Workgroup Consultation

CMP427: Update to the Transmission Connection Application Process for Onshore Applicants

Overview: This modification proposes that a Letter of Authority (LoA) should be required for new Onshore Transmission Connection Applications.

Modification process & timetable

1. **Proposal Form**
   15 December 2023
2. **Workgroup Consultation**
   22 January 2024 - 26 January 2024
3. **Workgroup Report**
   07 February 2024
4. **Code Administrator Consultation**
   12 February 2024 - 16 February 2024
5. **Draft Modification Report**
   21 February 2024
6. **Final Modification Report**
   23 February 2024
7. **Implementation**
   15 March 2024

Have 10 minutes? Read our Executive summary

Have 60 minutes? Read the full Workgroup Consultation

Have 90 minutes? Read the full Workgroup Consultation and Annexes.

Status summary: The Workgroup are seeking your views on the work completed to date to form the final solution(s) to the issue raised.

This modification is expected to have a: High impact for Generators, Demand Users, ESO

Governance route	Urgent modification to proceed under a timetable agreed by the Authority (with an Authority decision)	
Who can I talk to about the change?	**Proposer:** Joseph Henry Joseph.henry2@nationalgrideso.com 07970673220	**Code Administrator Chair**: Catia Gomes catia.gomes@nationalgrideso.com 07843816580
How do I respond?	Send your response proforma to cusc.team@nationalgrideso.com **by 5pm on 26 January 2024**	

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Executive summary

What is the issue?

There has been unpreceded growth in applications to connect to the National Electricity Transmission System (NETS) in recent years. It is widely accepted that one of the contributing factors for this is an increase in the number of speculative connection applications, submitted due to the perceived value that Users derive from having a position in the connections queue.

The consequence of this over-subscription includes inefficient network capacity allocation and an inaccurate contracted background for the TOs to plan their network investment to. This risks higher network charges, queue congestion in parts of the transmission network, and longer connection timescales being offered to those applying after first or second comers.

The Connections Action Plan (CAP) which is a joint paper between the Department for Energy Security and Net Zero (DESNZ) and Ofgem, published in November 2023, has put an action on the ESO to raise a modification to codify the Landowner Letter of Authority (LoA) requirement for new Onshore Transmission Connection Applications, in order to raise entry requirements.

The CAP asked for this modification (CMP427) to be raised by "Q1 2024 or sooner". The LoA will provide confirmation that the project User[1] (hereafter referred to as the "User", as per the existing CUSC definition) has either formally engaged in discussions with the landowner(s) in respect of the rights needed to enable the construction of the User's project on their land, or to demonstrate that the User is the landowner.

What is the solution and when will it come into effect?

Proposer's solution: This modification proposes that project Users should submit a LoA with any new Onshore Transmission Connection Application, in addition to the existing requirements, for that application to be effective.

Implementation date: 10 business days after Authority decision. This modification should be implemented as soon as possible to help increase efficiency in the connection's application process.

Summary of potential alternative solution(s) and implementation date(s):
A potential alternative has been tentatively discussed by the Workgroup, regarding the possible treatment of exemptions, the details of which are available on page (15-16 in the 'Workgroup considerations' section).

What is the impact if this change is made?

CMP427 establishes greater certainty in User requirements upon application for transmission connections This modification will also reduce speculative applications.

[1] In the CAP itself such parties are generally referred to as 'project owner' or 'developers'.

Interactions

The modification was requested by Ofgem and DESNZ as part of their joint CAP. The Workgroup has considered interactions with the STC and found that procedural changes are not required (to the STC) from the perspective of the TO parties as a result of CMP427.

The Workgroup briefly discussed the interaction with the recently approved Queue Management (QM) policy via modification CMP376, specifically the requirements for Users to evidence compliance to the M3 Land Rights milestone. It was noted that whilst these could/should in principle dovetail, there should be no formal interaction between the LOA process and QM milestone compliance. These discussion points are set out in more detail in the 'Workgroup considerations' section.

What is the issue?

Over recent years, there has been an unprecedented growth in applications to connect to the National Electricity Transmission System (NETS) due to the positive, rapid progress being made in the electricity sector to support the government's decarbonisation ambitions to deliver cleaner energy for all.

Between 1 April 2022 to 31 March 2023, the ESO received a total of 1,732 applications for connections. In contrast, a total of only 333 applications were received during the same period in 2017/2018.

The current connections applications process was not designed to facilitate such an increase in volume. The process for connecting to the NETS was designed for fewer, larger power plants connecting to the system, and the process has remained largely unchanged since Bilateral Exemptible Large Licence Exempt Generator Agreement (BELLA). Additionally, the current average attrition rate for projects due to connect to the NETS is circa 60-70% (i.e., 60-70% of projects which secure capacity following a connection application ultimately failing to connect).

