

## Workgroup Consultation

# CMP328: Connections Triggering Distribution Impact Assessment

**Overview:** This modification proposes to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment. Ensuring the process in place for such connections, best reflects the necessary contractual relationship of parties involved.

## Modification process & timetable



**Have 5 minutes?** Read our [Executive summary](#)

**Have 20 minutes?** Read the full [Workgroup Consultation](#)

**Have 30 minutes?** Read the full Workgroup Consultation and Annexes.

**Status summary:** The Workgroup are seeking your views on the work completed to date to form the final solutions to the issue raised.

**This modification is expected to have a:**

**Medium impact** Distribution Network Operators (DNO), ESO and Transmission Users. This proposed Connection and Use of System Code (CUSC) Modification would only affect those who connect in the future. It will have no impact on those already connected.

**Governance route** Standard Governance - This modification will be assessed by a Workgroup and Ofgem will make the decision on whether it should be implemented

**Who can I talk to about the change?**

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**How do I respond?**

Send your response proforma to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by 5pm on 19 March 2021

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## Executive summary

This modification proposes to put in place an appropriate process to be utilised when any connection triggers a Distribution Impact Assessment (DIA). Ensuring, in the view of the Proposer, the process is in place for such connections, best reflects the necessary contractual relationship of parties involved.

### What is the issue?

Currently within the CUSC there is no mechanism or specific process covering arrangements for Transmission connections that could have an impact on the Distribution system. ESO have proposed utilising the Third-Party Works (TPW) process for this purpose. However, the Proposer believes that the TPW process is not fit for this purpose.

### What is the solution and when will it come into effect?

#### Proposer's solution:

Creation of a new Distribution Impact Assessment Process which will set out:

- Roles and Responsibilities, including triggering parties and subsequent parties
- Defined timescales
- Charges that are paid to the DNOs/CUSC Contracted Parties for carrying out this process
- The process to be followed
- Information provision required at each stage of the process from each party
- Contractual arrangements between ESO and DNOs/CUSC Contracted Parties to reflect enduring non-works technical arrangements.

#### Implementation date:

Pending any approval from the Authority, the ESO would be looking to implement the modification 12 months from decision.

### What is the impact if this change is made?

This modification is intended to provide a significant benefit to transmission Users. It will establish a process which is fit for purpose, with timescales being agreed and costs known upfront for the transmission User. It allows for a linear process with a single point of contact for the transmission User and a single company to deal with. It utilises existing contractual arrangements reducing the risk that contracts will cut across each other.

Transmission Users could consider that they would lose an element of control in the process (which would affect their connection timescales and costs) with ESO acting as the intermediary between the DNO and themselves. However, this is appropriate for a Transmission connection with an enduring effect on the network, where the User would not normally have any enduring contractual relationship with the DNO. The proposal broadly aligns with the existing equivalent process for Distribution connections that may have an impact on the Transmission system, where the DNO acts as the intermediary between the transmission User and ESO to identify any impacts on the Transmission network (acting on behalf of the TO), with no direct relationship between the User and ESO.

### Interactions

Interactions have been identified related to DCUSA and STC, the interactions are listed in section 14 of the report.

## What is the issue?

Currently within the CUSC there is no mechanism or specific process covering arrangements for Transmission connections that could have an impact on the Distribution system. Impacts are primarily direct physical impacts including but not limited to Fault Level rating, Thermal rating, Voltage control, Power Quality, Control and Protection systems. Impacts are also commercial where explicit transmission access rights that the Distribution system owner or embedded Users may have is impacted, and which is commercially sensitive data held only by NGESO and the relevant CUSC Users and only publicly available in part. Without this modification there is not an appropriate process in place as a means of a transmission User facilitating connections that trigger Distribution impact assessments that covers both physical impacts and explicit transmission access rights impacts.

NGESO have proposed utilising the Third Party Works process for this purpose. The Proposer does not believe that the Third Party Works process is fit for this purpose.

The Proposer also considers it appropriate that a charge is levied, and appropriate timescales set for the impact assessment to be carried out by the DNO.

