

# Code Administrator Meeting Summary

## Meeting name: CMP434 Workgroup 3

---

Date: 16/05/2024

---

### Contact Details

Chair: **Claire Goult** [Claire.Goult@nationalgrideso.com](mailto:Claire.Goult@nationalgrideso.com)

Proposer: **Joe Henry** [Joseph.Henry2@nationalgrideso.com](mailto:Joseph.Henry2@nationalgrideso.com)

---

## Key areas of discussion

The key areas of discussion for Workgroups 3 and 4 are:

- Gate 1 criteria (including financial element requirement) and process
- Gate 1 Licence changes
- Introducing the concept of a Connections Network Design Methodology (the content and any approvals of this to be covered outside the Code Modification process) and DFTC

## Welcoming remarks

The Chair noted the meeting was quorate and started the meeting. The Chair noted that collaboration space access is still being worked on. The Chair announced that this meeting would be recorded, and no Workgroup member opposed this.

## Timeline and Topics

The Chair announced that the topics will be discussed. A Workgroup member asked that the topics are ticked off as they are completed.

## Scene Setting – WG3/4

The Proposer went over the proposed topic split for Workgroups 3 and 4, Workgroup 3 would be used to discuss Gate 1 criteria, whereas Workgroup 4 is for the connections network design methodology and Gate 1 licence.

The Proposer went over the objective of Workgroup 3, which was for the Workgroup to gain an understanding of proposed Gate 1 criteria and DFTC submission. Once the Workgroup understood the ESO's view on these subjects, they would provide feedback.

A Workgroup member raised that they would find it useful to see what the ENA groups thoughts had been on the DFTC process. The relevant ESO SME said information on this subject would be shared later in this meeting.

A Workgroup member raised that it had been difficult to discuss some section of the CMP435 Modification due to not having details of CMP434 solidified and suggested that time was taken at the end of the meeting to go through the query log.

A Workgroup member raised that the points being discussed should be highlighted on the slides, so that topics outside of scope are not focused on.

### **Gate 1 Overview**

A Workgroup member asked for terms “right to technology” and “capacity granted” to be explained, the Proposer referred to the proposal.

A Workgroup member asked when duplication checks would be undertaken, the Proposer confirmed that the intention was to do this at Gate 2 stage.

A Workgroup member asked about if projects can skip Gate 1. The ESO advised that there is no skipping of any steps in the process, but rather that CMP434 proposes that both Gates can be applied to at the same time.

A Workgroup member asked the Proposer to define what Gate 1 is. An ESO SME said the purpose of Gate 1 was so that the ESO and TOs can have an idea of what developments are happening in the connections space, so that they can model what the future of the network will look like. The Proposer said that the purpose of Gate 1 was to make sure applications are qualified enough to be processed further.

A Workgroup member asked if Gate 1 is the input or the output of the first application window, the Proposer took feedback and said this would be clarified later.

A Workgroup member raised that the word bypass should be removed from the slide in question, the Proposer agreed.

A Workgroup member asked that if a project meets Gate 2 criteria, whether it can it apply straight to Gate 2 without waiting for the annual application window. The ESO SME said that the ESO doesn't propose an ability to apply straight to Gate 2, as the ESO would like to use Gate 1 to provide an outlook for future network planning. A Workgroup member asked if this outlook developed by the ESO using Gate 1 would be shared with the rest of industry. The ESO SME said that the ESO will publish some information from this outlook, but not use it to assign queue positions.

A Workgroup member asked what the benefit of applying for both Gates at one time was, the ESO SME said that the customer would save time by only having to apply once, rather than twice.

A Workgroup member asked to go through the Gate 1 and 2 timelines and for the ESO SMEs to explain the difference between a combined Gate application versus applying for Gate 1 then Gate 2. The SME said that this will be discussed in Workgroup 4 but suggested that a combined application would likely be processed by the ESO around one financial quarter faster and would result in a faster connection than applying separately.

A Workgroup member asked the ESO how long they are expecting the applications to be between Gate 1 and 2. An ESO SME raised that this should be discussed when financial instruments are discussed.

