

Ofgem Connections Delivery Board

February 2024 Meeting Minutes

Thursday 15 February 2024 – 13:00 – 15:00

MS Teams Meeting

Attendees

Role Category	Representative	Organisation
Chair	Jack Presley-Abbott	Ofgem
Technical Secretary	David Boyer	Energy Networks Association
	Allan Boardman	PA Consulting
	Adam Wissen	PA Consulting
Electricity System Operator	James Norman	Electricity System Operator
	Mike Robey	Electricity System Operator
	David Wildash	Electricity System Operator
Transmission Owners	John Twomey	National Grid Electricity Transmission
	Christianna Logan	Scottish Hydro Electricity Transmission
Distribution Network Operators	Mark Adolphus	UK Power Networks
	Steffan Jones	Electricity North West
	Paul Glendinning	Northern Powergrid
	Sue Neves e Brooks	SSE Distribution
	Gareth Hislop	Scottish Power Energy Networks
	Graham Halladay	NG Distribution Operations Director
UK Government	Daniel Boorman	Department for Energy Security and Net Zero
	Paul Hawker	Department for Energy Security and Net Zero
	Ian TheI	Department for Energy Security and Net Zero
	Oliver Dixon	Office for Investment
	Lily Furber	No. 10
National Governments	Jasmine Killen	Scottish Government
	Eleanor Hoare	Welsh Government
CPAG Chair	Merlin Hyman	Independent Chair of Connections Process Advisory Group (CPAG)
Connections Customer Representatives	Graham Panell	BayWa r.e. UK
	Charles Wood	Energy UK
Energy Regulator	Tessa Hall	Ofgem
	Kludia Starzyk	Ofgem
	Peter Bingham	Ofgem
	Lee Wilkinson	Ofgem
	Alasdair MacMillan	Ofgem
	James Macauley	Ofgem
Code Panels	Trisha McAuley	Chair - CUSC/ Grid Code Panel

Apologies

Role Category	Representative	Organisation
Transmission Owners	Scott Mathieson	Scottish Power Transmission
Electricity System Operator	Milly Lewis	Electricity System Operator
	Deborah Spencer	Electricity System Operator
Chair of SCG T/D interface group	Andy Scott	SSE Distribution and Chair of the SCG
Distribution Network Operators	Ben Godfrey	National Grid Electricity Distribution
	Annette Sloan	SSE Distribution
	Dan Randles	Electricity North West
UK Government	Paul van Heyningen	Department for Energy Security and Net Zero
	Amber Woodward	No. 10
	Nadya Thorman	No. 10
National Governments	Jennifer Pride	Welsh Government
Connections Customer Representatives	Eddie Proffitt	Major Energy Users Council
	Barnaby Wharton	Renewable UK
	S Turner	Global Infrastructure Investment Bank
Energy Regulator	Liam Cullen	Ofgem
	Shabana Akhtar	Ofgem
	Salvatore Zingale	Ofgem
Consumer Representatives	Andy Manning	Citizens Advice

Key Summary

Following the January CDB, which primarily focussed on a comprehensive high-level review of how the CDB will track the status and impact of all industry-wide actions, the February 2024 CDB meeting focused on individual updates from specific Connections Action Plan (CAP) actions, focusing on areas behind schedule, and discussion of specific design papers and recommendations brought to CDB for steer, agreement, or information.

An initial data dashboard on reform impacts and benefits up to December 2023 was presented and discussed, including a discussion on the process for how the CDB will track data and key performance indicators going forward for the solutions outlined in the CAP. This will include an overview connections status view, a summary reform impacts dashboard, and a more detailed second-level dashboard for initiatives in each action area.

With scope discussions agreed post January CDB, the CAP action summary slides were presented, progress was assessed, and benefit metrics were called out. No major variances were reported at this early stage with specific agenda items for emerging developments.

The terms of reference and the minutes from the previous CDB meeting were approved for external publication via the ENA website. It was agreed that March CDB would be extended to 3.5 hours to cover the volume of papers expected, and that the week of the month for the CDB cadence to be reviewed to consider aligning with the data capture schedule.

