ESO

Code Administrator Meeting Summary

Meeting name: Urgent Connections Modifications Workgroup Meeting 1
CMP434 and CM095: Implementing Connections Reform
CMP435 and CM096: Application of Gate 2 Criteria to existing contracted background

Date: 07/05/2024

Contact Details

Chair: Milly Lewis, ESO Code Administrator

Proposer: Joseph Henry CMP434, Graham Lear CM095, Alice Taylor CMP435, Steve Baker CM096

Key areas of discussion

The aim of Workgroup 1 was to agree the Timeline and Terms of Reference of the modifications, agree ways of working, and give the Workgroup an overview of each of the modifications.

The Chair outlined the Urgent Code modification process to the Workgroup, and then noted several differences to the usual ways of working within these modifications, due to the volume of work required and the number of Workgroup members.

Objectives and Timeline

Workgroup members reviewed the timelines for the modifications. An Authority representative highlighted that the Ofgem decision date had been moved from the requested date due to the ongoing license changes alongside the modifications, however noted that they would aim to publish a decision as soon as possible.

Proposer Presentations

A Connections SME gave an overview of the Transmission Connections queue (slide 41 of Workgroup 1 paper), noting the recent increase, and forecasted increase through to March 2025. They advised that the purpose of these modifications is to prioritise the queue to ensure viable projects can be delivered and net zero targets can be achieved. The diagram can be found in the Workgroup 1 papers, and the SME also agreed to circulate a further diagram with information on number of projects (Action 1).

CMP434 - Implementing Connections Reform

The Proposer outlined the background, proposed solution, scope, and assessment against the objectives of CMP434. The Proposer confirmed the current queue is projected to consist of 800GW by the end of 2024, and the purpose of the modification is to be able to reach governmental and Authority targets to achieve net zero. The Proposer described how the

ESO had been consulting with several bodies such as the Connections Process Advisory Group (CPAG) to develop the proposal.

The Proposer highlighted the main outputs of the proposal as introducing an annual application window and two formal gates, which are known as Gate 1 and Gate 2 (i.e., the primary process). The Proposer described elements the Workgroup will need to consider, including clarifying which projects go through the primary process and any deviations from the primary process.

A Workgroup member requested clarification on deviations from the primary process, asking if it would apply to the NESO designation approach as well. The Proposer responded to say this could potentially be included in this modification. The Workgroup member felt it was important to include as there may be issues around discrimination with the NESO designation which the Workgroup need to consider may not apply to offshore, interconnectors and hybrid. The Proposer agreed and confirmed it will be discussed as part of the Gate 2 topic.

Commenting on the list of projects or applicants going through the primary process given by the Proposer, one member questioned if Relevant Embedded Generation are those which are triggering transmission works. The member asked if the concept of CMP434 intends to cover a demand application at the distribution level which causes a transmission reinforcement. The Proposer explained that the current list is not intended to be exclusive, and the question will be taken away for consideration to explain why (Action 2).

The Proposer also explained how CMP434 will look to update the Letter of Authority (LoA) process, setting out what are allowable amendments to red line boundaries once Gate 2 has been achieved and the introduction of Duplication Checks on Gate 2 projects. The Proposer described how the modification intends to set out the general arrangements in relation to Gate 2 and change the offer and acceptance timescales to align with the primary process timescales. The solution will look to introduce concepts of the Connections Network Design Methodology (CNDM) which is not currently defined within the CUSC moving away from the incremental approach to a more window-based approach to be more coordinated regarding getting connections applications assessed. CMP434 will aim to introduce the Distribution Forecasted Transmission Capacity (DFTC) submission process applicable to the DNOs and will allow forecast capacity on an anticipatory basis for relevant embedded Small and Medium Power Stations.

A Workgroup member asked if the updating of the LoA process refers to Gate 2 and therefore will not apply to Gate 1 pre application or part of the application stage and felt this was inefficient. The Proposer confirmed Duplication Checks would only take place at Gate 2 as this is the minimum viable product required to reach the implementation date of 1 January 2025. The Proposer explained Gate 1 duplication checks would not be the minimum viable product which is why it is not included as a change within CMP434.

