not put off by the queue issues necessarily.]
- **Action 7.3.2** ESO to share the updated analysis, when available, of connections contracted capacity by generation type versus the four FES scenarios, with hybrid sites shown separately to pure storage sites.
- A steering group member noted that the contracted capacity in the queue exceeds the capacity required to deliver almost all generation type requirements in all four FES scenarios, but challenged whether the real projects, once speculative projects are stripped away, are sufficient to achieve FES.
- A steering group member noted that the slides covered the transmission connection queue and noted the scale of the distribution connection queue too. Another member asked whether there was a view of the volume of DNO project progressions as well, to give a full picture.
- TEC Amnesty - ESO noted that some customers have now withdrawn from the TEC amnesty.
- Construction Planning Assumptions review - studies are nearing completion with NGET for England & Wales and ESO is agreeing the methodology and assumptions with SPT and SSENT for studies in Scotland.
- A steering group member asked for the likely timeline for outturn of the 0MW storage / CPA process?
- **Action 7.3.3** ESO to share the five-point plan timeline in future updates.
- Queue management - Ofgem's decision on CMP376 is due 15 September.
- Non-firm offers for storage connections - a first phase is underway with NGET where connection contract appendices are to be revised to reflect the non-firm approach. ESO is in dialogue with SPT and SSENT on progressing non-firm offers for Scottish energy storage projects. A steering group member challenged when customers would hear and asked about inclusion of distribution connected customers. ESO noted that the non-firm expression of interest process included distribution-connected storage projects and ESO is working through the details for taking this forward.

Strategic Connections Group

- Distribution queue management is in active practice and implementation. 2.1 GW has been accelerated or cleared from the queue and the work has halved the number of pre-2017 contracts remaining that had no progression milestones. A steering group member asked whether a split of this data was available.
- Technical Limits at Grid Supply Points has reached active implementation of the first phase across 52 GSPs covering 17 GW of capacity, establishing technical limits and operational parameters. DNOs will be contacting customers in the next month or so to offer non-firm connections. Further phases are also in development.
- Non-firm connections for storage - The subgroup is finalising consistent guidance across all DNOs this month.

- There will be a webinar at the end of September to share progress.
- A steering group member noted that distribution offers are to be issued quite soon and queried whether transmission constraints will be covered.
 - SCG is working with ESO on co-ordinating the separate but complimentary transmission and distribution initiative for non-firm offers for energy storage.
- [From online chat: A steering group member noted that they had seen changes from a number of DNOs on BESS treatment, but still have the Statement of Works issue hanging around in some cases.]

4. Summary of responses to the Connections Reform Consultation

- In addition to the circulated paper summarising consultation responses, ESO has published the responses where responders have confirmed these are not confidential. ESO has now moved into a more detailed review of all the responses.
- Comments raised regarding the recommended TMO4 approach focussed primarily on two issues: the frequency of application windows and the position of gate 2 within the process.
- ESO is engaging the ENA's SCG to develop the Reserved Developer Capacity (at Grid Supply Point for distribution network connections) concept with DNOs.

Steering group (SG) member questions and comments:

- What from the reform consultation could go-ahead now?
 - ESO noted the Letter of Authority was widely supported and it is looking to proceed, possibly without a code change, although there was a lot of detailed feedback on this which ESO is considering.
- There was also the Ofgem consultation on connections and stakeholders may have chosen to only respond to one. Is there any difference between the responses to both consultations?
- Whilst the options are fairly sensible, without more detail on specific issues it was hard to respond and therefore further, more detailed consultation may be required.
- Was there support for co-ordinated network design?
 - ESO noted this was supported conceptually, with lots of comments on how this might be applied, how capacity would be allocated and so on, but ESO has not reviewed these responses in great detail yet.
 - Several consultation responses referenced centralised strategic network plan and Nick Winser's (UK Electricity Networks Commissioner) report on accelerating electricity transmission network deployment.
- Support for other TMOs (ie beyond support from TMO4) within the consultation responses?
 - There was some (limited) support for each of TMO1, TMO2 and TMO3, but no alternative 'TMO5' was proposed (ESO considers that all alternative suggestions are variants of either TMO1, 2, 3 or 4).
- Did responses push for the proposed timeline for reforms be accelerated?
 - There were a variety of views from doing things quicker, taking more time and acknowledging that there were a lot of issues to consider.

Steering Group views on the windows and gates within TMO4:

- Some members argued that Gate 2 should be when planning permission is granted, not just at submission of planning application.
- Another member felt this approach would only work if TOs are pursuing anticipatory investment from the initial submissions (and not waiting for the outcome of gate 2). Without anticipatory investment this member felt it better to stick to gate 2 being at the point that a planning application is submitted.
- In Ireland consent is needed before applying, but a member felt this creates unhelpful separation.
- Details of future price controls in 3-6 months' time might help inform this discussion.