Key dashboard highlights (data correct to end-November 2023):

1. There continues to be a high growth rate in connection offers.
2. The existing queue remains large – over 600 GW – and emphasising challenge faced in ensuring the system is operable and an appropriate technology mix is achieved.
 - a. For example, battery storage and solar power continue to be overrepresented in the queue compared to the ESO's Future Energy Scenarios (FES).

Strategic Connections Group

3. However, progress is being made across all CAP action areas, with benefits being delivered accelerating customers, removing non-progressing projects from the queue, and releasing new network capacity.

Decisions & key actions agreed at the meeting:

- An action was noted for the SCG to explore what additional data and information best supports customer decision-making for non-firm acceleration offers being issued for (*DNOs to offer flexible connections and manage distributed generation and demand within 'technical limits' across all GSPs – (CAP 3.5.3 (ENA 3S 2))*). This action is part of efforts to improve data and processes and sharpen obligations and incentives on the ESO and network companies.
- Concerning transmission solution papers prepared by the ESO, it was agreed that the ESO:
 - Continue to evaluate the feasibility and impact of maintaining an annual application window, considering industry feedback and potential process adjustments;
 - Organise a workshop to discuss the Gate 2 milestone with experts, aiming to clarify the criteria for project readiness;
 - Ensure the 'demand voice' is appropriately heard in window analyses and gate processes.
- Concerning the papers shared by SCG regarding distribution solution applicability, it was agreed that industry would:
 - Within initiatives to raise entry requirements:
 - Deprioritise (*Place restrictions on the buying and selling of TEC – (CAP 3.1.2b)*);
 - Within initiatives to remove stalled projects:
 - Deprioritise (*Strengthen financial disincentives for holding capacity – pre and post connection – (CAP 3.2.3c)*);
 - Close (*Establish a one-off, facilitated trading window – (CAP 3.2.3d)*)
 - Review the sufficiency of integrated queue management and queue entry workstreams in reducing speculative applications and whether to proceed with or revisit the paused actions (above - CAP 3.1.2b, CAP 3.2.3c, CAP 3.2.3d).
- Concerning (*create a single digital view of connections – (CAP 3.5.1)*), as part of efforts to improve data and processes and sharpen obligations and incentives, the solution approach and implementation plan were presented and supported by the CDB. It was noted that quality rather than quantity to inform market application decisions was key, that there should be a call to encourage developers to share their data (as this can restrict DNOs in publishing information due to client confidentiality), and that consultations should be conducted to understand the market's data needs and ensure the digital view meets these requirements effectively.
- Concerning (*Connections process integration with arrangements for strategic planning – (CAP 3.6)*), as part of aims to develop longer term connections process models aligned with strategic planning and market reform, it was decided that CDB would revisit the SCPAG (Strategic Connections Process Advisory Group) timeline in April and add it to the agenda.

Meeting Notes and Actions

1. Welcome & Update from Chair

JPA

Ofgem opened the call by outlining the agenda, welcoming attendees, and thanking them for good attendance. The agenda was discussed, with no objections or AOB raised.

Following the agenda, The Chair set the scene of the meeting by highlighting three trends that are being seen industry-wide:

1. There continues to be a high growth rate in connection offers.
2. The existing queue remains large – over 600 GW – and emphasising challenge faced in ensuring the system is operable and an appropriate technology mix is achieved.
 - a. For example, battery storage and solar power continue to be overrepresented in the queue compared to the ESO's Future Energy Scenarios (FES).
3. However, progress is being made across all CAP action areas, with benefits being delivered accelerating customers, removing non-progressing projects from the queue, and releasing new network capacity.

2. CAP Action Area Summary Update and POAP

DB

The summary of each CAP area was given, noting that full detailed reports were shared in the meeting pack.

Summary information included:

- Status updates
- Initiatives in design, implementation, and benefit stages
- KPIs and tracking
- Any major decisions required.