### **Gate 1 Criteria**

The Proposer talked through Gate 1 criteria.

- Relevant application form
- DRC Data
- LOA or LOA offshore equivalent
- Proof Gate 2 criteria being met if apply for both Gates at once

- Clarification
- Payment of application Fee invoice

A Workgroup member asked if changes to the application form and DCR data would be codified, the ESO SME stated that the ESO did not need to change legal codes to change the application forms.

A Workgroup member asked for LOA exclusivity, enduring LOAs, and land exclusivity to be considered. It was suggested that these topics would be discussed when financial instruments are discussed.

A Workgroup member asked if applicants should submit their redline boundaries for a proposed connection, which lead to members asking for clarification on acceptable redline boundaries. The member asked for clarity on how changes to applications are allowed between Workgroups. The member asked with how application fees would be changed.

A Workgroup member asked if the current application fee covers Gate 1 and Gate 2, and stated that the fee should exist for combined Gate applications and separate application fees. The ESO EME said that the application fees would not be discussed during this Modification. This question was added to the query log.

A Workgroup member asked if the Gate 1 criteria shared was just for transmission or distribution. The ESO SME answered it is mostly the same but with slight deviations. The Proposer shared that an answer will be shared as part of action 6.

A Workgroup member asked how long applications will stay in Gate 1, and if changes can be made to the application while it is being processed. The ESO SME said these questions will be worked through at a later Workgroup. The ESO SME said that the ESO's intent that Gate 2 applications are based on Gate 1, and that any major changes will likely need a new Gate 1.

A Workgroup member asked if the ESO SME could create slides that show the whole expected process for outliers such as offshore and embedded assets, rather than point out how they vary from the standard process, the ESO SME agreed.

A Workgroup member asked if 1 month is sufficient to do a competency check, the ESO SME stated that they feel it is, but they are open to further discussion of the topic at a later date.

A member asked why have an application window, when there could be a deadline. The ESO SME answered that the reason was so that batched assessments could be done, and that having an application window reduces the likelihood that out-of-date information will be used. Multiple members expressed their continued desire for a deadline rather than window.

A Workgroup member raised that focus has to be given to how much resource each part of the process will require, as there is a risk of overloading the process. The ESO SME stated they were aware of the risk.

### **Overview of DTFC Submission**

The ESO SME spoke about DTFC (Distribution Forecast Transmission Capacity), and when each element of DTFC would be discussed. A Workgroup member pointed out a missing element in the slide, the ESO SME agreed to correct the slides.

The SME spoke about the thresholds for **Small, Medium and Large Power Stations**, and if the Workgroup were happy to use the grid codes thresholds. The guidance in the code is that anything larger than 1 MW is large enough to affect the NETS. Many Workgroup members said that the thresholds are not as simple as MW value, it can also involve short circuit level, etc.

Workgroup member expressed their opinion that the Workgroup doesn't have to use the CUSC thresholds, and that a GB wide level playing field should be used.

A Workgroup member raised that they believed the best time for a relevant Small/Medium power station applicant to apply for a BEGA was at Gate 2, thus reducing the risk of double counting. The ESO SME said that they would take this suggestion away.

The ESO SME shared a slide on DFTC methodology.

A Workgroup member raised a point about the Workgroup lacking members from IDNOs. The ENA member said that this should be picked up offline.

The ESO SME shared a slide on DFTC Submission.

A Workgroup member asked if the DFTC will exclude specific projects. ESO SME stated that as the forecast is looking at the wider network, it is not focused on individual projects.

A Workgroup member raised a point on if DFTC would just be one year ahead of forecast, the SME said yes but this could change in future, with the ESOs ambition to extend that. The same member asked about Statement of Works, and the ESO SME stated that thought would be given to this subject but it is outside the scope of Workgroup 3.

A Workgroup member asked if the DNO miscalculates the DFTC, would this affect the Gate 2 application from the generator. The ESO SME stated the DNO's can make offers over their forecast included in their submission.