## What is the solution?

### Proposer's solution

An outline of the proposer's solution consists of the following key points;

- Creating a process whereby ESO would need to apply to relevant DNO(s) upon receipt of ALL relevant transmission applications and modification applications.
- The result of this process would be a contractual arrangement between DNO and ESO (which ESO would need to reflect in its contracts with the Transmission User) to allow DNOs to receive consistent quantity and type of information necessary to identify works (as defined in Annex 5) required as a result of the transmission applicant.
- This arrangement would allow DNOs to undertake works and pass on associated costs with these works.

Operational requirements upon either or both CUSC Party and DNO Party must be included in enduring bilateral contractual relationships between ESO and relevant CUSC Party/DNO Party.

### Workgroup considerations

The Workgroup convened 5 times to discuss the perceived issue, detail the scope of the proposed defect, devise potential solutions and assess the proposal in terms of the Applicable Code Objectives.

### Consideration of the proposer's solution

Without this modification, the Proposer believes the CUSC does not have an appropriate process in place as a means of facilitating Transmission connections that could have an impact on the Distribution system. From the view of the proposer an example of such a

connection is the ESO offering Generators a connection to a tertiary winding within a GSP which is shared with the DNO. In this example, the ESO is utilising the Third Party Works process as a means to facilitate the connection which is neither appropriate nor efficient. The Third Party Works process relies on the DNO having a direct bilateral relationship with the Transmission connected User.

However not all members of the workgroup were in agreement that the existing third party works process could not be used to understand the impact on the distribution system of a Transmission Connection.

The Third Party Works process is suitable for facilitating one-off tasks to be undertaken by a DNO, such as the diversion or reinforcement of DNO assets, where there are no ongoing requirements beyond the completion of the task. However, it does not prescribe a timescale for the Distribution impact assessment to be undertaken, the recovery of the costs associated with the assessment, or provide for the enduring contractualisation of conditions identified as necessary resulting from the assessment. Connections triggering Distribution Impact Assessments may identify requirement for an enduring contractual relationship to be in place, to provide for the operational solutions such as constraint and fault level management which may be necessary for such connections.

Historically the Third Party Works process has not created these enduring contractual relationships, it is theoretically possible; however, the workgroup are not in agreement that this is the best solution.

The operational solutions required to facilitate such connections require an ongoing contractual relationship which is believed that it could be better facilitated via the existing contracts between the DNO and ESO and then ESO and the other Transmission connected user. From a whole system perspective, it is important to have the appropriate contractual relationships in place which reflect the shared responsibilities which are needed to deliver a coordinated and efficient electricity system.

### **Consideration of other options**

#### **Third Party works**

As listed in Schedule 2 Exhibit 3 under 2.16.1

“The **User** shall be responsible for carrying out or procuring that the **Third Party Works** are carried out and shall carry them out or procure that they are carried out in accordance with the timescales specified in the **Construction** Programme. The **User** shall confirm to **The Company** or, where requested to do so by **The Company**, provide confirmation from the third party that the **Third Party Works** have been completed.”

In this case, a Transmission connected party would be responsible for arranging with the Third Party (the DNO) to ensure the Third Party Works are completed.

The ESO representative presented an overview of the Third Party Works process, which can be found as **Annex 3**. The following key points were made;

1. ESO are happy to facilitate the discussions between the Transmission connectee and Third Party but the Third Party Works process puts the onus on the Transmission connectee to ensure that the Third Party Works are completed to facilitate their own connection.

2. Any contractual arrangements between the Transmission connectee and the Third Party can be captured by this process (including costs) as it creates a direct, contractual relationship between them. The Transmission connectee can then update their transmission application accordingly when this contract is agreed, e.g., such as revised timescales. This theoretically could mean that the DNO's develop a 'Use of System' contract for parties who affect their system but aren't connected to them but it was acknowledged this may be straying in to topics covered under the Access and Forward Looking Charges SCR.
3. Whilst the transmission project isn't a connectee of the DNO, they are still a customer as they are procuring (and potentially paying) for the DNO to undertake work.
4. This process is historic and has been used for many years with the DNOs (e.g., existing, large, thermal generators who change their characteristics and need the DNO's circuit breakers to be evaluated or replaced).

