

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:	Richard Woodward
Company name:	National Grid Electricity Transmission
Email address:	Richard.Woodward@nationalgrid.com
Phone number:	Click or tap here to enter text.

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 type="checkbox"/> C	<input type="checkbox"/> D
		WACM1	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM2	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM3	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM4	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM5	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM6	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM7	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM8	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM9	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM10	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		WACM11	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D
		<p>We believe that an effective Queue Management policy needs to contain transparent, consistent, and actionable processes to manage User connections.</p> <p>Ultimately, where projects are demonstrably non-viable or stalling, we believe the policy needs to ensure that these projects move out of the way as soon as possible to enable others to progress and to avoid any potential for stranded investment to protect end consumers.</p> <p>Consequently, we believe the original proposal and WACMs 1-7 deliver outcomes which would be an improvement on the baseline in relation to these aims, specifically better facilitating applicable objectives A and B.</p> <p>These proposals ensure that allocated network capacity, system access and resources (including supply chain) are better utilised and/or better manage situations where customer projects stall or become non-viable. They also enable more successful delivery of User connection schemes and closer alignment with Transmission Owner (TO) investment.</p>				

		<p>As the proposers of WACMs 3+4 and 5+6, we are confident that they further enhance the benefits of the original:</p> <p>WACM3/4 encourages proactive project development by Users ahead of application (or soon thereafter) by adding an earlier requirement to evidence Land Rights (M3), which is a key factor in ascertaining a project's ultimate viability. This approach provides substantially stronger and earlier signals which would enable Onshore TOs to invest more proactively and efficiently than the other proposals - benefitting Users and end consumers alike.</p> <p>WACM5/6 sets a more proportionate and agile approach for setting milestones M7-M8. It ensures a more equitable alignment for the most complex portion of the customer connection and TO investment lifecycle, where most capital expenditure is committed by all parties. There is a risk under the other proposals that M7-M8 dates could be arbitrary and lead to misalignment between User and TO project lead times.</p> <p>In respect of the other WACMs 8-11, we believe they may have partial benefits compared to the baseline as they borrow aspects of the original, but these benefits are outweighed by inclusions in the proposals which either:</p> <ul style="list-style-type: none"> i) Erode the ability for network companies to manage stalling projects from blocking other more viable projects from progressing (as provided for in the proposer's original solution), and/or: ii) Introduce entirely new complex processes into CUSC and STC arrangements in order to facilitate (i). <p>This leads them all being negative in our assessment of Objective D.</p> <p>Any variation of the original proposal which enables a non-viable or stalled project to remain in the connections pipeline indefinitely, in our view, represents an enduring risk to economic/efficient network investment and suppression of effective competition in generation and supply, blocking delivery of the UK's net zero ambitions as set out in Government policy.</p>
2	Do you support the proposed	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No

implementation approach?	<p>The original proposal and some of the WACMs exclude existing contracted Users by default from the implementation scope of CMP376. In our view this not only risks a two-tier contracting regime - which is potentially discriminatory – but also limits the full benefits of implementing the modification.</p> <p>Given the prevailing challenges for transmission network companies to deliver connections in timescales that our customers would like, we believe a ‘consistent application’ approach for new and existing Users alike is absolutely necessary.</p> <p>The consequence of applying only to new Users or those who submit a Mod App (in their own timescales) is potentially GWs of transmission capacity remaining allocated to demonstrably non-viable or stalled projects, with minimal enforcement action available to the network companies in the foreseeable future.</p> <p>Rather than relying solely on the commercial motivation of existing Users to Mod App to enable their projects to be subject to the policy (as per the original and similar WACMs), we believe the proposed phased implementation approach via WACM7 (and associated spin-off WACMs) to apply to all not only enables an element of customer choice to plan ahead, but provides a swifter route to ensure all Users are treated consistently.</p> <p>Ultimately the intention of the Queue Management policy should be to drive effective outcomes via CUSC arrangements for those seeking to connect to the electricity transmission system, including providing scope for accelerating the connection of projects where possible. From our perspective the approach for consistent application is much more likely to realise those aims, benefitting end consumers and other Users alike.</p> <p>If the consistent implementation approach does form part of the proposal which Ofgem approve, we believe the ESO needs to clarify their objective measures to ascertain which projects are in/out of scope (i.e. those at the time of implementation within two years of TEC Effective Date).</p> <p>Whilst we support some proportionality in the consistent application approach, we are wary that an arbitrary exclusion process without an objective assessment of</p>
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		<p>projects status might lead to demonstrably stalled or non-viable projects slipping through the net.</p> <p>By our analysis of the TEC Register there is 22GW of contracted capacity which could be excluded from scope of implementation, with some of it already showing as 'prior year' at the time of our response (albeit potentially inclusive of projects applying for TEC Amnesty). The ESO must work with Users to ensure this position is fair and will not lead to adverse outcomes.</p>
3	Do you have any other comments?	N/A