- [From online chat: If you leave gate 2 until planning permission is achieved, it will create more uncertainty for the customer/investor and potentially add further delay/ lead time to the connection date.]
- A couple of respondents noted that gate 2 did not align with the annual Contracts for Difference process and possibly other relevant market processes, which ESO will follow up.
- A steering group member felt that an annual window process meant it would not be too long to wait for the next opportunity.

Steering Group views on the Reserved Developer Capacity (RDC) at Grid Supply Points for embedded connections

- General view from DNOs that RDC could be made to work. Now need to work through the detailed feedback on RDC and ESO is working together with the ENA's SCG to develop this further.
- A member noted that solar developers were experiencing delays, and whilst they did not have strong views on particular options of how to resolve this, they do support anticipatory investment on the networks.
- A member noted 31GW of embedded connections queue is waiting on transmission investment.
- [From online chat: ESO noted that most responses agreed with the need for the concept of RDC within TMO4 and the concerns were more around the application/design of the concept (e.g. getting the right RDC number to avoid it running out). However, a notable concern was raised that large embedded generators would not be able to benefit from the RDC.]

General comments

- It was noted that government is concerned about the connections queue, not only within DESNZ, but also in Downing Street. Connections are seen as an inward investment and growth opportunity and therefore rapid progress is sought. Government will not like delivery to take until the end of 2025 and therefore the shorter-term improvements that the 5-point plan and SCG can deliver are very important too.
- A member reflected that the industry's processes were not designed for rapid progress, but timely implementation is what everyone is looking for.
- A member was encouraged by the progress being made through existing processes and emphasised the need for high-quality changes, which requires co-ordination. There may also be other tools that can be deployed to achieve the desired goals and the regulator is keen to hear stakeholder views on this.
- A member urged to get people in a room, as soon as possible after Ofgem and DESNZ provide a steer, to work on the detail for the detailed design of the final recommendations. Existing processes can be accelerated where there's a will to do so.

5. Implementation

- ESO intends to publish final recommendations by the end of November.
- Discussions are underway with Ofgem, government and other licensees on implementation and there is a trade-off to navigate between timeliness and having sufficient detail to gain a high level of confidence. It's not possible to wait for all the detail to be worked through before making a commitment. ESO will provide as much clarity as possible, although some of the detail does not need to be resolved yet. For example, the detail of the position of gate 2 within the process can be agreed later without impacting on the timeline for making final recommendations on overall reformed connections model.
 - [From online chat: a member asked whether, as a group the SG was committed to make this go faster? Using a staged manner or something else?]
- ESO highlighted the need for strong external governance of all connections improvements (Reform activity, the 5-point plan, Strategic Connections Group and so on). This needs to be at both the strategic and technical levels. ESO is reviewing with the regulator, government and other networks licensees the routes available to deliver the reforms, both standard and urgent processes.

- A member noted that The Delivery Partners Executive Group did not have wider stakeholder representatives and recommended considering wider membership for the proposed new delivery board.
- A steering group member noted that for the Transmission Access Review six themes were delivered within six months, which was an intense period of work (participants inputted 2-3 days per week) but shows work can be delivered at pace. The member asked when the draft detailed modifications would be available, emphasising that it was key to get into the detail.

Transition

- Government expects further connections improvements are possible between the 5-point plan and SCG initiatives and the longer-term reformed connections process and ESO is in discussion with government, Ofgem and networks on what opportunities there may be. Renewables UK are also exploring this.
- Three objectives for connections reform were noted:
 - Reduce the queue and/or re-order the queue through use of queue management;
 - Reduce speculative applications; and
 - Efficient implementation of improvements

In conclusion, ESO shared that they were pleased with the quantity and quality of responses to the consultation. ESO has heard the need for more work on communication. ESO is committed to a co-ordinated approach and is working with others on the detail for implementation. Connections reform is complex, there are considerations from a wide diversity of stakeholders and there is a need to work at pace. This needs co-ordination and creativity.

6. Any Other Business

Action: 7.6.1 ESO to schedule a Steering Group meeting in October and a provision date in November, in case it is required.

Decisions and Actions

Decisions: Made at last meeting

ID	Description	Owner	Date
5.2	To publish the minutes of Meeting 5	Mike Robey	18/05/2023

Action items: In progress and completed since last meeting

ID	Description	Owner	Due	Status	Date
7.3.1	Share updated slides including 5-point plan updates	Mike Robey	15/09/2023	Added to pack v2	
7.3.2	ESO to share the updated analysis, when available, of connections contracted capacity by generation type versus the four FES scenarios, with hybrid sites shown separately to pure storage sites.	Laura Henry	TBC. Check at next meeting.	In development.	