A Workgroup member questioned how the solution would be reflected in the CUSC legal text, particularly Gate 1. The member pointed out that application and offer already exist in the Baseline CUSC and STC and the concept of Gate 1 is entirely new. The member asked whether the intention in the CUSC and STC legal text is to introduce Gate 1 as something entirely new and apply a lot of the existing process to the Gate 2 or if we start from scratch as the member felt this would affect Workgroup Alternative CUSC Modifications (WACMs) being raised. The Proposer agreed elements will require new concepts to be put into the CUSC

contractual document and revisions as to what preexists. The Proposer explained as the modification progresses this element of the proposal will be clarified as soon as possible so members can be aware of what WACMs may be raised.

Querying the 'out of scope' section in the Proposer's presentation, a member asked if the User Commitment Methodology/ Final Sums (other than Pre-Gate 2 disapplication) is in the scope of CMP435, and if parallel in both CMP434 and CMP435, should one not take the lead. The Proposer explained this was the reason it is out of scope in CMP434 but agreed to take away the question and consider tightening up the language around this aspect (Action 3). The Proposer explained the intention is not to touch the methodologies but disapplying User Commitment or Final sums from pre-Gate 2 offers but there may be crossover when discussing Gate 2. The member said the point is we do not have crossover but clarity and have a defined scope between CMP434 and CMP435 explicitly.

A Workgroup member highlighted that in the ESO Proposal it says it is keeping "financial instruments" under consideration and asked the Proposer to clarify what this meant. The Proposer replied to say the modification will not be touching TNUoS or BSUoS contained in the CUSC Section 14 Charging Methodologies, but there may be other financial incentives or penalties around the connection reform process which may be considered. Another member suggested changing the wording from 'change the Network Charging arrangements' to 'Network Use of System Charging arrangements' are out of scope but of course connection charges would be within scope. The Proposer agreed to change the wording.

A Workgroup member asked if application fees are in scope, but the Proposer disagreed. A member stated all charging through all financial instruments falls under Section 14 of the CUSC and would require a separate modification. The member accepted the solution would reside in Section 14 but felt that application fees and cost profiles from TOs (with reference to the STCP 19.3 process) should be considered as part of the modification. The Proposer explained this goes back to the minimum viable product required to reach the implementation date but are aware that further consequential changes will be needed. The member requested to begin making a list of these and the Proposer agreed this would be a clever idea and could be actioned in the collaboration space.

Another Workgroup member asked if there is a distinction between DNOs and IDNOs. The Proposer said this question also came up in CMP427 and reassured the member this will be considered by the Workgroup, and both will be included in the solution.

CM095 - Implementing Connections Reform

The Proposer advised that CM095 will be covering the STC changes required for implementation of Connections reform, alongside CMP434 which will be addressing the CUSC changes. Details of the solution, including aspects considered to be out of scope, can be found in the Workgroup 1 papers or in the Proposal form for the modification.

The Proposer outlined that many of the changes will be defined within the CUSC and reflected in the STC, however highlighted that additional STC changes will be required to outline timings and communications between the SO and TO, including how TOs provide the information documenting indicative connection dates and sites in the absence of a Transmission Owner Construction Offer (TOCO).

One Workgroup member highlighted that the Workgroup would need to consider the possible consequences of a party not having the appropriate processes in place by 01 January 2025, in relation to the Connections Network Design Methodology, in the case that the methodology was not ready before this date, or if parties were unable to complete this for any reason. They queried what would happen to those projects.

Two Workgroup members queried whether the Distribution Forecasted Transmission Capacity (DFTC) should be covered within the CUSC, as DNOs are not party to the STC.

One Workgroup member noted that they thought the process of substation siting undertaken by the TOs should be frontloaded, as it is currently backloaded. They queried whether this could be covered under the Connections Network Design Methodology, however noted that it was possibly a topic to be covered within the CUSC rather than STC.

One Workgroup member advised that they were unsure on why Embedded Demand was proposed to be excluded from the scope of CM095. The Proposer agreed to provide rationale on this (Action 2).

CMP435 - Application of Gate 2 Criteria to existing contracted background

The Proposer outlined the specifics of the modification as per the slides shared with areas in scope being the application of Gate 2 to existing contracts from 01 January 2025, changes to contractual arrangements for those not meeting Gate 2 criteria and transitional arrangements.

Workgroup members raised the need for clarification of types of projects that are deemed in and out of scope for CMP435 and clarification that charging and user commitments will be out of scope. A DNO representative asked an ESO SME whether the modification would impact subsequent DNO contracts with other parties. The ESO SME confirmed that subsequent DNO contracts were out of scope for this modification (it would focus on SO:DNO contracts), and it was agreed that the Workgroup should discuss this as a consequence of the modification (and the Workgroup Report should reflect this). A Workgroup member referenced possible DCUSA changes as a consequence of this modification in relation to the DNO point above.

