

Workgroup Consultation Response Proforma**CM094: Amendment to Bi-annual estimate provisions**

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 stcteam@nationalgrideso.com by **5pm on 14 February 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 Milly Lewis milly.lewis@nationalgrideso.com or stcteam@nationalgrideso.com

Respondent details		Please enter your details	
Respondent name:	Gareth Williams		
Company name:	SP Transmission PLC		
Email address:	Gareth.williams@spenergynetworks.co.uk		
Phone number:	07779 589 884		
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network <input type="checkbox"/> Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input checked="" 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 STC Objectives are:

- efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act
- development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission
- facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity
- protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees
- promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.
- facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;
- compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

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 facilitate the Applicable Objectives?	<p>Mark the Objectives which you believe the solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input type="checkbox"/>A</td> <td><input type="checkbox"/>B</td> <td><input type="checkbox"/>C</td> <td><input type="checkbox"/>D</td> <td><input type="checkbox"/>E</td> <td><input checked="" type="checkbox"/>F</td> <td><input type="checkbox"/>G</td> </tr> </table> <p>(a) Neutral (b) Neutral (c) Neutral (d) Neutral (e) Neutral (f) Positive – We agree with the proposer’s assertion that an increasing number of customer connections will be realised by reducing the number of unnecessary securities required by Generators/demand customers. (g) Neutral</p>	Original	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E	<input checked="" type="checkbox"/> F	<input type="checkbox"/> G
Original	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E	<input checked="" type="checkbox"/> F	<input type="checkbox"/> G			
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>								
3	Do you have any other comments?	<p>Whilst it is not explicit in the legal text, TOs should have unequivocal assurance from an Authority Construction Approval that securities can fall away.</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) <input checked="" type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>								

Specific Workgroup Consultation questions		
5	Do you agree that the Construction Approval should be based on the needs case approval rather than funding approval?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>When the Authority identifies the need for reinforcement works without the dependencies on any conditions, TOs should have sufficient assurances that the works will go ahead with little risk to the possibility of stranded assets. Therefore, the needs case approval coming earlier in the process than the funding approval makes this a better option.</p>

6	Do you agree that it's non material when customers contract?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We agree that the estimated amounts required by the customer to secure prior to Construction Approval would be relatively low because of the TO's economic and efficient spend ahead of the needs case being met. As the securities for the specific works would no longer be required by existing customers post Construction Approval, alongside the advantages gained by being higher in the queue we don't think the order in which the customer contracts is material.
7	Do you agree that the next security period is a reasonable time for the change?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We believe it is reasonable for customers to still be required to securitise against any connection assets, sole use works, and wider work securities and continue to securitise against large transmission reinforcement works until the next security period, after that Construction Approval has been received.
8	Is it clear that prior to Construction Approval (needs case) that customers will still need to provide securities for construction works?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We believe it is clear that customers still need to provide securities for construction works prior to Construction Approval, but will need to be communicated to current and future customers in a clear and unambiguous way.
9	Does the legal text satisfy the intent of the modification in improving the security process in a transparent way?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.