The ESO has noted that one contributing factor to the increased volume and attrition rate is the increase in speculative connections applications being submitted by applicants. This is due to the perceived value of having a Connection Agreement and an earlier position in the queue. The consequences of this, given the current incremental approach of the assessment of applications, includes inefficient network capacity allocation and inaccurate transmission network planning. This contributes to higher network costs, as well as longer timescales for connection dates being offered to projects which have had applications submitted later.

The ESO Connections Reform Consultation, launched in June 2023, proposed Key Target Model Add-ons (TMAs) to compliment the Target Model Options presented in the consultation. The consultation responses overall supported the introduction of a LoA, the purpose of which would aim to ensure developments contracted to connect had a land option in place, therefore reducing the volume of speculative projects in the queue.

The CAP which is a joint paper between DESNZ and Ofgem, published in November 2023, has put an action on the ESO to raise a modification to codify the Landowner LoA

requirement for new onshore transmission connection applications, in order to raise entry requirements and prevent speculative applications. The action plan asked for this modification to be raised by "Q1 2024 or sooner".

This modification proposes that a LoA should be submitted by Applicants for new onshore transmission connection applications alongside existing criteria. The LoA will provide confirmation that the User has either formally engaged in discussions with the landowner(s) in respect of the rights needed to enable the construction of the User's project on their land, or to demonstrate that the User is the landowner(s).

Further consideration of strengthening the scope of the LoA approach will be considered at a later date, potentially via another modification. This may include assessing the feasibility and suitability of applying the LoA to Offshore Transmission Connection Applications, Modification Applications, and a process for duplication checks.

Why change?

Introducing a LoA requirement at application should help to: only can receive a connection offer:

- Give greater certainty that a connection project is valid at the early stages of the connections journey by confirming that the project User is the landowner or has formally engaged in discussions with the landowner(s) as part of the transmission's connection application process.
- Support the reduction of speculative applications and the number of potentially non-viable project applications being 'clock-started.'
- Provide alignment and consistency for Users by establishing an approach for LoA at transmission as well as distribution.

What is the solution?

Proposer's solution

This modification proposes that project User's for generation, storage, or demand[2] applying to connect to the GB transmission system should additionally submit a LoA with any new[3] onshore transmission connection application for that application to be effective.

The LoA will provide confirmation that either:

a) The project User has formally[4] engaged in discussions with the landowner(s) in respect of the rights needed to enable the construction of the project on their land (it will not require evidence at this application submission stage that the rights have been granted as this will be required as part of the evidence for milestone

[2] This proposal does not deal with connection applications for either Offshore or Interconnectors. Please note that the ESO advised the Workgroup that it has been in discussion with Ofgem about the possibility of potentially raising another, separate, CUSC Modification to extend the LoA principles to those types of projects (as well as considering how to deal with situations where duplicate LoAs for the same area of land occurs).
[3] That is any such application submitted after the implementation date of CMP427, excluding Modification Applications.
[4] The meaning of "formally" was discussed and agreed by the Workgroup to be that the User has entered into discussions with the landowner or landowner representative appointed by the landowner to submit an application to connect to the NETS.

M3 “Secure Land Rights” within the Queue Management process introduced under CMP376); or[5]

b) Confirm that the project User is the Landowner.

This evidence is in addition to the current criteria required for the ESO to treat an onshore transmission connection application as effective (referred to as “clock start”). The current criteria for an application to become effective is noted in Exhibit B[6] of the CUSC and includes the completion and submission of the following:

(i) an application form;
(ii) the Data Registration Code template; and
(iii) payment of an application fee.

This modification proposes that a template for the LoA is produced by the ESO, which will be attached to the connection application proforma for Applicants to specify the type of engagement that has occurred in relation to (a) or (b), as above. This will provide consistency in the LoA documentation submitted and further assist Applicants to provide the relevant details to satisfy this requirement. It will also mitigate against potential delays to project User’s applications ‘clock start’ dates due to insufficient or unclear information being provided. Going forward, the User’s application will not be declared effective until the LoA has been confirmed to be satisfactory by the ESO.

The LoA template(s) will request the following information:

- The full name of the landowner[7] and the User;
- The full address of each party;
- Company number and place of registration of the User and if applicable landowner;
- Details confirming that the landowner has formally engaged in discussions with the project User in respect of project development on their land, or documentation to show ownership of the land;
- Site address;
- Signature of the landowner;
- Date of signature;
- Image of the sample plan showing the boundaries of the site referred to;
- The approximate acreage of that site shown on the sample plan; and
- Contact details for the landowner.