CM096 - Application of Gate 2 Criteria to existing contracted background

The Proposer advised the proposal aims to apply Gate 2 in queue position to deliver meaningful impact by the go-live date. Emphasizing that the solution is supplementary to the CUSC modification and extending the Gate 2 concept to apply changes to existing connection contracts from the planned go-live date as well as changes to contractual arrangements for those existing contracts that have not met the Gate 2 criteria by the go live date.

A Workgroup member asked in relation to CMP435 what the status with respect to the connection network design methodology. They wanted to know if that was within the scope of CM096. The Proposer answered this question advising that it would be considered in collaboration with CMP434.

The same Workgroup member wanted to know what the impact would be if there was a delay in the process timeframe for existing contractual parties who have met the Gate 2 criteria by the go live date. The Chair suggested that the Proposers review this and report back.

Terms of Reference Discussion

CMP434

The Proposers of CMP434 and CM095 agreed to revise the Terms of Reference based on feedback from the Workgroup (Action 4). Key elements of discussion were:

- Point (d) A Workgroup member raised that D may not be specific enough, Proposer agreed and stated that project should be a defined term.
- Point (k) A Workgroup member raised that connections network design methodology is not a defined term and should not be capitalised
- Point (p) A Workgroup member raised that financial instrument may not be a specific enough term. A Workgroup member commented that, in terms of financial instruments being cost reflective, parties currently pay a single fee for Gate 1 and Gate 2, but the modification is now proposing to pay a fee for just Gate 1. The Workgroup member felt intrinsically this does not appear to be cost reflective in terms of the work that the network community doing only to get to Gate 1 and not Gate 2.
- Point (q) A Workgroup member stated that terms and conditions needs to be elaborated on
- Points (s/g) A Workgroup member queried whether they were too similar. The Proposer stated that (s) is NESO designation, whereas (g) is about Gate 2 criteria.

CM095

An STC Panel member advised that the Panel had provided the Proposer with feedback that the initial Terms of Reference were too prescriptive and outlined the changes that the Panel had suggested.

The Proposers of CMP434 and CM095 agreed to revise the Terms of Reference based on feedback from the Workgroup (Action 4).

CMP435

Discussions on the following terms of reference were:

- Point (a) It was explained that this stood for ‘Electricity Balancing Regulations’ and appears in all ToRs to explore whether modifications affect the balancing system in Europe.
- Point (c) It was suggested that (c) can be removed as it simply re-iterates part of the proposed solution and so it is a given that this will be discussed throughout the Workgroup meetings.
- Point (e)To be reviewed using suggested text from a Workgroup member (JD) which specifies any associated costs in relation to changes to contractual arrangements.
- Point (j) To be reviewed and ESO SMEs to confirm the interaction of the NESO designation process with Gate 2 status but this is to be noted as a topic for Workgroup discussion.

It was agreed to consider and refine the terms of reference offline before Workgroup 2.

CM096

The Chair advised CM096 was not too dissimilar from the CUSC modification terms of reference, and any changes made to the CUSC terms of reference may also need to be reflected in CM096.

There were no issues raised and no new terms of reference were added to CM096.

Cross Code and Industry Impacts

The Workgroup discussed the impacted parties for each modification. The Chair advised that the Proposers have reached out to Demand Users and Interconnectors as these are not represented on the Workgroup. The Chair queried whether the Workgroup believed there were any other impacted parties for each modification. One Workgroup member noted that Offshore Transmission Owners (OFTOs) may be impacted by the STC modifications. The Chair noted that OFTOs were present as Observers within the Workgroup.

The Authority representative agreed to provide contacts within the Department for Trade, who work with Demand Users.

The Chair summarised the cross-code impacts discussed earlier in the meeting, noting the potential DCUSA impact and possible CUSC Section 14 consequential modification.

The Workgroup agreed that the modifications have no direct impact on the BSC, Grid Code and SQSS.

Two Workgroup members noted the need to consider the Small, Medium and Large Power Station thresholds, given that this could change in future. One Workgroup member also noted that the Connections Network Design Methodology could have an indirect impact on the SQSS. One Workgroup member highlighted that the modification Terms of Reference should consider the Distribution License in addition to the ESO license.