Discussions around the contractual obligations that the ESO, DNO think has an impact on the transmission connected parties took place. It was stated that the Third Party Works process didn't fit the option of accepting inter-trip or active network management signal from the DNO under certain outage condition; the ESO representative confirmed that this is possible under the Third Party Works process but hasn't been used historically. There were also issues for cost recovery for the DNO for ongoing solutions as they cannot directly contract with the transmission customer.

### **DIA vs TPW processes**

Included as part of the Annexes for this workgroup consultation is Annex 6 which references the thoughts of the workgroup on the advantages and disadvantages of the DIA vs TPW processes and has been included separately as a table.

### **The proposal**

The proposal would be to create a process whereby ESO would need to apply to relevant DNO(s) upon receipt of a new transmission application so that there is a contractual arrangement between DNO and ESO to allow DNOs to identify works as a result of the transmission applicant – in effect creating the reverse of the current Statement of Works process. The key steps of this process would be;

1. Upon receipt or acceptance of an application for a Transmission connection, ESO applies to all affected DNOs, notified as such by TOs, for a 'Distribution Impact Assessment (DIA)'. Application forms and required data would need to be standardised across all DNOs and codified in CUSC arrangements so that ESO can request required data from Transmission Owners for some data items (i.e., GSP data).
2. The DNOs will respond with a 'DIA offer' within 65 working days/3 months that includes the works, costs and timescales (if any) associated with the transmission connection application.
3. Should ESO accept the DIA offer, it will be liable for any costs contained within the DIA. Contracts with the applicant and the Transmission Owner will need to be updated to reflect these works, costs and timescales to pass through accordingly. There should be no modification or cancellation fee levied to the customer for their connection offer to reflect the impact of the DIA offer.

4. The transmission applicant will not be able to connect until the works identified in the DIA are completed.

### **Third Party Works process vs Distribution Works process**

#### **Applicability**

The workgroup felt there were two views on whether this process should apply to, Tertiary connections only or all Transmission connections. The workgroup raised concerns around how the DIA process needs to work for all user types; Demand, Generation, Storage, a second co-located DNO and on 132kV shared bars for example, not just tertiaries. The process needs to work where the impacted assets or finite capacity of assets is shared by more than one transmission user. It was agreed by the workgroup that the DIA option would apply to all Transmission applications.

Eligibility criteria for the DIA process would be reflective of the criteria used by the SOW/PP process - e.g., projects with more than 1MW of import/export capacity which may have an impact on the distribution network (>£10,000 of works on the distribution network). It was noted that the SOW/PP process only applies to generators/storage connected to the DNO's network and not demand customers; however, the DIA process would apply to all transmission demand applications as well as generation/storage applications.

The requirement for the DIA process to be followed would therefore be known in advance of an application. In comparison, the requirement to follow the TPW process is less transparent as the need to ensure TPW are completed is only formally known when the transmission connection offer is produced and the exact works to be undertaken are known. It was also noted that ESO may need to apply for multiple DIAs if a transmission applicant impacts upon numerous DNOs.

The workgroup considered whether the Distribution Impact Assessment is a replacement of or complementary to the Third Party Works process however has yet to reach a firm conclusion.

#### **Contractual milestones**

Discussions around contractual milestones took place relating to concerns around the milestone and how the Third Party Works process could better be incorporated into the DNO timescales in the Construction Agreement Appendix J and later be refreshed when the DNO's are known. This was accepted as a weakness of both processes as changes to milestones require the ESO to change their contract with Transmission Owners.

For contractual milestones under Third Party Works, it was agreed that this could be captured in the BCAs between ESO-generator and ESO-DNO when Appendix J is updated. It was also acknowledged that this will depend on how the contractual links between DNO, ESO and generator are structured.