The Workgroup has considered the jurisdictive differences between England & Wales and Scotland and believes that the templates of the LoA (see Annex 4) would be suitable for projects located anywhere in GB.

[5] There may be circumstances where some of the land needed for a project is owned by a landowner and some of the land owned by the project User themselves. In this situation, then two separate LoAs – one (a) and one (b) - would be required to be submitted with the application.
[6] download (nationalgrideso.com)
[7] In all cases where ‘landowner’ is referenced here this can include, instead, their duly appointed representative.

Workgroup considerations

The Workgroup convened 4 times prior to issuing this consultation to discuss the perceived issue, detail the scope of the proposed defect and devise potential solutions.

Consideration of the proposer's solution

The Proposer noted that the scope for this modification is to address the urgent requirements for a LoA (as recommended by the Authority and DESNZ in the Connection Action Plan at pages 34 and 35). However, further comments and suggestions from the Workgroup in the development of the CMP427 solution that relate to non CMP427 matters would be noted for subsequent modifications in relation to the Connection Action Plan.

Specific Workgroup Consultation Question:
Do you believe that the proposed LoA meets the objectives set out by Ofgem and DESNZ in CAP? If not, please provide your rationale.

Topics discussed by the Workgroup:

Obligations of the LOA for Users

The Workgroup discussed the potential obligations that might be placed on the User by the LoA document. This was to understand where responsibilities would lie for parties involved (noting landowners are not necessarily a Schedule 1 CUSC parties[8]), whether landowners are likely to need legal advice to complete it (incurring costs and lengthening the process) and recourse for any problems found with submitted documents/subsequent updates to the information in the LoA. Workgroup members were vocal that the LoA should not cut across the User-landowner or User-ESO relationships. They also questioned whether retrospectivity would apply with this change (please see the notes below on this subject).

It was confirmed (by the Proposer) that the proposed CMP427 solution would only apply to Users and/or to the ESO CUSC Schedule 1 parties. No obligations are to be placed on landowners (or their representatives) unless the landowner is also a User (as per LoA Template B[9]).

The Proposer consulted with their legal team and confirmed to the Workgroup that the LoA would not constitute a legally binding document for the landowner but would serve as a requirement for the User to submit with their connection application (satisfying the joint DESNZ and Authority ask of this modification). The inclusion of a disclaimer[10] on the document was supported by the Workgroup so that all parties are clear on what the LoA does/doesn't constitute in terms of obligations under the CUSC.

Additional validation checks by the ESO to support the LOA

A representative from the ESO's Connections team requested that the LoA ask if the land in question for the application is registered (i.e., with Land Registry – with title numbers provided if so) or unregistered. If land was registered, this would then allow the ESO to

[8] And as such, the CUSC cannot place obligations, per se, on landowners or their representatives – it can only do so, in this regard, on Users as CUSC parties.
[9] See below.
[10] To the benefit of landowners (or their representatives) making it clear that they are not obligated.

conduct an initial check against the Land Registry that the landowner/representative was the appropriate signatory of the LoA.

It was discussed that deeds etc. should not be requested (and may not be available if land was acquired before record-keeping began) so ESO may need to accept ownership on good faith based on the LoA declaration in some cases. The ESO acknowledged that unregistered land may require more time to cross-check.
The Workgroup also agreed that relevant wording should account for differences in land registration in Scotland and allow for an option to confirm the correct jurisdiction. The proposed templates offer this option.

The LOA's relationship to Queue Management obligations and milestones

Whilst recognising that the LoA is designed to raise the entry requirements at the pre-application stage, Workgroup members did not want the LoA to require Users to get binding commitments from landowners. A Workgroup member highlighted that the LoA should not secure land rights in any way, and that those considerations would form evidencing compliance to the M3 Land Rights Queue Management milestone (as per CMP376 Inclusion of Queue Management process within the CUSC).

The Workgroup discussed how long the LOA should be valid for, with some Workgroup members preferring for it to endure for as long as possible to be useful, whilst others suggested it was time limited to the application submission itself. It was noted by the Workgroup that the LoA would be superseded by QM compliance obligations to milestones 1-3 requirements introduced by CMP376[11] plus the acceptance of a connection offer. It was also agreed that further modifications for the LoA process could increase its scope further. One Workgroup member suggested an LoA validity period of between 6-12 months should be appropriate.

A Workgroup member asked whether the LoA would endure up to M3 compliance, or only apply to permit the initial application to the ESO and suggestions were made to make it clear when the LoA applies to (i.e., assessment at point of application only or involved in ongoing checks on projects). The majority of the Workgroup suggested that placing an arbitrary timeframe on the validity of the LoA would be superfluous as it would be superseded by steps at M1, M2 and M3 of the (CMP376) Queue Management process [12]. The ESO confirmed that it would treat the LoA as a reflection of the status of Land Ownership at the point in time the LoA is received[13].

