

Code Administrator Consultation Response Proforma**CMP328: Connections Triggering Distribution Impact Assessment**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm on 18 October 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Paul Mullen paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Grahame Neale
Company name:	National Grid ESO
Email address:	Grahame.Neale@nationalgrideso.com
Phone number:	07772 386 965

I wish my response to be:

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the Applicable CUSC (non-charging) Objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- 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;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**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).*

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Do you believe that the CMP328 Original Proposal or WACM1 or WACM2 better facilitates the Applicable Objectives?	<p>In relation to Applicable CUSC Objective (ACO) A and C, we believe all the options presented are neutral as they do not affect delivery of NGENSO's licence conditions or compliance with the Electricity Regulations.</p> <p>For ACO 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) we believe all the options are positive in intent as they aim to ensure consistent treatment between distribution and transmission applicants and determining the whole system impact of their project. In practice however, we believe only WACM1 is positive with WACM2 being neutral and the Original negative against ACO B. This is due to the practical implementation of the Original and WACM2 proposals counter-acting this positive intent by creating a real risk of adversely subjecting transmission applicants to an unnecessary and inefficient DIA process as described more in Q3.</p> <p>Finally, ACO D (Promoting efficiency in the implementation and administration of the CUSC arrangements) is where there are further significant differences between the options.</p> <ul style="list-style-type: none"> • Original – We believe the Original is negative against ACO D as it creates an inefficient and convoluted process which does not align with existing processes and so is very likely to result in significant rework and process duplication which only leads to increasing costs/timescales for transmission applicants. • WACM1 – This is the only positive option in our view. It clarifies existing processes, gives DNOs the clarity to use their connection processes as the basis to determine any distribution impact and keeps applicants in control of their connection. Whilst there may be opportunities to create a more streamlined 'whole system' connections process, we believe this requires a

		<p>fundamental review of licence conditions and so this is the only practical solution without licence changes.</p> <ul style="list-style-type: none"> WACM2 – WACM2 is neutral for ACO D as whilst it suffers from many of the same issues as the Original, the GSP Criteria is a more future proof and refined way of targeting this process at transmission applications which will have a DNO impact, and so the negative process issues are less pronounced.
2	Do you support the proposed implementation approach?	<p>We do not support the implementation approach of the Original. This is because the amount of time needed for implementation is longer than proposed as per our comments in the workgroup report (i.e. it's a significant change). This is compounded by DNOs not providing an example 'DIA offer' and what Terms and Conditions will be included so we can develop changes to NGESO contracts. This means there is a high chance with the Original solution that NGESO would need to approach the CUSC panel and Ofgem for an extension.</p> <p>For WACM1 and WACM2, we do support the implementation approaches.</p>
3	Do you have any other comments?	<p>There are a variety of topics that we'd like to highlight.</p> <p>Firstly, the Original and WACM2 are both very significant changes to the existing connections process. Whilst we agree with the principle and intent of these proposals, using existing processes as the basis of a 'whole system' connections process is deeply flawed. This because it results in a sequential 'daisy chained' process which is slow and expensive as each party undertakes their work before handing off to the next party.</p> <p>In order to develop an efficient 'whole system' connections process, a fundamental review of the process and associated licence conditions is required. This is to remove potential conflicts and timing issues, such as NGESO's license condition to provide a connection offer within 3 months (SLC C8) whilst the DNO's 65 working days SLC C12 Part E licence condition (~ 3 months) means NGESO</p>

	<p>cannot incorporate DNO's work in to the ESO offer without rework. There is also the CATO and OTNR projects which will also affect the connections process and any interaction between these and CMP328 has not been assessed.</p> <p>Additionally, the CMP328 proposals have not being developed by a ENA (Electricity Networks Association) Open Networks working group and so does not reflect a industry view of how to progress this issue – indeed it is unclear if this is a priority issue for industry. Whilst we fully acknowledge the Third Party Works is not a perfect process, we believe industry time and effort is better focussing increasing awareness and understanding of the Third Party Works process than creating (and then fixing) a new DIA process. This is especially pertinent given the lack of clear information from the DNOs as part of the CMP328 workgroup of what their Third Party Works processes were and the difference of opinion of what can/can not be done through the process.</p> <p>It also remains unclear how DNO's will reflect the EDCM or CDCM methodologies in their DIA offers and what the Terms & Conditions of these offers will be. From discussions in the workgroup, it appears that DNOs cannot (or will not) apply EDCM/CDCM methodologies to applications made via the Third Party Works requests (which DCP392 seeks address), however an application made via a DIA process would allow these EDCM/CDCM methodologies to be applied. We are still not sure what the rationale behind this is or how a DIA application is treated differently from a Third Party Works application.</p> <p>Additionally, the Access and Forward-Looking Charges SCR has not provided clarity yet on the access rights of parties who do not have TEC (i.e. DNOs and most Distribution connected generation) and their rights to use the Transmission system; this will help inform if DNOs have a right to constrain parties from a system for which they have explicit access rights – i.e. DNOs constraining parties with TEC from accessing the transmission system. With the DIA process, it is opaque how the DNOs will manage this interaction between TEC and non-TEC</p>
--	---

	<p>parties to ensure it does not give preferential access to distribution generation connected capacity (over transmission parties).</p> <p>Finally, it is worth restating how inefficient the proposed DIA process is. This is especially true for the Original where (we believe) large numbers of Transmission applications will be required to submit and sign up to a DIA which will probably return a 'no impact' response. This is an example of how inefficient the process is, whilst another example is the DIA process will not replace the Third Party Works process and so intends to duplicate its purpose. Whilst this proposal tries to create a level playing field between distribution and transmission applications (to understand the whole system impact) the practicalities of the process create a very real risk of favouring distribution applications.</p> <p>This is because significant work has been undertaken (including ENA trials of Appendix G, being codified by CMP298) to streamline the connections process and allow a distribution application to know the whole system impact of its application within the DNO's licenced timescales for providing an offer (~3 months). This compares to the proposed DIA process which is not streamlined and so subjects most (if not all) transmission applications to a 'two step' process which will not be concluded for ~6-9 months under current licenced timescales. This disadvantages transmission applications as it will be slower and more costly than distribution applications as well as potentially placing them at a disadvantage in the interactivity and queue management processes.</p>
--	---