## Appendix G

When a connection is made to a tertiary winding it impacts on both the thermal and fault level headroom available to the DNO at the GSP. However, the additional connection may not impact on any transmission rights of other parties. The lack of explicit entry/exit access rights for all directly connected users seems unlikely to be addressed by the Access and Forward Looking Charges SCR Review. How is this to be managed at GSPs with an active 'Appendix G' as part of their connection agreement was discussed. It was then advised by ESO that as discussed in CMP298, if the DNO's materiality headroom needs to be reduced, then it will happen through the interactivity process to determine if/how much is 'reduced' – this would be the case under any transmission application regardless of if DIA or TPW was used.

## Fees and costs

The Proposer confirmed that their intention is that the ESO would pay the DNO for a DIA to be undertaken within formalised timescales, just like the SoW/PP process and any other costs which the DIA may trigger. This charge would be the standard charge utilised by CUSC parties for connections of a similar nature. It was discussed that it would be beneficial if this was a standard cost reflective charge across all DNOs, but this didn't need to be the case for the DIA process to function. The ESO confirmed that any DIA costs (application, reinforcement or enduring) would be passed on to the transmission applicant. The proposer provided and shared with the workgroup an SSE Funds Flow Diagram which is attached as Annex 4. DNOs charges to ESO for evaluating a DIA would not be in respect of a Section 16 Electricity Act connection application, and therefore the exact nature and basis of DNO charges to non-DNO-parties needs separate consideration in respect of approvals prior to levying such charges to the ESO.

Under the TPW process, these costs are bilaterally managed between the Transmission connection and the DNO via the commercial contract that is created between them for the work.

## Clean Energy Package (CEP)

The workgroup raised concerns around;

- how the legal requirements concerning coordination between the Generator, System Operator and TSO requiring certain technical requirements would be discharged and
- how will the CEP compensation requirements for generators if disconnected by a DSO or ESO be addressed as this needs to include the prioritisation of disconnection and the special status afforded to certain types of generation in the CEP.

Although the ToR had an addition to state; 'Consideration of the interaction and impacts of changes in distributed generation/storage/demand on one distribution system upon another distribution system on generation/storage/demand connected to its system' was added, the proposer felt, that the quadripartite discussions which are held between TO,



ESO, CUSC Party and transmission customers would be expected to cover the coordination of the technical requirements and any associated legal undertakings. Any compensation requirement would be reflected in the contractual agreement between the ESO and CUSC party. Likewise, any requirement to ensure that that compensation is passed to the transmission connected customer would need to reflect in the same contractual arrangements.

Under the TPW process, these requirements (including if/when compensation is due) could be bilaterally managed between the Transmission connection and the DNO via a commercial contract that is created between them for the work. This process has not been used in previous situations but is theoretically a feasible option.

### **Data required to start the DIA application process**

The data required by DNOs to develop an offer to ESO under the DIA process was discussed. The workgroup concluded that the DNO's would need to receive the same information as the Transmission Owners receive under the STC in addition to information about the Grid Supply Point. The ESO representative stated that documentation would need to be agreed but the Scheme Briefing Note (SBN) would be preferred as this is what the TOs currently receive, supplemented by TO connection design and electrical impacts (as at the DNO transmission interface).

Under the TPW process, this is not documented and would need to be agreed bilaterally between the applicant and the Third Party.

### **Interaction between TO solution and DNO solution**

It was also discussed how the Transmission Owner (TO) and DNO solutions for the applicant may interact and so trigger revisions to the connection design by either party. After discussions, the workgroup concluded there was no way to avoid this re-work.

Under the TPW process, the Transmission Owner solution is developed first with any changes then requested by the applicant via the modification application process.

The proposer has reflected this process as **Annex 5**.

### **Outcomes**

#### **The DIA identifies that there is no impact and therefore no works are required**

The DNO confirms to the ESO and no further action is required.

Under the TPW process, should no TPW be identified, then the contract for the transmission applicant will confirm this.

#### **The DIA identifies that there is an impact and no physical works are required**

The DNO confirms to the ESO that there is an impact, however no works are required. This will still require an offer to be produced by the DNO and provided to the ESO, the offer from the DNO will not include building of network infrastructure (and associated costs and timescales).