Specific Workgroup Consultation Question:
Do you believe that an LoA should have a validity period? If so, please provide a timescale and your rationale.

Another Workgroup member asked whether LoAs could be used to divide land and reserve it up to the M3 stage. After confirmation from the ESO legal team, it was agreed that the LoA would not create any legal obligations to require this to happen. It was highlighted that other changes instigated as part of Connections Reform and the CAP, and initiatives such as cancellation charges, would look to strengthen the connections

[11] CMP376: Inclusion of Queue Management process within the CUSC | ESO (nationalgrideso.com)
[12] https://www.nationalgrideso.com/document/294211/download
[13] Which is when it is submitted, by the User, with their project connection application.

application process and the LOA would not be able to resolve all issues with uncredible applications via this modification. In addition, it was also noted that a future modification was likely to consider where duplicate LoAs did arise (for the same piece of land) and how they should be treated.

Inclusion of guidance on minimum acreage for different technology types in a guidance note/the WG Report

In order to provide prospective Applicants and an indicative scale of land required for an application (and so the ESO can assess that the submitted LoA is credible[14]) Workgroup members supported the creation of a non-prescriptive and non-codified table of typical acreages per technology type (minimum energy densities).

It was advised that this shouldn't be definitive (to allow for flexibility while applications / planning progresses and not stifle innovative development) and it was felt that this needn't be part of the LoA document / CUSC itself. Instead, this table will feature within the CMP427 Workgroup Report/Final Modification Report and an ESO guidance note, with a clear description of its purpose and to encourage valid and appropriate applications (with updates shared to industry via CUSC Panel if required).

ENERGY LAND DENSITY - De minimis requirements

Plant Type	Minimum acres per MW registered
Biomass	TBC - Feedback encouraged from Industry
Combined Cycle Gas Turbine (CCGT)	TBC - Feedback encouraged from Industry
Combined Heat and Power (CHP)	TBC - Feedback encouraged from Industry
Coal	At ESO discretion
Demand (includes data centres and traction (such as HS2 and National Rail))	At ESO discretion
Energy Storage	0.020
Gas Reciprocating	0.025
Hydro	TBC - Feedback encouraged from Industry
Nuclear	TBC - Feedback encouraged from Industry
Open Cycle Gas Turbine (OCGT)	0.004133
Oil and Advanced Gas Turbine	TBC - Feedback encouraged from Industry
Pump Storage	TBC - Feedback encouraged from Industry
PV Array (Photo Voltaic/Solar)	2.5
Reactive Compensation	Suggest at NGESO discretion
Thermal	TBC - Feedback encouraged from Industry
Waste	TBC - Feedback encouraged from Industry
Wind Onshore	10
Synchronous Comp	TBC - Feedback encouraged from Industry

[14] The Workgroup summarised this, simplistically, as the 'building a 100MW project in a back garden' where the land area covered in the LoA is so substantially small as to make it not credible to be able to build the purported project upon it.

Please note that the technology types specified in the above table are aligned with the categories specified in the connection application form/template existing Connection Application documentation used by the ESO and the figures stated in the table above are indicative. The ESO acknowledge that the demand category may be later amended to reflect the different types of demand wishing to connect to the NETS.

Workgroup members suggested that if energy density information wasn't available, then an approach based around an average of the last ten projects connecting per relevant technology type could be referred to (e.g., TEC register in conjunction with other publicly available information, or the appropriate supporting data as per the method used in the calculation of the Annual Load Factors for TNUos charging). The ESO is open to any industry suggestions on this matter and will take this into consideration.

A TO Workgroup member noted that the ESO themselves would need to be comfortable with the data within any such table, especially if TOs weren't expected to form part of any validation/checking process. Another Workgroup member highlighted that the TOs are capable of providing such support through their technical competency checks. Following further conversations between the ESO and TOs, it was agreed that the ESO alone would assess validity of LOAs with no obligations on the TOs.

It was also agreed by the Workgroup that this table would be useful supporting information for the LoA as the guidance it will give will be to help with completion and subsequent assessment (by the ESO) of a valid document.

The Workgroup noted that for storage projects a measure of MWh per acre was inappropriate versus MW per acre, as Users do not need to state their duration at the application stage.

The ESO clarified the scope of 'other' project types for the LOA approach. Reactive compensation projects (including Pathfinders) were included, and the ESO also confirmed that tidal generation would be classed as Offshore for these purposes (and thus were not within the scope of CMP427, which only relates to Onshore projects).

A Workgroup member suggested that the ESO include a reference on the table to the process for assessing applications for emerging technologies not listed in the table (for example, for the ESO to seek data from the public domain, from Users, academia, or industry to engage in case-by-case discussions with applicants).