7.3.3	ESO to share the 5-point plan timeline in future updates	Laura Henry	11/10/2023	Include in next meeting pack.
7.6.1	ESO to schedule a Steering Group meeting in October and a provision date in November, in case it is required.	Mike Robey	22/09/2023	October options circulated. Nov tbc
3.6.1	Steering Group members can respond to circulated slides with comments via email before the next meeting.	All	Ongoing	Open invitation for Steering Group members.
2.5.1	ESO to track progress with REMA, FSO and other strategic policies and to consider how the evolution of these affects consideration of the centralised planning process design option	James Norman	Ongoing	To keep under review

Decision Log

Decisions: Previously made

ID	Description	Owner	Date
1.01	Agreed to apply Chatham House rule – All participants not to attribute comments to individuals or their affiliations	ALL	16/02/2023
1.02	Steering Group agendas and minutes will be published. Minutes to be published following confirmation at the next meeting that they are a fair record. Additional documentation may be published (e.g., slide packs/papers taken to the Steering Group), but subject to confirmation by the Steering Group.	Mike Robey	02/03/2023
2.3.1	Approved the Terms of Reference v1.2 subject to the inclusion of the edits identified in Meeting 2 (creating v1.3)	Merlin Hyman	02/03/2023
2.5.1	General agreement with the position to not continue to develop Option C as a stand-alone option within the remaining sprints, but to consider whether elements of option C could be incorporated into options A and B.	Merlin Hyman	02/03/2023
2.5.2	Add-on 1 should not be a focus for Connections Reform	Merlin Hyman	02/03/2023
2.5.3	Add-on 3: Stakeholders identified some concerns to be further considered but there was a general overall view that this add-on is worthy of further consideration in later design sprints	James Norman	02/03/2023
2.5.4	Proposed that Add-on 4 is not given focus in later design sprints, although REMA developments will be monitored.	James Norman	02/03/2023
3.2	To publish the minutes of Meeting 2	Mike Robey	16/03/2023
3.2.1	To approve the Terms of Reference v1.3	Merlin Hyman	16/03/2023
4.2	To publish the minutes of Meeting 3	Mike Robey	30/03/2023
5.2	To publish the minutes of Meeting 5	Mike Robey	18/05/2023

Action Item Log

Action items: Previously completed

ID	Description	Owner	Due	Status	Date
0.1	Steering Group members to provide photograph and biography for Steering Group web page	All	09/03/2023	Complete	09/03/2023
1.2.1	ESO to update and circulate the Terms of Reference, updating the narrative on purpose and membership details (members, Welsh Government, Scottish Government, DNO representative(s)).	James Norman	23/02/2023	Complete	23/02/2023
1.2.2	To seek Steering Group agreement of updated Terms of Reference at meeting 2.	James Norman	02/03/2023	Agreed	02/02/2023
1.3.1	ESO to share details of who is contributing to the design sprint workshops, including which Steering Group members are participating.	Mike Oxenham	23/02/2023	Complete	23/02/2023
1.3.2	ESO to clarify how its evaluation of options within each design sprint will work at meeting 2.	Mike Oxenham	02/03/2023	Complete	02/03/2023
1.3.3	ESO to clarify the process following the consultation at the end of this phase of the connections reform project	James Norman	16/03/2023	Complete	17/03/2023
1.3.4	Strategic policy goals (particularly net zero and energy security) to be elevated and given more prominence within the design objectives	James Norman	02/03/2023	Adopted	02/03/2023
1.3.5	ESO to add a summary status of relevant code modifications and a summary of tactical initiatives to improve connections to the Steering Group pack	Ruth Matthews & Laura Henry	23/02/2023	Complete	23/03/2023
1.4.1	Relationship between connections at Transmission and Distribution levels to be discussed at meeting 2	James Norman	02/02/2023	Complete	16/03/2023
2.2.1	ENA to share updates from its Strategic Connections Group within subsequent Steering Group packs	David Boyer	16/02/2023	Included for 16/03 and ongoing	16/03/2023
2.3.1	ESO to update and circulate the agreed Terms of Reference (v1.3)	James Norman	09/02/2023	Circulated	16/03/2023
2.6.1	ESO to share project timeline	Mike Robey	09/02/2023	Circulated	10/03/2023
3.4.1	ESO to reconsider RAG rating for high-level options and provide more information on scoring in any future version	James Norman	30/03/2023	Status	27/04/2023
3.4.2	ESO to return to Steering Group with further views on the T&D interface at a later meeting	James Norman	30/03/2023	Added to 27 April agenda	27/04/2023
4.2.1	To discuss connections across the Transmission and Distribution interface at the 27 April Steering Group meeting.	James Norman	27/04/2023	Complete	27/04/2023
4.4.1	ESO will bring refined versions of the process options to the Steering Group in four weeks' time.	Mike Oxenham	27/04/2023	Complete	18/05/2023
6.9.1	ESO to consider Steering Group feedback in the finalisation of the consultation documents.	James Norman	12/06/2023	Complete	18/05/2023
6.9.2	ESO to schedule an additional Steering Group meeting in mid-September.	Mike Robey	18/05/2023	Complete	06/09/2023