Summaries were given, taking the detailed status reports as read. Attention was therefore focused by exception, e.g. on initiatives where the RAG status was flagged as red or amber (suggesting blockers or delays to actions, respectively). Discussions (per CAP action area) included:

CAP 3.1 – Raise Entry Requirements

- Continued progress in this CAP area was highlighted, noting that initiatives are advancing in implementation and design phases with green RAG statuses.
- It was brought to the attention of CDB that the CMP427 component of (*the introduction of letters of authority (LOA) – (CAP 3.1.1)*) will be delivered in two stages and that 'anything remotely complicated' will be included in a separate modification later in the year.
 - **ACTION** – Technical Secretariat to split out CAP 3.1.1 to reflect this separation.
- It was noted that (*Capacity trading – (CAP 3.1.2b)*), with an amber status, will be discussed in section 3 of the agenda (and c.f. below).

CAP 3.2 – Removing Stalled Projects

- It was noted that initiatives are advancing in both implementation and design phases, with one action (*TEC Amnesty – (ESO 5PP1)*) complete and benefits being realised, showcasing significant capacity removal from the queue.
- There were no questions raised from the board.

CAP 3.3 – Better Utilise Existing Network

- The discussion on CAP 3.3 highlighted ongoing design and implementation efforts for better utilising the existing network. It was noted that many solutions in this CAP area will come in March CDB for information/steer from CDB.

2. CAP Action Area Summary Update and POAP

DB

- Positive progress was noted in (*Bring forward recommendations to optimise existing network capacity for energy storage – (CAP 3.3.1b)*)
- Concerns were raised about (*implementing updated background modelling assumptions - (ESO 5 Point Plan Solution 2)*), marked red due to the impacts the continued growth in the queue have posed to the second stage offers. The Chair sought guidance from the ESO on the timeline to see the impacts of the actions taken.
 - Emphasis was placed on collaboration with Transmission Owners (TOs) to expedite the release of connection offers.
 - NGET raised challenges concerning delays in TWR (Transmission Work Review), with the sequencing process being particularly sensitive to timing and location. A more effective guarding process with ESO is required to manage the three-month-sensitive period and the interconnectedness of two-step offers.
 - Concerns were raised about the aggressive timescales across the CAP and the potential for shortfall against delivering 100 GW as stated in the autumn statement, leading to calls for a collective assessment of the shortfall and measures to address it.
 - There was no update from ScottishPower on this solution.
 - **To be considered again at the March CDB following further understanding in the interim.**
- Given its size and complexity, NGET highlighted the need for an action plan for (*review the scope of enabling works – (CAP 3.3.3)*) concerning enabling works. ESO responded, agreeing on its importance, and confirming that they are working with Transmission Operators (TOs) to produce a paper for April CDB. ESO position emphasises the need to establish clear assumptions and the timing of applying any changes to these assumptions.

CAP 3.4 - Better Allocate Available Network Capacity

- Ongoing development and design phases were discussed without raising major concerns.

CAP 3.5 – Improve Data & Processes; Sharpen Obligations & Incentives

- It was noted that there is positive activity in this CAP area with ongoing development and design phases. Several actions are Green RAG flagged and have papers coming in March.
- The amber flag for (*Develop a transparent/faster process to assess and convey transmission impacts of distribution connections – (CAP 3.5.2)*) was noted, given the complexity and short timescale for DFTC (Distribution Forecast Transmission Capacity). It was noted that progress and effort is continuing on this action and is not delayed (red), but note that it's a challenging area.
- It was agreed that (*Offer flexible connections and manage distributed generation and demand within 'technical limits' across all GSPs– (CAP 3.5.3 (Inc. ENA 3S 2))*) is being actively implemented, having offered considerable capacity to customers, with the first acceptances of accelerated connection dates being agreed with customers. However, it was highlighted that several customers are being constrained 100% of the time and that there is a "lot of work to do to maximise the potential of this solution" by providing more data and communication to allow for the ability to make their own judgments about the level of constraints customers might expect. It was noted that conversations should be had with customers beforehand – "it's not about numbers it's about getting in the queue".
 - An **ACTION** was noted for the SCG to explore what additional data and information best supports customer decision-making for non-firm acceleration offers being issued for (*DNOs to offer flexible connections and manage distributed generation and demand within 'technical limits' across all GSPs – (CAP 3.5.3 (ENA 3S 2))*)

CAP 3.6 – Longer-term models; align with strategic planning

- Ongoing development and design phases were discussed without raising major concerns.

