



# CUSC Special Panel

Wednesday 06 March 2024

Online Meeting via Teams

# WELCOME





# Second Draft Final Modification Report

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

Milly Lewis

# Solution(s)

## Summary of solutions:

- **Proposer's solution** - This modification proposes that Users should submit at least one LoA with any new Onshore Transmission Connection Application, in addition to the existing requirements, for that application to be complete.
- **WACM1** - This Alternative will expand upon the Original solution by including a third template for exceptional circumstances where it is not practical for the User to obtain either a Template 'A' or Template 'B' LoA. In these circumstances the Alternative suggests a route for a LoA to be obtained from a party designated by the Authority to reflect the principles of CMP427 that formal discussions have been entered into.
- **WACM2** - This Alternative seeks to strike a balance between demonstrating real landowner engagement without imposing an unduly high barrier to entry. The key difference from the Original proposal is to apply a 50% multiplier to the minimum acreage that LoAs will be required to cover as part of an application – i.e. to partially reduce the threshold acres-per-MW-registered which appear in the Energy Land Density table.
- **WACM3** - This Alternative includes all solutions outlined in the CMP427 Original, WACM1 and WACM2. This is to give the Authority the ability to have a full cover of options put forward by the Workgroup.

# First Code Administrator Consultation Responses

## Summary of First Code Administrator Consultation Responses :

- Code Administrator Consultation was run from 12/02/2024 to 16/02/2024 and received 11 non-confidential responses and 1 confidential response. Key points were:
  - From the 11 non-confidential responses, respondents saw all solutions as better facilitating against Objectives A, B and D. Two Respondents felt that only the Original and WACM1 better facilitated Objective C.
  - 10 non-confidential respondents supported the proposed implementation approach.
  - Over half of non-confidential respondents noted the improvements from the solutions would raise entry requirements and reduce speculative applications (with some detailing better competition and meeting Ofgem/DESNZ CAP objectives as resulting benefits).
  - Several Respondents referenced the development of the LoA process from CMP427's 'minimum viable product' via subsequent modification(s) and requested updates/involvement with this as soon as possible.
  - Multiple Respondents mentioned the need for clear guidance to industry for effective implementation.
  - Several Respondents (other than WACM1's Proposer) noted favour for Template C as a sensible/reasonable/necessary option to allow for compulsory land purchase and not limiting such projects coming to market.

# Second Code Administrator Consultation Responses

## Summary of Second Code Administrator Consultation Responses :

- The Second Code Administrator Consultation was run from 28 February 2024 to 12pm 04 March 2024 and received 5 non-confidential responses and 0 confidential responses. Key points were:
  - Four respondents felt objectives A, B and D were better facilitated by the Original and WACM1, with two of those respondents also feeling that objectives A, B and D were better facilitated by WACM2 and WACM3 as well.
  - Four of the five respondents supported the implementation approach.
    - One respondent did not leave an answer as the Proposal was not applicable to their organisation (an interconnector).
  - A respondent (an DNO) felt that notice of CMP427 impacting DNOs came late and was not highlighted sufficiently for the Second Code Administrator Consultation had only left a short time to assess the impact of the change.



# Legal Text Issues

## **Legal text issues raised in the consultation.**

One respondent suggested changes to the legal text with regards to its applicability to the intended Users and New Connection Site (the respondent suggested an addition of legal text to outline the exclusion of Connection Applications for Offshore Transmission or Interconnectors).

Another respondent raised concerns regarding the inclusion of Template B (noting that this template is not aligned with the current distribution process, it will place a greater onus and responsibility on DNOs). The respondent also raised a concern that the ESO confirmed that BELLA/BEGA applications are out of scope of CMP427 and are, instead, governed by the letter of authority obligations with the respective DNO. The respondent stated that the legal text does not reflect this as the definition of 'new connection site' in the CUSC specifically references bilateral agreements, of which the definition includes BEGAs and BELLAs. Therefore, the respondent has asked for clarification on what situations the LoA would be applicable to DNOs/IDNOs.

## **ESO response to proposed legal text changes:**

Regarding the comments on Section 2 to expressly exclude Interconnectors, BELLAs and BEGAs, CUSC 1.2.4 sets out which sections of the CUSC applies to which type of User. Section 2 only applies to directly connected generation and DNOs (which includes IDNO) and non-embedded customers.

As per the CUSC definition, "New Connection Site" is "a proposed Connection Site in relation to which there is no Bilateral Agreement in force between the CUSC Parties".

So, User and New Connection Site in the context of Section 2 is only construed by reference to the relevant categories of Users. Offshore generation is a subset within the general category of directly connection generation so needs to be expressly excluded as referenced in the proposed legal text.

The purpose of this modification is to provide consistency and uniformity across Section 2 Users (excluding offshore transmission). To achieve this, and to ensure the LoA process remains as robust as possible, we would expect it would apply to all relevant parties (including DNOs/IDNOs) in the same way and that such users have to positively confirm (and provide evidence) when they are the landowner.

# Code Administrator Consultation – Legal Text Changes. What do the CUSC Governance Rules say?

8.23.4 A draft of the **CUSC Modification Report** shall be tabled at the **Panel Meeting** prior to submission of that **CUSC Modification Report** to the **Authority** as set in accordance with the timetable established pursuant to Paragraph 8.19.1 at which the Panel may consider any minor changes to the legal drafting, which may include any issues identified through the **Code Administrator's** consultation and:

(i) if the change required is a typographical error the **CUSC Modifications Panel** may instruct the **Code Administrator** to make the appropriate change and the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**; or

(ii) if the change required is not considered to be a typographical error then the **CUSC Modifications Panel** may direct the **Workgroup** to review the change. If the **Workgroup** unanimously agree that the change is minor the **CUSC Modifications Panel** may instruct the **Code Administrator** to make the appropriate change and the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote** otherwise the **Code Administrator** shall issue the **CUSC Modification Proposal** for further **Code Administrator** consultation after which the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**.

(iii) if a change is not required after consideration, the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**.

**Code Admin must present the proposed legal text changes**

**Panel have 3 choices:**

- **Agree the changes are typographical and instruct Code Admin to make the change under 8.23.4(i). Then we carry out Recommendation Vote; or**
- **Agree the changes are not needed under 8.23.4(iii). Then we carry out Recommendation Vote; or**
- **Under 8.23.4(ii) Direct the Workgroup to review the changes or ask for a further Code Administrator Consultation to be issued**



# CMP427 – the asks of Panel

- **AGREE** whether or not the proposed changes to the legal text are typographical
- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

# CMP427 Next Steps

| Milestone  | Date                          |
|--|-------------------------------|
| Draft Final Modification Report presented to Panel   | 06 March 2024                 |
| Final Modification Report issued to Panel to check votes recorded correctly (5 working days) | 06 March 2024 (16:30 – 17:00) |
| Submission of Final Modification Report to Ofgem   | 06 March 2024 (by 18:00)      |
| Ofgem decision date  | 15 March 2024                 |
| Implementation Date  | 29 March 2024                 |



**Any Other Business**

# Activities ahead of the next Panel Meeting

|  |                        |
|--|------------------------|
| Modification Proposals to be submitted | 07 March 2024          |
| Papers Day                             | 14 March 2024          |
| Panel Meeting                          | 22 March 2024<br>Teams |



# Close



**Jamie Webb**

Acting Independent Chair, CUSC Panel