

Workgroup Consultation Response Proforma

CMP428: User Commitment liabilities for Onshore Transmission circuits in the Holistic Network Design

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 **21 March 2024**. 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 cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Ryan Ward	
Company name:	ScottishPower Renewables	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input checked="" type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:

(Please mark the relevant box)

☒ **Non-Confidential** (*this will be shared with industry and the Panel for further consideration*)

☐ **Confidential** (*this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration*)

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*

- d) *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 Workgroup Consultation questions		
1	Do you believe that the Original Proposal better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <p>Original <input type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input checked="" type="checkbox"/>D</p> <p>Objective A & C – Neutral</p> <p>Objective B – Positive</p> <p>By incorporating the term ‘excepted works’ into Section 11 of the CUSC, this ensures that the attributable works definition is aligned with Ofgem’s determination (October 2022) on asset classification.</p> <p>The proposal will safeguard against the misallocation of onshore transmission (reinforcement) costs within the HND (and future iterations) to generators, thereby avoiding substantial user commitment obligations on projects when reinforcement works are intended to provide broader system benefits. This change will better facilitate competition for users through more cost reflective liabilities.</p> <p>Objective D – Positive</p> <p>The proposal will enhance clarity and transparency to industry on asset classification. The inclusion of future iterations of the HND will also ensure that the methodology remains relevant in accordance with Ofgem’s decision, and ensure for future proofing. It is essential that developers have a clear direction of asset classification to fully grasp the broader implications of their connections.</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>The proposed implementation date of June 2024 is required in line with the decision on urgency. This will help limit any further impact on generators.</p>
3	Do you have any other comments?	The importance of reviewing this code modification considering the aim of the Holistic Network Design (HND)

		<p>which supports a coordinated approach to increase offshore wind connections, which will be crucial to meet the target of connecting 50GW of offshore wind in GB by 2030. The code as-is risks disincentivising offshore windfarms looking to progress with critical projects due to the risk of unforeseen substantial financial liabilities associated with connection offers.</p> <p>It is also important to recognise the difference of CMP426 and CMP428. CMP426 has been raised to address the cost recovery (TNUoS) applicable for onshore transmission (reinforcement) in the HND and CMP428 is in relation to the associated User Commitments (liabilities). Both are distinct & separate from each other.</p> <p>A point was raised during the workgroup on the risk transferred to the consumer as a result of implementation. The cost allocation has already been directed as per Ofgem's decision in October 2022. The proposal updates the code so that it delivers the regulators decision.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section)</p> <p><input checked="" type="checkbox"/> No</p> <p>N/A</p>

Specific Workgroup Consultation questions

5	Does the solution help provide better cost reflectivity for liabilities?	Yes, by implementing the CMP428 solution this will help provide more cost reflective user commitments. The purpose of the onshore transmission (reinforcement) is to provide wider system benefits, so by removing these high-cost assets from generators user commitment liabilities, this will better enable cost reflectivity.
6	Do you agree the title of this modification should be changed to 'User Commitment liabilities for Onshore Transmission (reinforcement) in the Holistic Network Design'?	Yes, this amendment will be helpful in clarifying the purpose of the code modification with wider industry.