When updating the draft LoA, the ESO included that Users should stipulate the minimum acreage discussed with the landowner at that stage (in the engagement discussions at the point of the landowner signing the LoA) whilst the Workgroup noted that the acreage can change and that the technology types are also stipulated in the separate Connection Application documentation.

A Workgroup member expressed concerns about the figures used within the table compared to the information the User will have at that connection application stage. After discussion, the ESO and other Workgroup members were comfortable with the table being indicative and used as a guide only for minimum land values.

It was agreed that values in the table should be reviewed periodically by the ESO (in consultation with stakeholders), and updates shared with industry as necessary. There was a feeling in the Workgroup that over time and as technology develops, the MW/acreage values should increase as technology types become more efficient. The ESO

confirmed that this table would be included in a guidance note, which may be updated from time to time to reflect technology changes.

The ESO confirmed that figures within the table will be used as a guide to sense-check against an application, with queries then being followed-up by the ESO to support verification of the application (including the possible use of GIS software to gauge proposed land areas on submitted plans). It was explained that while this information will influence acceptance of the Connection Application, it would not determine queue position which is established after an offer is signed.

Specific Workgroup Consultation Question:

Do you agree, in principle, with the concept of an Energy Land Density table? If not, please provide your rationale.

Do you agree with format and the categories proposed in the Energy Land Density table? If not, please provide your rationale.

Do you have different values that you can provide for the Energy Land Density table? If so, please provide your rationale.

The use of LOAs on project applications involving multiple landowners

A Workgroup member questioned the scenario where an application will involve multiple landowners. An ESO representative asked for the Workgroup's view on whether multiple LoAs should be submitted for all areas of land that the User, in good faith, believes will be involved in the project. This was supported by a Workgroup member.

Referring to the energy land density table (see above) the Workgroup concluded that the LoA(s) submitted to the ESO (in the application) should cover sufficient land for the MW size of the application (by the requisite technology or, in the case of a hybrid project, technologies).

The course of action should multiple applications are made for the same land

It was noted that the issue of multiple Users 'duplicating' LoAs with one another (for example where a landowner has signed more than one LoA for the same parcel of land) would be addressed in a future CUSC Modification - and not CMP427.

The relevance of a landowner withdrawing agreement

The Workgroup discussed the concept of LoA withdrawal, and whether that had similar effect to the same process at Distribution.

It was agreed that, for now, the LoA would only have standing at the point of Users application, and there would be no consequences for Users of a landowner LoA withdrawal at any time.

Implementation and retrospectivity

As an urgent modification a Workgroup (and CUSC Panel) member confirmed, by reference to Ofgem's published[15] urgency criteria, that retrospectivity was unlikely to be appropriate for CMP427 as this was only permitted in exceptional circumstances. The ESO also noted that to apply retrospectivity would likely cause delays to implementation of CMP427 because of the extra administrative work needed. The ESO also recognise that this may also be problematic for Users in terms of securing a successful application. The ESO also noted that the Authority and DESNZ did not request retrospectivity as part of their CAP.

The ESO confirmed that LoAs will be required for any new onshore bilateral agreements and new connection applications submitted after the implementation date for CMP427. A Workgroup member recommended that the Proposer consider recommending a swifter implementation timeline, rather than the standard 10 working days. The Authority representative was asked to confirm whether implementation of less than 10 working days post-decision was acceptable due to the urgency status of CMP427.The Authority representative confirmed that the implementation period can be entered of the duration that is considered most apt in the circumstances. The recommended period **can** be less than 10 working days between Authority approval and implementation. The implementation date however is proposed by the Workgroup and agreed by CUSC Panel prior to submission to the Authority.

The ESO confirmed that BEGA/BELLA application are out of scope of CMP427 and are, instead, governed by the LoA obligations with the respective DNO.

The ESO advised that the LoA will be held within the other documents submitted with the application, but not used for any other purpose.

Although not expected to be available for submission with the Final Modification Report, the proposed guidance note from the ESO to support CMP427 changes would be ready for industry by the point of implementation. Although not a codified part of CMP427, the ESO noted that the CMP427 Workgroup members would be invited to review the note due to their involvement with the relevant conversations.

The format of the LoA - (Template A/B from Annex 4)

The Workgroup discussed whether a fixed template or an adaptable version of the LoA would be most appropriate. The ESO expressed a preference for a standardised version to reduce processing time, although variations could be submitted to the ESO for their consideration, and the form of the LOA updated accordingly and then shared with industry (e.g., via the Transmission Charging Methodologies Forum or CUSC Panel). A Workgroup member suggested that allowing varied or bespoke versions could increase costs and stringency into the wording[16] and standardisation should be reassuring to a landowner as to their liabilities and obligations (or lack thereof as landowners are not

[15] Ofgem Guidance on Code Modification Urgency Criteria | Ofgem
[16] Another Workgroup noted it would also introduce a risk element that such a version (and thus the project application) maybe rejected by the ESO as being insufficient to meet the ESO's needs,

Schedule 1 parties). It was also noted that a standardised version was most aligned with the CAP's requirement that the LoA be both robust and efficient.

