

Code Administrator Meeting Summary

CMP376 Workgroup Meetings 9 and 10

Date: 26 January 2023 and 30 January 2023

Contact Details

Chair: Paul Mullen, NationalGrid ESO paul.j.mullen@nationalgrideso.com

Proposer: Rein De Loor, NationalGrid ESO Rein.deLoor@nationalgrideso.com

Key areas of discussion

Workgroup Objectives

Purpose of meeting on 26 January 2023 was to finalise the CMP376 Original and the alternative solutions and hold the Alternative Vote. Note that the Chair delayed the Alternative Vote to 30 January 2023 to allow Workgroup Members to digest the proposed solutions and consider any further alternatives.

Confirm CMP376 Original

The Proposer confirmed the following changes:

- Made clear that compliance vs Milestones is an ongoing requirement;
- Included an additional Exception - “unavoidable delays caused by third parties which it can be demonstrated have impacted upon the User meeting that Milestone”; and
- Clarified the evidence requirements for M3 to clarify that for both onshore and offshore projects, the Proposer requires evidence of the consents and land rights of the site or seabed upon which the project will be situated.

The Proposer also clarified that co-located sites (Generation sites which comprise multiple technology types within one Power Station) would have a separate Appendix Q (Queue Management Process) for each technology and if they miss a Milestone for one technology that part of the project would be subject to termination.

Workgroup Alternatives

Review potential alternatives

Each proposed Alternative was presented by the respective proposers.

There were 10 proposed alternatives in total (but an 11th was raised between the meeting on 26 and 30 January 2023). The table below summarises the current (as of 2 February 2023) position on these.

The Alternative Vote took place on 30 January 2023 and all of the 11 potential alternatives became Workgroup Alternative CUSC Modifications (WACMs). The Request for Alternatives 3 and 4 did not receive

majority support from the Workgroup. However, the Chair noted that this may better facilitate the CUSC objectives than the Original as could potentially stop speculative projects early on in the process. Request for Alternatives 3 and 4 became WACM3 and WACM4 respectively. The Requests for Alternative 5 and 6 also did not receive majority support from the Workgroup. However, the Chair noted some Workgroup Members previous ask on greater flexibility for Milestones M7 and M8, a view which was supported by some respondents to the Workgroup Consultation. Although this may add further process and possible inconsistencies, the Chair believed this may reduce the risk of Appeals further down the line and therefore decided that these Requests for Alternative should be progressed as WACM5 and WACM6 respectively.

The WACMs (and associated legal text) will be further developed between the meeting on 30 January 2023 and the meeting on 8 February 2023.

Other Solutions	How does it differ from Original
WACM1	<i>Milestone M6 to say “Submit” rather than “Agree”</i>
WACM2	<i>As WACM1 but applies as per WACM7</i>
WACM3	<i>Milestone M3 to have a blanket 3 months after offer acceptance (rather than from Completion Date) for all columns on the Milestone Duration table for projects developed within a single landowner area. This can be extended to 6 months for Projects developed within two or more landowner areas</i>
WACM4	<i>As WACM3 but applies as per WACM7</i>
WACM5	<i>Milestones M7 and M8 to be bilaterally negotiated</i>
WACM6	<i>As per WACM5 but applies as per WACM7</i>
WACM7	<i>Applies to all existing agreements with a contracted Completion Date of 2 years or more, or stalled projects with a Completion Date of less than 2 years, from CMP376 implementation</i>
WACM8	<i>Dynamic queue management for Milestones M5 to M8 - ESO’s right of termination is removed for Milestones M5 to M8 and replaced with the permanent reassignment of queue position</i>
WACM9	<i>As per WACM8 but applies as per WACM7</i>
WACM10	<p><i>Proportionate Milestones (where the time between Offer sent and Completion Date is between columns on the Milestone Duration table, the actual milestone duration is calculated proportionately between the 2 column values)</i></p> <p><i>User chooses (at time of application) which column they wish to have their Milestones set against (only if Completion Date provided puts them in a Milestone category not suitable for their project)</i></p>
WACM11	<i>As per WACM1 and WACM8 and add Exception “Where a milestone is missed due to the User awaiting the outcome of commercial negotiations with a purchasing or subsidising party, the User may avoid termination if evidence shows that the User is actively progressing with a route to market”</i>

Next Steps

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG9	Workgroup	Confirm by 10am if wish to raise any further alternatives	N/A	30/01/2023	Closed
2	WG10	Chair	Issue 1st draft of Workgroup Report	N/A	01/02/2023	Closed – issued 3 Feb 2023
3	WG10	Proposers of alternatives	Issue updated alternative forms	N/A	01/02/2023	Closed – circulated 3 Feb 2023
4	WG10	Proposer	Issue final legal text for CMP376 Original	N/A	02/02/2023	Closed – issued 3 Feb 2023
5	WG10	Workgroup	Showstopper comments on final legal text for CMP376 Original	N/A	07/02/2023	Closed
6	WG10	Workgroup	Any questions re: updated alternative forms	N/A	08/02/2023	Closed
7	WG10	Workgroup	Initial comments on 1st draft of Workgroup Report	N/A	08/02/2023	Closed
8	WG10	Proposer	Issue legal text for CMP376 WACMs	N/A	08/02/2023	Open – WACM10 and WACM11 still outstanding

For further information, please contact the Code Administrator.