CAP 3.7 – Additional Areas Not Mapped

- Ongoing development and design phases were discussed without raising major concerns.

2. CAP Action Area Summary Update and POAP			DB
Concerning the Plan on a page (POAP), it was noted by Ofgem that being able to show progress on a timeline view would be useful and that there is an ACTION to take this away to discuss quantification in weekly secretariat meetings.			
New Actions			
1	Technical Secretariat to split out <i>(the introduction of letters of authority (LOA) – (CAP 3.1.1))</i> to reflect postponement of delivery of CMP427.	March CDB	Technical Secretariat
2	SCG to explore what additional data and information best supports customer decision-making for non-firm acceleration offers being issued for <i>(DNOs to offer flexible connections and manage distributed generation and demand within 'technical limits' across all GSPs – (CAP 3.5.3 (ENA 3S 2))</i>	April CDB	SCG
3	Technical Secretariat to discuss quantification of POAP timeline in weekly secretariat meetings.	March CDB	Technical Secretariat

3. Specific Updates from the 6 CAP areas (papers)		JN, DB, SJ, JM
Following the CAP area overviews, papers were brought to CDB on specific CAP actions for information/steer/discussion with CDB. The following papers were brought to February CDB (organised by CAP area):		
<u>A – Connections Reform:</u>		
<ul style="list-style-type: none"> • ESO initiated the discussion by providing an overview of the ESO’s final recommendations for the reformed process, highlighting the focus on four main areas identified for detailed policy development in the coming months. ESO addressed three of these areas in February CDB, with the fourth (DFTC – Distribution Forecast Transmission Capacity) scheduled for discussion in March. It was emphasised that while ESO has preferred positions on two topics and is revisiting the third following a CPAG (Connections Process Advisory Group) meeting, the process will involve codification and go through the code governance process, allowing for alternative proposals and disagreements. The three areas brought to CDB were: <ul style="list-style-type: none"> ○ Queue Position Allocation (ESO Preferred Position) - For Information - ESO proposes allocating queue positions when a project reaches Gate 2, aligning with advancement criteria previously published. This approach, supported by the majority of CPAG members, aims to reward advancing projects with better queue positions, promoting a sustainable and equitable system for project prioritisation. <ul style="list-style-type: none"> ▪ There were no comments from the board. ○ Application Window Frequency and Duration (ESO Preferred Position) - For Information – ESO maintains its stance on having an annual window, given the complexity of network studies and the potential unintended consequences of altering the cadence. This decision seeks to ensure coordinated benefits and align with other processes, like the capacity market and centralised strategic network planning. <ul style="list-style-type: none"> ▪ ACTION – ESO to continue to evaluate the feasibility and impact of maintaining an annual application window, considering industry feedback and potential process adjustments. ○ Gate 2 Milestone (NO ESO PREFERRED POSITION) – For Steer – The third area of discussion revolved around defining the Gate 2 milestone, particularly for the most 		

3. Specific Updates from the 6 CAP areas (papers)

JN, DB, SJ, JM

appropriate project 'readiness' milestone. A workshop is scheduled to delve deeper into this issue, aiming to establish a preferred stance on whether to base Gate 2 on submitting planning consent or securing exclusive land rights, or somewhere in between.

- **ACTION** – ESO to organise a workshop to discuss the Gate 2 milestone with experts, aiming to clarify the criteria for project readiness.
- Feedback from the meeting highlighted the importance of ensuring demand-side voices are heard in window analyses and gate appropriateness. Concerns were raised about large strategic demand customers potentially struggling with an annualised window and the need for thorough scrutiny by demand-side customers.
 - **ACTION** – ESO to ensure the 'demand voice' is appropriately heard in window analyses and gate processes.