Due to concerns that a landowner may be reluctant to sign such a document without legal advice and subsequently incurring legal fees themselves, the Workgroup discussed whether the User director's letter (template B) or a hybrid version of that would be preferential to a landowner LoA.

The Workgroup proceeded with separate landowner LoA (template A) and User director's letter versions (template B) where the User owned the landed needed for the project.

A Workgroup member suggested that, with it being clear that no obligations will be committed to by signing it, they expected landowners to agree to the standardised LoA. Another member referenced that they had not had an issue with a DNO LoA in 10 years by simply clarifying i) ownership of the land and ii) there'd been a discussion about an application for a project of a certain technology type.

Workgroup members helpfully provided DNO LoA examples which were reviewed for comparison with the proposed transmission LoA draft, and no changes (to the draft transmission LoA) were found to be needed from examining these DNO examples.

The Workgroup discussed having two versions of template A - with one for where a landowner had been engaged and another if a landowner representative had been engaged instead. However, the ESO suggested that one template should be sufficient, with the template including an option to express whether the landowner or their appointed representative has completed the LoA. It would also state whether the landowner or their appointed representative should be contacted as part of verification checks undertaken by the ESO. The Workgroup agreed this was a preferable approach.

Specific Workgroup Consultation Question:
Do you believe that the LoA should be in the form of a standard template? If not, please provide your rationale.

Specific wording for the LoA

When reviewing the draft LoA templates A and B, including suggestions from the Workgroup, it was discussed that the document should provide sufficient clarity (for reassurance to all parties) without adding unnecessary complexity. The Workgroup was mindful that the form of the LoA should not create concern with landowners which could be a blocker for a User submitting a connection application in a timely manner to the ESO.

For template A:

- The Workgroup agreed that it be made clear which party is completing the LoA (the landowner or their representative), although the process will be led by the User and the User will submit the document to the ESO.
- There was a suggestion to allow for correspondence (with the ESO) care of an agent, or their representative, although some Workgroup members felt this could

pressure landowners into feeling that they need separate representation for this. It was noted that the template is to be completed by a User[17], so this can be addressed by the User with the landowner.

- The request for address details of the landowner (often separate to the location of the land) and contact details (for the landowner or the landowner's representative) were added, with the option to stipulate whether a landowner or their representative was the preferred contact. This is to help the ESO with land registry cross-checks and verification.
- The Workgroup advised that the LoA template should be clear that, if necessary, follow-up contact made be made by the ESO with landowner or their representative. This would be for specified purposes only (e.g., that the site map submitted was correct based on User-landowner or representative discussions on the proposed project).
- The Workgroup agreed that to support the ESO's validation checks against the submitted plan (and minimum energy densities table) the statement of acreage discussed between parties would be included on the document.
- The ESO noted that checks would be needed for unregistered land for consistency with the process for registered land, and it would be the responsibility of the User to determine the registration status of the land in question. Due to difficulties in determining registration status in some areas (e.g., Scotland), the ESO agreed to review the level of risk to the process from unregistered land in order to mitigate against delays in application validation. The ESO are considering wording of the LoA to provide a declaration of registration status (to the best of the landowner's knowledge) and use of commercially available GIS software against the submitted plans.
- Several Workgroup members supported a non-liability disclaimer so that it was apparent that the LOA is a non-contractual document. The intention is that this negates the need for the landowner to require legal advice or face unknown liabilities.
- The Workgroup's preference was to avoid complex or onerous language, implying that the document had greater legal status/consequence. There was discussion about whether a landowner should 'authorise' the User to submit an application (as they do with DNO LoAs) or 'support'/'agree' to the application. Some parties in the Workgroup had concerns about the term 'authorise' as an appropriate term in this case but agreed there should be consistency across the document. It was suggested that industry be consulted on this point (see question below).
- It was noted that landowners may write on the document themselves (for ESO to be aware of for implementation).
- The Workgroup agreed with the inclusion of a site map or standard red line boundary map to identify the land in question for the application. It would not cover cable routing (not likely to be known at the LoA stage and consistent to the approach for Queue Management M3 Land Rights milestone compliance) or land needed for a network sub-station. It was confirmed by the ESO that access rights would not be required to feature on the map as this is addressed on the planning application.
- The Workgroup agreed that information around surveys or investigations shouldn't be included with the LoA.