Under the TPW process, should no TPW be identified, then the contract for the transmission applicant will confirm this. This does not preclude the inclusion of a requirement for the applicant to liaise with the DNO to confirm if there are any impacts that can be mitigated (without works) and documented in a bilateral contract. The applicant and/or the DNO can then update their contracts with ESO (and subsequently the Transmission Owner) via a modification application.

### **The DIA identifies that there is an impact and works are required**

The DNO confirms to the ESO that there is an impact, however works are required. This will require an offer to be produced by the DNO and provided to the ESO, which will include the building of network infrastructure (and associated costs and timescales) as well as non-build solutions that have been identified above.

Under the TPW process, should no TPW be identified, then the contract for the transmission applicant will confirm this. This does not preclude the inclusion of a requirement for the applicant to liaise with the DNO to confirm if there are any impacts that can be mitigated (without works) and documented in a bilateral contract. The applicant and/or the DNO can then update their contracts with ESO (and subsequently the Transmission Owner) via a modification application.

The workgroup identified this and discussed how Transmission customers are currently being charged 100% of DNO reinforcement works and no sharing factors are being applied e.g., the fault level may already be very close to limit and any Distribution connection would trigger the same reinforcement as the transmission applicant. If a Distribution customer should have paid/would benefit from works paid for by Transmission customer there is currently 'Second comer Regime' being applied by the DNOs. The workgroup agreed that the Transmission customers should be treated in the same way as a DNO customer, but this issue is beyond the scope of this modification as it is a DCUSA issue that would affect both DIA and TPW processes.

### **SCR: Access to Transmission**

The workgroup discussed various topics that could potentially create interactions between this proposal and Ofgem's Access and Forward-Looking Charges (A&FLC) SCR, these were;

- Managing transmission access - queue/priority of new transmission users vs existing embedded users most of whom don't have formal transmission access but may be impacted by new Transmission user. It is not clear whether a DNO is permitted to restrict a transmission generator's access to the transmission network (which has an explicit entry right) to preserve use by embedded generators who in

general don't have formal transmission entry access rights. This needs to be addressed by SCR to help frame whose rights need to be flexibly curtailed and it is not necessarily in LIFO connection order. This is especially prevalent upon a new transmission connection to tertiary windings, to Low Voltage busbar connections or co-located DNOs, at a shared GSP.

- Cross-network no-build access – without a whole system queue/access arrangement, there will be challenges creating and enforcing 'cross network' contractual obligations (e.g., DNO's curtailing transmission generators or ESO curtailing embedded generators). These contractual obligations can only currently be created bilaterally (as per the TPW process) or funnelled via the DNO-ESO commercial relationship (as per the proposed DIA process).

The proposer advised the workgroup that following feedback on SCR, that it's an ongoing issue and will not be concluded in a short time frame, and therefore it is not within the scope of this modification and should be raised at the SCR working group. The workgroup felt that a view of how it would/wouldn't work today should be provided as part of this modification in case it's not covered by SCR.

The workgroup has therefore developed solutions that intend to avoid interacting with the A&FLC SCR. The workgroup also noted that restricting the DIA process to just physical works would alleviate these concerns but reduce the benefit of the proposal.

### **Draft legal text**

The draft legal text for this change will be produced after the workgroup consultation once the proposed solution is known and will attached as an Annex.

### **What is the impact of this change?**

This modification is intended to provide a significant benefit to Transmission Users. It will establish a process which is fit for purpose, with timescales being agreed and costs known upfront for the consumer. It allows for a linear process with a single point of contact for the consumer and a single company to deal with. It utilises existing contractual arrangements reducing the risk that contracts will cut across each other. Customers could consider that they would lose an element of control in the process with ESO acting as the intermediary between the DNO and themselves. However, this is appropriate for a Transmission connection, where the customer would not normally have any direct relationship with the DNO. This would also align with the existing equivalent process for Distribution connections that may have an impact on the Transmission system. In these cases, the DNO acts as the intermediary between the customer and ESO to identify any impacts on the Transmission network, with no direct relationship between the customer and ESO