B – CAP 3.1 (Raise entry requirement) & CAP 3.2 (Remove stalled projects):

- The SCG provided an overview of Distribution's position on queue management and increased entry requirements mitigative effects on:
 - **(Buying and selling of TEC – (CAP 3.1.2b)) – For Agreement** – The SCG underscored the prevalence of scheme novation as a commercial norm, where projects, rather than standalone capacities, are traded, transferring the associated connection rights. This process, often transpiring between development phases or from construction to operation, is recognised as a catalyst for speculative behaviour, particularly in the early stages of project development. However, the consensus from the SCG is that addressing speculative applications lies not in restricting novations but refining queue entry and management protocols.
 - **Decision made with Board agreement – for review in April CDB** – The SCG proposes to temporarily **deprioritise CAP 3.1.2b** aimed directly at novation restrictions, favouring instead a concentrated effort on enhancing queue management and entry requirements.
 - **(Strengthen financial disincentives for holding capacity – (CAP 3.2.3c)) and (facilitated trading windows – (CAP 3.2.3d)) – For Agreement** - A similar rationale was applied to CAP 3.2.3c and CAP 3.2.3d. The SCG determined that the objectives underlying these actions would be more effectively realised through the broader queue entry and management refinement strategies.
 - **Decision made with Board agreement** – recommendation was made to **deprioritise CAP 3.2.3c** and **close CAP 3.2.3d** in favour of focusing resources and attention on the overarching queue management strategies.
- Concerning timelines, **integrated queue management and queue entry workflow** is progressing, with workshops underway.
 - The **OUTCOME** of this effort is expected to be presented around the April CDB meeting, at which point a decision will be made regarding the sufficiency of these measures and whether to proceed with or revisit the paused actions.

C – CAP 3.5.1 (single digital view of connections) – For Information

- The SCG working group focus on data has developed an approach for providing a digital view of data for connections customers. This initiative aims to enhance transparency and accessibility of data to facilitate better decision-making for network users. The solution approach, supported across networks, proposes a standardised and comprehensive disclosure of connection-related data to the market.
- It was noted that the necessity for this action arises from recognising the substantial volume of less mature or speculative schemes currently in the queue. By improving data availability regarding the connections queue, network capacities, and customer constraints, the networks aim to enable more informed and less speculative applications.
- The solution approach proposed comprises:
 - defining and agreeing upon a consistent set of connection data that all networks will make available to the market.
 - This data will be published and hosted by individual networks but will adhere to a uniform standard to ensure consistency and ease of use for customers.

3. Specific Updates from the 6 CAP areas (papers)

JN, DB, SJ, JM

- provisions for aligning cross-network data and
- providing centralising signposting to efficiently guide customers to the relevant information.
- The initial design outlines two main elements of data to be shared:
 - Connection Queue Data: Information on projects in the queue, including volume, nature of constraints, and anticipated connection dates. This data aims to be searchable and aligned with network locations.
 - Network Data: Details on network capacity utilisation and time series data to support customers in making informed decisions, especially regarding non-firm or curtailment aspects of connection offers.
- The implementation timeline was presented. The implementation plan is structured into phases, starting with data design and consultation in Q1 2024, then the publication of existing data according to the new standard. Subsequent phases will introduce additional data per the agreed specifications and enhance portal functionalities. The process acknowledges the varied starting points of different companies regarding data publication and aims to progressively standardise and improve data availability.
- While the initiative is broadly supported, there are considerations around the potential for increased speculation and the need for careful design to prevent such outcomes. The networks plan to engage with the market, including consultations through CPAG and other forums, to gather feedback on the data's impact and usability.
 - **ACTION** – Call to encourage developers to share their data (as this can restrict DNOs from publishing information due to client confidentiality).
 - **ACTION** - Conduct consultations to understand the market's data needs and ensure the digital view meets these requirements effectively.
- The CDB detailed design paper is expected in April 2024.