[17] But signed by the landowner (or their duly appointed representative).

- The ESO confirmed that digital signatures on these forms were acceptable, along with traditional wet signatures. The ESO confirmed that this process is in place for other activities so do not foresee this functionality being an issue and noted the benefits this would bring to the overarching process.
- The Workgroup were invited to suggest other key information to gather in the LoA for ESO's post-submission checks.

Specific Workgroup Consultation Question:
Do you believe the use of the word "authorise" within the LoA could have adverse legal consequences? If so, please provide your rationale.

Do believe the proposed LoA template is suitable for all jurisdictions (England & Wales, and Scotland)? If not, please provide your rationale.

Do you believe that the technology type should be included in the LoA template? If you not, please provide your rationale.

For template B:

- The ESO agreed that this template should be consistent, where relevant, with the wording in template A.

Exemptions

During the course of the Workgroup deliberations, a member noted that there may be merit in considering development of an exemption option to deal with exceptional circumstances (i.e., where it may not appropriate for a User to seek an LoA from the landowner). For example, there may be circumstances where the User needs to undertake compulsory purchase of the land required for the project. This scenario could particularly apply to future nuclear projects. In such a situation it would not be possible, practically, for the User(s) to obtain an LoA in the form of either template A or template B.

Taking this into account and wishing to ensure that all connection applications are treated in a broadly consistent manner by the ESO, it was suggested that an alternative form of the LoA should be developed to cover this scenario. Subject to the agreement of the Authority, a Workgroup member suggested that this alternative form LoA be either signed by the Authority, or by a party that was so designated by the Authority to issue such a document. This LoA would be treated by the ESO as equivalent to template A or template B LoAs, and therefore sufficient to meet the LoA requirement introduced by CMP427.

In this regard, a Workgroup member advised that something similar exists already within the CUSC in terms of the Authority being able to designate a party (or parties) as a "Materially Affected Party" which is defined as "any person or class of persons designated by the Authority as such, in relation to the Charging Methodologies".

It was noted that the type of party that might be so designated by the Authority to issue such an LoA equivalent (covering the exceptional circumstances where either template A

or template B could not reasonably be obtained) could include the Secretary of State. One rationale for designating the Secretary of State is that the exceptional circumstances foreseen are likely to include wider policy issues that are the purview of the Secretary of State.

The Workgroup membership is considering raising an alternative proposal that would be based on the Original proposal but include a third template (perhaps to be known as 'template C') to deal with this issue. The possible wording is still subject to legal review; however, by way of illustration, it might look something like:

We/I, [NAME] of [XYZ – Authority designated party] hereby confirm we have had formal discussions with [User] about a project of size [MW] involving [technology] to be located in the region of [Ordnance Survey map location].

Please take this letter as confirmation that we authorise [User] (or their authorised representatives or representatives whomsoever) to apply for a grid connection to the ESO on and in relation to the Property.

I confirm that I am happy for the ESO to contact me to verify that this letter is genuine.

The Workgroup agreed to gather views from consultation respondents on if an exemption option to deal with exceptional circumstances is (or is not) appropriate to include (via an alternative) in the CMP427 solution.

Specific Workgroup Consultation Question:
Do you consider the exemption approach to deal with exceptional circumstances appropriate? If not please provide your rationale.

Several points were raised by the Workgroup about LoA and the application process which can be taken for consideration by subsequent modifications in this area as it is out of scope for CMP427. As noted above, the ESO will look to raise a separate modification in the near future (if CMP427 is approved by the Authority) which would likely cover the following items:

- Avoiding duplication of LoAs (i.e., cross-checks for land being agreed for multiple projects, timestamping LoAs);
- LoAs for Offshore and Interconnection applications; and
- Annual reviews with Users to confirm projects and flag significant changes in plans.
- Inclusion of additional information in the Connection Portal (e.g., noting project acreage).

Draft legal text

Legal text will be drafted after the Workgroup Consultation has been completed.

What is the impact of this change?

Proposer's assessment against Code Objectives

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;	Positive This modification will allow the ESO to manage the connections applications queue in a more efficient manner, preventing speculative applications without landowner authority from entering the queue.
(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;	Positive This modification will allow fairer and more efficient access for new generation projects to connect to the NETS.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	Neutral
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive This modification will increase efficiency in management of the connections application queue by reducing speculative applications.
*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.	

