

CUSC Alternative Form

CMP376 WACM10: User Elected Proportionate Milestones

Overview: Propose that the project can elect, at time of application, a proportionate milestone* timeframe more suitable to the scale of their project and it's technology ahead of the Offer being issued.

*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

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Contents

- What is the proposed alternative solution?
 - Difference between this and the Original Proposal
- What is the impact of this change?
- When will the change take place?
- Acronyms, key terms and reference material

What is the proposed alternative solution?

Where there are long lead times due to network congestion, the milestones being applied based on the time to completion may not be suitable for the scale of the project. For example, a 100MW wind farm given a connection date in 2029. Therefore, we propose that the project can elect, at time of application to the ESO, a proportionate milestone* timeframe more suitable to the scale of their project and it's technology ahead of the Offer being issued.

This alternate also introduces the concept of Proportionate Milestones (where the time between Offer sent by the ESO and Completion Date is between columns on the Milestone Duration table, the actual milestone duration is calculated proportionately between the 2 column values).

What is the difference between this and the Original Proposal?

User elects at time of application which ESO milestone timeframe (0-2, 2-3, 3-4, 4-5) applies based on the project programme for it's technology. If the completion date, puts the project in a milestone category that is not suitable for the projects programme, the ESO takes the elected milestone timeframe and the project programme under advisement in determining the proportionate milestones the user will be held against.

The ESO will utilise the Completion date and the planning application submission date also known as the initiating consent milestone from the connection application to determine the reporting timetable in reference to the milestones.

The ESO will then proportionately calculate the milestones over the timeframe of the project. So if a project is 3.4 years in length then the project milestones will be calculated proportionately between the two column values of 3 and 4 years and rounded to the nearest month. See below for a step by step example of how this would work in practice.

Programme & Initiating Consent Date	The User develops their programme and provides their planning application submitted date under Part D of the connection application. This is the same date as should be issued for initiating consent
Milestone Period Election	The User elects their milestone period using the ESO original table as a reference point. The elected milestone period should align within the timeframe proposed for the planning application submitted date (otherwise known as initiated consent under the Connection Queue Milestones) in Part D of the connection application. If the elected milestone period is 3-4 years then the initiating consent milestone is 24 months back from the date provided by the User.
Proportionate Milestones	If the initiating consent date puts the project between time periods then the ESO would proportion the milestones over the length of the project. So if the project is 3.4 years length then you are looking at a 33% adjustment in timeframes between the two column values of 3+ and 4+ years. Where the project programme is greater than 5+

	years then the 5+ year milestones are utilised.
ESO's Right to Agree/ Decline	The ESO will take the request under advisement.

ESO Reference Table					
Milestones	All durations referenced back from contracted Completion Date				
Milestones:	From 0-2 years (0-729 Days)	2+ years (730 1094 days)	3+ years (1095 – 1459 days)	4+ years (1460 – 1824 days)	5 years (1825 days +)
M1- Initiate Planning Consent	Bilaterally Negotiated	18 months	24 months	36 months	48 months
M2 – Secure Consent		12 months	18 months	24 months	30 months
M3 – Land Rights		21 months	27 months	39 months	51 months
M5 Contestable Design Works Submission	Bilaterally Negotiated	12 months	15 months	18 months	21 months
M6 - Agree Construction Plan		9 Months	12 months	15 months	18 Months
M7 - Project Commitment		6 Months	9 months	12 months	15 Months
M8 - Initiate Construction		3 months	6 Months	9 months	12 months

The original solution utilises the completion date to determine which milestone timeframe the project is required to evidence it's project progression against. Where network congestion is an issue and the connection date provided is many years in the future, it favours projects which are better able to demonstrate their milestones in 5+ year deployment timeframes and discriminates against those that deploy in shorter timeframes. This proposal provides equal treatment for projects with more agile work programmes deployed in timeframes sub 5 years by allowing the project to elect the proportionate milestone timeframe and demonstrate the requirement through provision of it's project programme.

Proportionate milestones prevent an abrupt change in the timescales for evidence reporting requirements for projects that could easily fall in two different milestone timeframes.

Due to the user electing the milestones that best fit the deployment for their project, the Electricity System Operator (ESO) account manager is in a better position to hold constructive discussions with the User on the project programme's progression.

What is the impact of this change?

Proposer's Assessment against CUSC Non-Charging 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;	<p>Positive</p> <p>The development of connection queue management milestones to manage projects through the connection process prevents stalled projects and ensures a more efficient connection process for <u>all parties in line with the length of their project programme</u>. Thus, more efficiently discharging the transmission licence obligation to develop and maintain an efficient, co-ordinated and economical system of electricity transmission than the original.</p>
(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;	<p>Positive</p> <p>This change supports effective competition by providing greater clarity to the User on the Company's project progression expectations at different stages of the process and <u>creates an even playing field through fairness of treatment of users projects over the project length and milestones reporting timescales</u>, and introduces a control</p>

	mechanism to prevent stalled projects that could impact other connectees.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	None No impact has been identified.
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive: This change promotes a more efficient connection process in the CUSC arrangements by setting out expectations early in the construction agreement on the project progression timescales <u>in line with the Users project programme</u> and provides a control mechanism that the Company has the right to utilise to prevent stalled projects holding up other connections.
*The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.	

When will this change take place?

Implementation date:

As per Original

Implementation approach:

As per Original

Acronyms, key terms and reference material

Acronym / key term	Meaning
ESO	Electricity System Operator
WACM	Workgroup Alternative CUSC Modification

Reference material:

None