D – CAP 3.6 - Aligning Connections with Strategic Network Planning – For Steer

- Ofgem proposed a strategic framework aiming to future-proof ongoing reforms, develop cohesive model options, and proactively manage dependencies across various strategic initiatives. To this end, Ofgem proposed a 'Strategic CPAG' (SCPAG) working group and sought comments on how this should be best set up.
- A tentative timeline was suggested to kickstart the initiative, proposing the formation of the group by March and an initial revert by May '24. This timeline aims to provide early strategic direction and framework development. However, concerns were raised regarding the feasibility and timing of this work, especially in light of other significant reforms and decisions expected at March CDB. The discussion underscored the importance of aligning this work with broader industry changes and the potential need for revisiting the proposed timeline post-March CDB outcomes.
- Feedback emphasised the significance of this initiative in ensuring that connection processes are prepared and aligned with strategic network planning and future system needs. There was a call for clear scoping, engagement with various stakeholders, and considering the interplay with other major reform initiatives. The suggestion to revisit the timeline and approach after the March CDB meeting reflects a pragmatic approach to balancing immediate reform needs with the strategic alignment of connection processes.

ACTION – Revisit the SCPAG Timeline in April CDB and add to the agenda.

New Actions

4	ESO to continue to evaluate the feasibility and impact of maintaining an annual application window, considering industry feedback and potential process adjustments.	Review in April CDB	ESO
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3. Specific Updates from the 6 CAP areas (papers)			JN, DB, SJ, JM
5	ESO to organise a workshop to discuss the Gate 2 milestone with experts, aiming to clarify the criteria for project readiness.	March CDB	ESO
6	ESO to ensure the 'demand voice' is appropriately heard in window analyses and gate processes.	March CDB	ESO
7	Technical Secretariat to reflect Distribution de-prioritisation of (<i>Buying and selling of TEC – (CAP 3.1.2b)</i>) in CDB summaries.	March CDB	Technical Secretariat
8	Technical Secretariat to reflect Distribution de-prioritisation of (<i>Strengthen financial disincentives for holding capacity – (CAP 3.2.3c)</i>) in CDB summaries.	March CDB	Technical Secretariat
9	Technical Secretariat to reflect Distribution closing of (<i>facilitated trading windows – (CAP 3.2.3d)</i>) in CDB summaries.	March CDB	Technical Secretariat
10	SCG to review the sufficiency of integrated queue management and queue entry workstreams in reducing speculative applications and whether to proceed with or revisit the paused/closed actions (above - CAP 3.1.2b, CAP 3.2.3c, CAP 3.2.3d).	By April CDB	SCG
11	Call to encourage developers to share their data (as this can restrict DNOs from publishing information due to client confidentiality).	Q2	SCG
12	Conduct consultations to understand the market's data needs and ensure the digital view meets these requirements effectively.	Q2	SCG
13	Revisit the SCPAG Timeline in April and add to the agenda.	By April CDB	Board Members, Technical Secretariat

4. Review of KPI development and monitoring	DB
<p>The Technical Secretariat ran through the KPI dashboard development approach and noted that the dashboard is designed to provide a comprehensive overview of solutions and their impacts, structured around four main pillars:</p> <ol style="list-style-type: none"> 1. Queue Entry 2. Connections Delivery Run Rate 3. Capacity Removed from the Queue 	

4. Meeting Customer Expectations

The dashboard proposal received positive feedback, with an understanding that it would be subject to iteration based on further comments and insights. An additional 'second level' set of dashboards is planned to provide more detailed insights into individual actions and their contributions to the outlined objectives. This layered approach aims to ensure stakeholders can access a high-level summary and detailed analyses as needed.

There was a strong emphasis on transparency, with discussions around the rapid publication of the high-level dashboard data to provide public visibility into the board's progress and the impacts of its initiatives.

Specific actions related to the discussion can be found below.

New Actions

14	Technical Secretariat to supplement dashboard with a narrative to aid readability.	March CDB	Technical Secretariat
15	CDB members to send views to Technical Secretariat for further improvement.	March CDB	Board Members

5. Outstanding actions from the previous meeting

DB

The minutes from the January CDB meeting, which were distributed along with the meeting papers, were approved by the board.

A brisk review of the actions listed in the January minutes was conducted for completeness and tracking purposes. There were no comments on the actions.

It was noted that the Terms of Reference and Dec meeting minutes are now available on the ENA website.

6. AOB, CDB Schedule, and date of next meeting

JPA

It was agreed that March CDB would be extended to 3.5 hours to cover the volume of papers expected, and that the week of the month for the CDB cadence to be reviewed to consider aligning with the data capture schedule.