### **Proposer's assessment against Code Objectives**

#### **CUSC Non-charging objectives;**

Impact of the modification on the Applicable Objectives:	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	<b>Positive/Negative/None:</b> <b>Positive:</b> The current use of Third Party Works process is not efficient when applied to connections which require distribution impact assessment.
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	<b>Positive/Negative/None:</b> <b>Positive:</b> Creates opportunities for generation to connect at both Transmission and Distribution.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>Positive/Negative/None:</b> <b>None</b>
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	<b>Positive/Negative/None:</b> <b>Positive:</b> The new process will promote efficiency through the use of existing bilateral contractual relationships.
*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).	

**Standard Workgroup Consultation question:** Do you believe that CMP328 Original proposal better facilitates the Applicable Objectives?

### When will this change take place?

#### Implementation date

The ESO has advised that the implementation should be approximately 12 months after approval from The Authority, the workgroup expects that all avenues are taken to speed up the overall process to deliver the implementation as soon as possible.

#### Date decision required by

The expected timetable for submission to The Authority is to deliver the Final Modification Report by July 2021.

### Implementation approach

For new transmission applications received after implementation, the DIA process will be applied. For accepted contracts at the point of implementation, the DIA process will be applied to projects that are yet to complete the Third Party Works process. Those contracts that have completed the Third Party Works process will not be affected and the outcome of the Third Party Works will be used.

**Standard Workgroup consultation question: Do you support the implementation approach?**

### Interactions

- |  |   |  |   |
|--|---|--|---|
| <input type="checkbox"/> Grid Code                 | <input type="checkbox"/> BSC                                  | <input checked="" type="checkbox"/> STC                    | <input type="checkbox"/> SQSS             |
| <input type="checkbox"/> European<br>Network Codes | <input type="checkbox"/> EBGL Article 18<br>T&Cs <sup>1</sup> | <input checked="" type="checkbox"/> Other<br>modifications | <input checked="" type="checkbox"/> Other |

### Implications on STC

We believe that there may be cross code implications for the STC from this proposal.

The STC needs to codify the information ESO require TOs to provide to support DNO impact assessments, so what is required as TO information is clearly agreed and defined.

There will also likely be impacts related to addressing challenges associated with interactivity between TO and DNO solutions whereby revisions to connection design may occur.

The connections process will also require review and likely amendments relating to:

- Making offers conditional on DIA outcomes
- The processes and timescales for updating TOCOs further to receipt of DIAs
- The requirement for ESO to share DIA outcomes
- Ability to revise TOCO (to reflect DIA outcomes) without requiring a new “mod app” application or associated fee(s)

### Implications on DCUSA

The full value of the modification will be realised with appropriate DCUSA changes relating to fair apportionment of charging and standardisation of costs and process.

The proposal could require third party customers to be treated as licensed distribution applications in terms of timescales, charging and queue position.

The costs for the DIA may need to be standardised via DCUSA and CCCMs.

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<sup>1</sup> If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the European Electricity Balancing Guideline (EBGL – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

## **Other**

There are currently no Significant Code Review (SCR) underway which will impact upon this proposed modification.

However, it has been indicated that the Authority has been working on changes relating to Access and Forward-Looking Charges SCR review and the workgroup has identified a correlation between them but attempted to avoid any overlap. Options under the Access and forward-looking charges SCR review some considerations of transmission access rights for embedded generation has been considered but GSP interface access rights for directly connected parties has been observed to not within the SCR scope, however the Workgroup appreciates that SCR is looking at access holistically and may have a bearing on DIA in the future but the workgroup are not bound to any particular action.

*DCUSA – indirect impacts surrounding the scope of the modification.*

*DNO Common Connection Charging methodology – basis of charges for DIA.*

*DNO Common Connection Charging methodology – basis for calculation of charging of DNO works.*

## **How to respond**

### **Standard Workgroup consultation questions**

1. Do you believe that CMP328 Original proposal better facilitates the Applicable Objectives?
2. Do you support the proposed implementation approach?
3. Do you have any other comments?
4. Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?

