

Code Administrator Consultation Response Proforma**CMP376: Inclusion of Queue Management process within the CUSC**

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 4 May 2023**. 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:	Joe Colebrook
Company name:	Innova Renewables Ltd
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Phone number:	020 3523 9560

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.*

**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.*

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 CMP376 Original proposal and/or WACMs 1-11 inclusive better facilitate the Applicable Objectives?	Mark the Objectives which you believe each solution better facilitates:
		Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM1 <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM2 <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM3 <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM4 <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM5 <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM6 <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM7 <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM8 <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D
		WACM9 <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D
		WACM10 <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D
		WACM11 <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		The above is on the assumption that only the construction agreement is terminated. We are assuming the user will keep their TEC and technology, they will only need to renegotiate new enabling works and therefore a new connection date.
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
3	Do you have any other comments?	<p>We think the existing management of milestones is limiting the speed at which low carbon projects can connect to the network, this CUSC modification (CMP376) is therefore an important step in meeting Net-Zero as quickly as possible.</p> <p>It is important that project developers are not punished for actions outside of their control, and they are given reasonable time to develop projects taking into account that many third parties are involved in the development of projects which can make fixed timelines difficult to meet.</p>

	<p>12 months from offer issue date to submit a planning application is not long enough, particularly when you may need to negotiate land rights before submitting an application. A user will need to understand the connection solution and connection date before they start negotiating commercial terms with landowners. Users would then want to feel confident in having one or multiple land options secured before starting surveys for planning applications. In addition, the seasonality of ecology studies means that part of the planning studies could take longer than 12 months. The planning studies and landowner option agreement will both need to be completed before the planning application can be submitted. M1 to be reduced by 6 months (42 months for 5 years +, 30 months for 4-5 years in particular) we feel that the current proposed timelines do not take into account the work that is required to submit a planning application. Consultation and engagement works are particularly important for large scale projects such as the ones connecting to the transmission network. We do acknowledge sufficient time is required for the TO's to complete their design and construction work but where possible the milestones should allow for as much time as possible to submit planning whilst still allowing sufficient time for TO's to complete the enabling works. We are pleased to see there are expectations once the project is in planning, but our concerns are centred around meeting the M1 – Submit planning milestone.</p> <p>My understanding is Appendix J will still be important for engaging with the TO and ensuring you are both meeting the required milestone to keep the desired connection date, i.e. if one of them is missed it will be a way to trigger a conversation about if the connection date is still achievable. But Appendix J will have no contractual weight and NGESO would have no right to terminate the connection offer if appendix J milestones are missed, they will only have the right to terminate the connection offer if Appendix Q milestones are missed (in this respect Appendix Q acts like backstop dates to the milestones in Appendix J). The consultation document does not provide absolute clarity on the relationship between Appendix J and Appendix Q milestones.</p> <p>We believe WACM7 is a better solution than the original proposal. WACM7 achieves the same objectives as the original proposal but in a more efficient and timely manner, after 12 months all projects in the connection</p>
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	<p>queue will have an Appendix Q or be removed from the queue. WACM7 also allows users and NGESO to proactively agree the most realistic development timeline for all projects.</p> <p>We believe WACM1 is not as good a solution as the original proposal. WACM1 does not provide an incentive to the user or NGESO or TO to agree a construction plan, this could increase the likelihood of unnecessary delays caused by all parties.</p> <p>We strongly disagree with WACM3 and WACM4 as they unnecessarily reduce the time allowed to agree Heads of Terms (HOTs) with the landowner. The original proposal allows at least 9 months for landowner rights to be secured and we believe this is a more acceptable timeframe whilst still deterring speculative projects. Landowners cannot agree HOTs without understanding the details of the connection offer (e.g. connection offer date) and the outcome of the offer could have a material impact on negotiations. We agree a Landowner Letter of Authority (LOA) could be required to submit an application and this would help reduce speculative applications, but WACM3 attempts to achieve this in a different way and as a consequence could significantly increase the likelihood of renewable projects failing to get constructed. Overall WACM3 is likely to have a negative impact on the UKs ability to meet Net Zero.</p> <p>We believe WACM8 is not as good a solution as the original proposal. WACM8 is an unnecessary complication, and the definition of expectations provides the user with an acceptable route to delay M5-M8 in extenuating circumstances. This is especially true because the original proposal states NGESO will have the 'right' to terminate if M5-M8 is missed and it will not result in automatic termination. In addition, the existing Modification Application process allows users to renegotiate their queue position whilst not having a detrimental impact on other users.</p> <p>We believe WACM10 is not as good a solution as the original proposal. WACM10 adds significant additional complexity and delay in implementation, without any real benefit. A user should be aware of the possible milestones when proposing a connection date as part of the application process. The user should propose a realistic connection date in line with CMP376.</p>
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	<p>We believe WACM11 is a better solution than the original proposal, although we believe a user should not be able to rely on this exception more than once (rather than more than twice). Government or regulatory subsidy or financial incentive is a key enabler of projects and a large development risk, users should be able to explore alternatives or reapply to the government or regulatory subsidy when this financial commitment is not provided. It is often not possible to apply for these financial incentives until the project has progressed to Milestone M3 and therefore this seems a fair and reasonable exception.</p> <p>Therefore, our preferred option is specifically WACM7. WACM6 is an acceptable option although we have some concern that developers will be able to keep a connection even if their project is unable to raise financing or be sold to a user who is actually going to build the site, and this may cause similar grid connection queue problems to those that already exist.</p>
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