

# Code Administrator Meeting Summary

**Meeting Name:** CMP376 Workgroup 5

**Date:** 27 September 2022

## Contact Details

**Chair:** Paul Mullen, National Grid ESO [Paul.J.Mullen@nationalgrideso.com](mailto:Paul.J.Mullen@nationalgrideso.com)

**Proposer:** Rein de Loor, National Grid ESO [rein.deLoor@nationalgrideso.com](mailto:rein.deLoor@nationalgrideso.com)

## Key areas of discussion

- CMP376 seeks to implement the queue management process into CUSC including introducing a right for the Electricity System Operator (ESO) to terminate contracted projects which are not progressing against agreed milestones.
- The Workgroup considered proposed changes to the Terms of Reference and agreed changes to be presented to CUSC Panel for approval on 30 September 2022 (**Post Meeting Note: Changes to Terms of Reference approved**).
- Proposer addressed the feedback from the last meeting on 6 September 2022 and clarified their Original Proposal. In summary:
  - Environmental Impact Assessments have been factored into Milestones for projects 4 years or more from contracted completion date and timings for Milestones have been amended. However, a Workgroup Member argued that some of the Milestones were not feasible and presented an alternative view based on applying the Milestones to their own projects. The Proposer were keen for any further feedback and the Chair placed an action on the whole Workgroup to apply their own project timelines to the proposed Milestones and feedback any alternative thoughts on Milestone durations.
  - Proposer clarified that CMP376 applies to all new applications and Modification Applications for parties who are requesting Transmission Entry Capacity after the Implementation Date except BEGAs<sup>1</sup>, BELLAs<sup>2</sup> and non-radial offshore connections<sup>3</sup>.

<sup>1</sup> Bilateral Embedded Generator Agreement

<sup>2</sup> Bilateral Embedded Large Licence Exemptible Agreement

<sup>3</sup> Subject to a separate Modification

A Workgroup Member’s preference is that the Milestones are added to all current contracted Construction Agreements and are considering an alternative in this respect.

- Proposer confirmed that their current position is to only allow Milestone dates to change under the "exception"<sup>4</sup> circumstances. Some Workgroup Members suggested alternative approaches for the Proposer to consider:
  - Termination rights, to be introduced under CMP376, would only apply to the 1<sup>st</sup> 3 Milestones (M1 to M3) and then the rest of the Milestones would be re-examined and re-stated once planning consents and land rights had been obtained; and/or
  - M7 (Project Commitment) and M8 (Project Construction) milestones can be moved back via a Modification Application even if not one of the “exception” circumstances. Some Workgroup Members argued this is where data slippages are more likely and if a project has progressed beyond M6 (Agree Construction Plan), the risk of them not completing is minimal.
- The Proposer presented the current Legal Text and the Workgroup asked the Proposer to consider moving the evidence requirements for each Milestone to the body of CUSC (rather than in the Exhibits) and clarify the evidence requirements for M6 (Agree Construction Plan),
- Based on the discussion, the Chair provided his view that the current timeline needs to be reviewed to predominantly address the questions on the Milestone timings and how Modification Applications impact on the Milestones set out in the Construction Agreement. The next Workgroup meeting will be moved from 12 October 2022 to 21 October 2022 to allow these points to be considered and an additional Workgroup meeting will be added prior to the Workgroup Consultation being issued. The Chair agreed to share a revised timetable for Workgroup comment ahead of being presented for formal approval to October 2022 CUSC Panel.

### Actions Log

Action Number	Owner	Action	Due by	Status
1	Paul Mullen	<b>Timeline</b> - Share updated timeline with Workgroup	3 October 2022	Open
2	Paul Mullen	<b>Ofgem</b> - Bring Ofgem up to speed on current developments and where we need their support	7 October 2022	Open – meeting 4 October
3	Workgroup	<b>Milestones</b> - apply their own project (including Transmission Owners) timelines to the proposed Milestones and feedback any alternative thoughts on Milestone durations.	7 October 2022	Open
4	ESO	<b>Milestones</b> - Consider Workgroup feedback on milestone timings and confirm what timings are proposed to be in the CMP376 Original	14 October 2022	Open
5	ESO	<b>Milestones</b> - On the Milestones table, the date for a milestone appears to be set according to the time period from the date the offer is made	14 October 2022	Open

<sup>4</sup> Force Majeure; Planning appeals in relation to the User’s Consents; Any delay from Transmission Licensee or The Company

		and the offered contracted Completion Date. Consider measuring the time period from either a) the date of acceptance by the User or b) the effective date of the agreements, instead of from the offer date			
6	ESO	<b>Milestones</b> - On the Milestones table, consider removing the column “5 years and above from contracted Completion Date” and change the previous column to “4 years + from the contracted Completion Date”	14 2022	October	Open
7	ESO	<b>Milestones</b> – Consider if Milestone 6 should be “Submit Construction Plan” rather than “Agree Construction Plan”	14 2022	October	Open
8	ESO	<b>Milestones</b> - Ensure any differences between the Transmission and Distribution milestones are clearly shown	10 2022	November	Open
9	ESO	<b>Milestones</b> - Consider Workgroup Member feedback on only applying the termination rights to Milestones M1 to M3 until planning and land consents obtained	14 2022	October	Open
10	ESO	<b>Milestones and Modification Applications</b> - Consider Workgroup Member feedback to allow Modification Applications to move back Milestones M7 and M8	14 2022	October	Open
11	ESO	<b>Modification Applications</b> - Confirm process for Modification Applications that increase Transmission Entry Capacity for a current Construction Agreement where the original Construction Agreement has not yet been completed	14 2022	October	Open
12	ESO	<b>Modification Applications</b> - Confirm process for Modification Applications that do not seek a change to the contracted Completion Date	14 2022	October	Open
13	ESO	<b>Legal Text</b> - Issue updated version of Legal text (based on comments at Workgroup Meeting* and those sent in advance by a Workgroup Member)  *Evidence needs to be included in body of CUSC rather than the Exhibit; Clarify the evidence required for Milestone 6	14 2022	October	Open

## Next steps

- Next Workgroup will be on 21 October 2022 at which we will seek to:
  - Agree the Milestone timings;
  - Agree how Modification Applications impact on the Milestones set out in the Construction Agreement;
  - Clarify the Original proposal and confirm if any possible alternatives;
  - Review updated version of Legal Text; and
  - Note possible questions to be raised as part of the Workgroup Consultation