Next Steps

- Workgroup members to fill out query log.
- Confirm access to collaboration spaces.
- Workgroup membership to be sent to Panel ahead of Workgroup 2, once nominations have been confirmed.
- Any queries regarding the modifications to be sent to code.administrator@nationalgrideso.com

Actions – Implementing Connections Reform (CMP434 and CM095)

For the full action log, click here.

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	PM	Share further data on the Connections queue by number of projects		ASAP	Open

2	WG1	JH/GL/PM	Provide rationale for not including Embedded Demand within scope of modifications CMP434 and CM095		ASAP	Open
3	WG1	PM/JH	Provide clarity on whether iDNOs follow the same process as DNOs		ASAP	Open
4	WG1	JH/GL/RW	Revise Terms of Reference based on Workgroup feedback	To submit to May Panels	WG4 (22/05/24)	Open
5	WG1	Code Admin	Collaboration space – access queries to be explored with IT	Members can also explore this with their IT teams	Ongoing	Open
6	WG1	Code Admin	Workgroup & Action Review invites – invitees updated & shared		10 May	Open
7	WG1	Proposers & SMEs	Process for addressing query log agreed		10 May	Open
8	WG1	Code Admin	Workgroup membership to be updated and shared with Panel		10 May	Open

Actions – Application of Gate 2 Criteria to existing contracted background (CMP435 and CM096)

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	AT/SB	Revise Terms of Reference based on Workgroup feedback	To submit to May Panels	WG3 (23/05/24)	Open
2	WG1	AT	Document that charging and user commitments will be out of scope for CMP435		Ongoing	Open
3	WG1	AT/ SB	Proposers for CMP435 and CM096 to confirm the consequential plans in case the Connections Network Design Methodology is not in place/parties have not complied in time		Ongoing	Open
4	WG1	EB	CMP435 - Workgroup discussions to cover whether NESO will designate some projects as Gate 2 (PM to confirm – TOR j can be reviewed for this if needed)		Ongoing	Open

5	WG1	AT	Clarification of types of projects that will be in/out of scope for CMP435		Ongoing	Open
6	WG1	EB	Workgroup to discuss the consequences of the SO:DNO contract changes on DNO contracts with other parties	Not for the CMP435 solution but WG Report	Ongoing	Open
7	WG1	Code Admin	Collaboration space – access queries to be explored with IT	Members can also explore this with their IT teams	Ongoing	Open
8	WG1	Code Admin	Workgroup & Action Review invites – invitees updated & shared		10 May	Open
9	WG1	Proposers & SMEs	Process for addressing query log agreed		WG2	Open
10	WG1	Code Admin	Workgroup membership to be updated and shared with Panel		10 May	Open

Attendees

Name	Initial	Company	Role
Milly Lewis	ML	Code Administrator, ESO	Chair
Claire Goult	CG	Code Administrator, ESO	Chair CMP434
Lizzie Timmins	LT	Code Administrator, ESO	Chair CM095
Elana Byrne	EB	Code Administrator, ESO	Chair CMP435
Teri Puddefoot	TP	Code Administrator, ESO	Chair CM096
Stuart McLarnon	SM	Code Administrator, ESO	Tech Sec CMP434
Tammy Meek	TM	Code Administrator, ESO	Tech Sec CMP435
Prisca Evans	PE	Code Administrator, ESO	Tech Sec CM096
Joseph Henry	JH	ESO	Proposer CMP434
Graham Lear	GL	ESO	Proposer CM095
Alice Taylor	AT	ESO	Proposer CMP435
Steve Baker	SB	ESO	Proposer CM096
Aaron Priest	AP	Ocean Winds	Observer CMP435
Ahmed Dabb	AD	Aurapower	Observer CMP435
Alex Ikonic	AI	Orsted	Workgroup Member CMP434, Observer CMP435