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	Positive When coupled with Queue Management changes introduced through CMP376, greater efficiency in the connections process will result in improved connection design and times which will increase diversity of the energy mix and improve security of supply.
Lower bills than would otherwise be the case	Positive • Reduction in unnecessary network capacity allocation and network design, leading to lower TNUoS costs. • Increase in new connections may translate into better options for decisions in balancing services, leading to BSUoS efficiencies. • There should be less speculative projects and so less cancellations, lowering risk of costs.
Benefits for society as a whole	Positive Quicker connections to the NETS will prove beneficial for society as it will increase diversity in the energy mix, improving system security and will encourage new legitimate projects to connect.
Reduced environmental damage	Positive More new and greener technologies will be able to connect to the system in a more expedient fashion.
Improved quality of service	Positive Ability to focus on and resource projects which are likely to progress/connect to the NETS. Information provided within the LoA could help with the risk of over-investment from the TO(s) • The LoA gives greater certainty that a connection project is valid and progressing. • May support in the reduction of speculative applications. Helps towards a customer achieving queue management milestone 3 (as per CMP376) as engagement with the landowner(s) has already started.

Standard Workgroup consultation question

Do you believe that CMP427's Original proposal better facilitates the Applicable Objectives?

When will this change take place?

Implementation date

10 business days after Authority decision. This modification should be implemented as soon as possible to help increase efficiency in the connection's application process.

In the CAP, published jointly by DESNZ and Ofgem, it has been requested that the ESO submit a Final Modification Report by March 2024. We believe there is benefit in seeking implementation as soon as possible.

Date decision required by

01 March 2024

Implementation approach

The ESO will require the requisite Letter of Authority template to be completed by all new onshore transmission connection applications and advise all new applicants of this within [one] business day after an Authority decision to approved CMP427.

Standard Workgroup consultation question

Do you support the implementation approach?

Interactions

☐Grid Code	☐BSC	☐STC	☐SQSS
☐European Network Codes	☐ EBR Article 18 T&Cs[18]	☐Other modifications	☐Other

No interactions with other Codes expected.

After discussion with the Workgroup and ESO legal it was deemed that a STCP change was not required as a result of CMP427.

How to respond

Standard Workgroup consultation questions

1. Do you believe that the Original Proposal better facilitate the Applicable Objectives?
2. Do you support the proposed implementation approach?
3. Do you have any other comments?
4. Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?

[18] If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the Electricity Balancing Regulation (EBR – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

Specific Workgroup consultation questions

5. Do you believe that the proposed LoA meets the objectives set out by Ofgem and DESNZ in CAP? If not, please provide your rationale.
6. Do you believe that an LoA should have a validity period? If so, please provide a timescale and your rationale.
7. Do you agree, in principle, with the concept of an Energy Land Density table? If not, please provide your rationale.
8. Do you agree with format and the categories proposed in the Energy Land Density table? If not, please provide your rationale.
9. Do you have different values that you can provide for the Energy Land Density table? If so, please provide your rationale.
10. Do you believe that the LoA should be in the form of a standard template? If not, please provide your rationale.
11. Do you believe the use of the word “authorise” within the LoA, could have adverse legal consequences? If so, please provide your rationale.
12. Do believe the proposed LoA template is suitable for all jurisdictions (England & Wales, and Scotland)? If not, please provide your rationale.
13. Do you believe that the technology type should be included in the LoA template? If you not, please provide your rationale.
14. Do you consider the exemption approach to deal with exceptional circumstances appropriate? If not please provide your rationale.

The Workgroup is seeking the views of CUSC Users and other interested parties in relation to the issues noted in this document and specifically in response to the questions above.
Please send your response to cusc.team@nationalgrideso.com using the response pro-forma which can be found on the CMP427 modification page.
In accordance with Governance Rules if you wish to raise a Workgroup Consultation Alternative Request please fill in the form which you can find at the above link.

If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel, Workgroup or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BEGA	Bilateral Embedded Generation Agreement
BELLA	Bilateral Exemptible Large Licence Exempt Generator Agreement
BSC	Balancing and Settlement Code
CAP	The joint DESNZ and Authority ‘Connections Action Plan’ published in November 2023.
Clock Start	The date on which your application and SRC data submission is deemed technically competent, and your fee is paid (the latter of the two dates). Clock start signifies the start of the 3 month offer period as defined in the CUSC.
CMP	CUSC Modification Proposal

CUSC	Connection and Use of System Code
DESNZ	Department for Energy Security and Net Zero
DNO	Distribution Network Operator
EBR	Electricity Balancing Regulation
ESO	Electricity System Operator
GIS	Geographic Information System
LoA	Letter of Authority
NETS	National Electricity Transmission System
MW	Megawatt
MWh	Megawatt hour
QM	Queue Management
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions
TEC	Transmission Energy Capacity
TMAs	Target Model Add-Ons
TNUoS	Transmission Network Use of System
TO	Transmission Owner

Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Terms of reference
Annex 3	Urgency letter
Annex 4	LoA template