### **Specific Workgroup consultation questions**

5. For DNO respondents, please describe your process and timescales associated with current Third Party Works applications
6. For Third Party Works users, please describe your experience of using the Third Party Works process, specifically awareness of and timescales associated with the process; are there any defects in the TPW process that the DIA process does not address?
7. Annex 6 provides a summary of the WG's view of the pros/cons of both the Third Party Works and proposed Distribution Impact Assessment process.
  - a. Do you agree with this?
  - b. Do you have any additional pros or cons you wish to add?
8. Applicability - Do you agree with the applicability criteria proposed? Please provide your rationale.
9. Contractual milestones - Do you foresee a better way of updating contractual milestones to reflect the result of a Distribution Impact Assessment?

10. Fees and Costs - Do you agree with the Proposal that any costs as a result of the DIA should be passed from the DNO to the Transmission applicant via the ESO?
11. Clean Energy Package (CEP) - Currently CUSC Section 4 documents the payments that will be made by the ESO for Mandatory Services with the site-specific details captured in the Bilateral Connection Agreement. In your view, how/where should any compensational arrangements be documented for DNOs curtailing Transmission connected generators.
12. Which of the following do you believe should be included when assessing options/impacts under the proposed DIA process;
  - a. impact upon distribution connected generators/storage with transmission export capacity (TEC)
  - b. impact upon distribution connected generators/storage without transmission export capacity (TEC)
13. Should the DIA process be triggered upon receipt, or acceptance of an application from the transmission customer and please provide your reasoning.

The Workgroup is seeking the views of CUSC Users and other interested parties in relation to the issues noted in this document and specifically in response to the questions above.

Please send your response to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) using the response proforma which can be found on the [CMP328 modification page](#).

In accordance with Governance Rules if you wish to raise a Workgroup Consultation Alternative Request please fill in the form which you can find at the above link.

*If you wish to submit a confidential response, please note that information provided in response to this consultation will be published on National Grid ESO's website unless the response is clearly marked "Private & Confidential", we will contact you to establish the extent of the confidentiality. A response marked "Private & Confidential" will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the CUSC Modifications Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response. Please note an automatic confidentiality disclaimer generated by your IT System will not in itself, mean that your response is treated as if it had been marked "Private and Confidential".*

## Acronyms, key terms and reference material

Acronym / key term	Meaning
ACER	Agency is to the Agency for the Cooperation of Energy Regulators
BCA	Bilateral Connection Agreement
CAF	Cost Apportionment Factor
CEP	Clean Energy Package
CMP	CUSC Modification Proposal
CONSAG	Construction and Use of System Code Construction Agreement)
CUSC	Connection and Use of System Code
DCUSA	Distribution Connection and Use of System Agreement
DIA	Distribution Impact Assessment
DNO	Distribution Network Operator
DSO	Distribution System Operation
EBGL	Electricity Balancing Guideline
ESO	Electricity System Operator
GSP	Grid Supply Point
LIFO	Last-In – First-Out
SCR	Significant Code Review
STC	System Operator Transmission Owner Code
T&Cs	Terms and Conditions
TPW	Third Party Works
TSO	Transmission System Operator

## Reference material

- The CUSC Section 6; and
- [The CUSC Schedule 2 Exhibit 3 Construction Agreement](#)
- [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/596180/Gov\\_Response\\_Informal\\_consultation\\_on\\_extending\\_the\\_scope\\_of\\_the\\_Electricity\\_Connection\\_Charges\\_Regulations\\_ECCR\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/596180/Gov_Response_Informal_consultation_on_extending_the_scope_of_the_Electricity_Connection_Charges_Regulations_ECCR_.pdf)

## Annexes

Annex	Information
Annex 1	CMP328 Proposal Form
Annex 2	CMP328 Terms of Reference
Annex 3	CMP328 Third Party Works Diagram
Annex 4	CMP328 SSE Funds Flow Diagram
Annex 5	CMP328 Proposed TW Process SSEN v1.2
Annex 6	CMP328 Pros and Cons of TPW and proposed DIA process