Alex Howison	AH	Low Carbon	Alternate CMP434, CMP435
Allan Love	AL	Scottish Power Transmission	Workgroup Member CM095
Anthony Cotton	AC	Energy Technical & Renewable Services Ltd	Workgroup MemberCMP434, CMP435, observer CM095 and CM096
Barnaby Wharton	BW	Renewable UK	Observer CMP434, CM435
Bill Scott	BS	Eclipse Power Networks	Workgroup Member CMP434
Barney Cowin	BC	Statkraft	Workgroup Member CMP434, CMP435
Brian Hoy	BH	Electricity North West	Workgroup Member CMP435
Callum Dell	CD	Invenergy	Workgroup Member CMP434, CMP435
Deborah MacPherson	DM	Scottish Power Renewables	Workgroup Member CMP434, CMP435
Dovydas Dyson	DD	ESO Connections	SME
Ed Birkett	EBi	Low Carbon	Workgroup Member CMP434, CMP435
Emily Rice	ER	SSEN Transmission	Alternate CMP434, CMP435, CM096
Ethan Glennie	EG	Ocean Winds	Alternate CMP435
Folashade Popoola	FP	ESO Connections	SME
Gareth Williams	GW	Scottish Power Transmission	Workgroup Member CMP435, CM096
Garth Graham	GG	SSE Generation	Workgroup Member CMP434, CM095, CMP435, CM096
Grant Rogers	GR	Qualitas Energy	Workgroup Member CMP434, CM096
Grazina Macdonald	GM	WWA Ltd	Observer CMP434, CMP435, Workgroup Member CM095, CM096
Greg Stevenson	GS	SSEN Transmission	Workgroup Member CMP434, CM095, CMP435, CM096
Helen Snodin	HSn	Fred Olsen Seawind	Workgroup Member CMP434, CM095, CMP435, CM096
Helen Stack	HSt	Centrica	Workgroup Member CMP434
Hooman Andami	HA	Elmya Energy	Workgroup Member CMP434, CMP435
Jack Purchase	JP	NGED	Workgroup Member CMP435
James Devriendt	JD	UK Power Networks	Workgroup Member CMP435
James Innes	JI	Elmya Energy	Alternate CMP435 CMP434

Jeremy Sainsbury	JS	Fred Olsen Renewables	Observer CMP434, CM095, CMP435
Jess Rivalland	JR	Code Administrator, ESO	Observer
Joe Colebrook	JC	Innova Renewables	Workgroup Member CMP434, CM095, CMP435, CM096
Joel Matthews	JM	Diamond Transmission Corp	Observer CM095, CM096
Karen Gold	KGo	Natural Power	Observer CMP435
Kimbrah Hiorns	KH	EDF Renewables	Alternate CMP434, CMP435
Kirill Glukhovskoy	KGl	AQUIND Limited	Observer CMP434, CMP435
Kyle Smith	KS	Energy Networks	Observer CMP434, CMP435
Lee Wilkinson	LW	Ofgem	Authority Representative CMP434, CM095
Liam Cullen	LC	Ofgem	Authority Representative CMP435, CM096
Loukas Papageorgiou	LP	RWE	Observer CM434, CMP435
Luke Scott	LS	Northern Powergrid	Workgroup Member CMP434, CMP435
Mark Field	MF	Sembcorp Energy (UK) Limited	Workgroup Member CMP434, CMP435
Michelle MacDonald Sandison	MM	SSEN	Workgroup Member CMP434, CMP435
Mpumelelo Hlophe	MH	Fred Olsen Seawind	Alternate CMP434, CM095, CMP435, CM096
Niall Stuart	NS	Buchan Offshore Wind	Workgroup Member CMP434,CMP435
Nina Brundage	NBr	Ocean Winds	Observer CMP434
Nirmalya Biswas	NBi	Northern Powergrid	Workgroup Member CMP435 & Alternate CMP434,
Mohammed Bilal	MB	UK Power Networks	Alternate CMP434
Paul Jones	PJ	Uniper	Workgroup Member CMP434, CM095, CMP435, CM096
Paul Mullen	PM	ESO Connections	SME
Pedro Rodriguez	PR	Lightsourcebp	Workgroup Member CMP434, CMP435
Phillip Addison	PA	EDF Renewables	Workgroup Member CMP434
Ravinder Shan	RSh	FRV TH Powertek Limited	Workgroup Member CMP434, CMP435
Richard Woodward	RW	NGET	Workgroup Member CMP434, CM095, CMP435, CM096

Rob Smith	RSm	Enso Energy	Workgroup Member CMP434, CMP435
Sam Aitchinson	SA	Island Green Power	Workgroup Member CMP434, CMP435, CM096
Samuel Railton	SR	Centrica	Workgroup Member CMP435, Alternate CMP434
Simon Lord	SL	ENGIE	Workgroup Member CMP434
Tim Ellingham	TE	RWE Renewables	Alternate CMP434, CMP435 and CM095
Wendy Mantle	WM	Scottish Power Energy Networks	Workgroup Member CMP434, CMP435
Zivanayi Musanhi	ZM	UK Power Networks	Workgroup Member CMP434
Zygimantas Rimkus	ZR	Buchan Offshore Wind	Workgroup Member CMP434, Alternate CMP435