A Workgroup member asked if the purpose of the DFTC is to allocate Gate one capacity, another Workgroup member answered that that was the initial purpose of the DFTC, but this has now changed to instead be an information exchange between the ESO and TOs.

A Workgroup member asked if DNOs had to apply for distributed application on behalf of the developer, another member replied that yes, as DNOs have better information about the distributed network.

### **Gate 1 Financial Instruments**

The ESO SME shared a slide on Gate 1 capacity holding payment.

A Workgroup member asked that it is made clearer what the cost that the Gate 1 capacity holding payment is recovering.

A Workgroup member asked if the ESO had considered having the Gate 1 offer lapse after the indicative date passes.. The ESO SME stated that this has been considered, both as a standalone item as well as supporting a capacity holding payment, but was not pursued as a standalone item as they feel it does not discourage multiple speculative applications.

A Workgroup member stated that having the charges being cost reflective is a legal requirement.

A Workgroup member stated that currently they pay a full application fee and get a full offer. This Modification would mean they would pay a full application fee and get less than a full offer at Gate 1.

The ESO SME asked the Workgroup if there are any other options for a capacity holding payment outside of a liability/security or a charge.

A Workgroup member asked if a security would be returned at the point of the project meeting Gate 2. The ESO SME said yes. The member asked why start the charges at signature of Gate 1 offer, rather than at the earliest opportunity to acquire Gate 2. The ESO SME stated that by applying for both Gates 1 and 2 simultaneously, a developer could avoid the Gate 1 capacity holding payment. The

member also asked that how this applies to respectively and the ESO SME said will be covered in CMP435.

A Workgroup member raised that for developers, this could be discriminatory for against small developers as its harder for them to find cash than bigger developers.

A Workgroup member raised that if the ESO doesn't want Gate 1 to be overloaded, then the entry barrier for Gate 1 should be raised rather than using a charge/security.

A Workgroup member stated that they did not like how a payment could be asked for before the developer even knew if the project was viable, and that they would raise an alternative to avoid this charge.

A Workgroup member raised that due to legal reasons, a charge or a security are the only legal options for implementing a payment.

A Workgroup member asked if the ESO is doing analysis on what the value of the charge should be. The ESO SME stated they are discussing this with stakeholders.

**Any Other Business**

A Workgroup member asked how the ESO plan on managing the query log, as it now has over 50 questions. An ESO SME said they would work to categories like queries together.

A Workgroup member asked that the ESO develop a way of prioritising queries, possibly through voting.

**Actions**

For the full action log, [click here](#).

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	PM	To share further data is shared in relation to the transmission queue		WG2	Open
2	WG1	JH/PM	To clarify if it is the Modification is intending to cover a demand application at the distribution level which causes a transmission reinforcement.		WG2	Open
3	WG1	JH	Tighten up the language RE: User Commitment Methodology/ Final Sums		WG2	Open
4	WG1	JH/RW	Revise Terms of Reference based on Workgroup feedbac		WG2	Open
5	WG1	JH	Changing the wording from 'change the Network Charging arrangements' to 'Network use of system Charging arrangements' are out of scope		WG2	Open
6	WG2	JH	Clarification slide on what is BAU regarding the GSP process		WG4	New

7	WG2	JH	Explain the interaction of CMP434 with GC0117, consider the potential impact if GC0117 approved such as a need for an additional code Modification (Chair to put in consultation)	Workgroup consultation 25/6/24	WG3	New
8	WG2	AP	Consider the definition of Relevant Embedded Small/Medium Power Station and whether the codified definition needs to be changed or if the ESO is to provide guidance to DNO's outside of the energy codes on what is considered as relevant to the transmission network		WG3	New
9	WG2	AP	Slide on Large Embedded for clarification		WG4	New
10	WG2	DD	Tabulate Minor and Major Changes at Gate 1 and 2 for a clearer distinction		WG4	New
11	WG2	JH/DD	Response to the paper provided by Simon Lord		WG4	New
12	WG2	JH/PM	ESO to speak to the policy team and consider how the 'Allowable Changes' policy being drafted would interact with CMP434, would all of the policy need to be codified or does the concept of the policy need to be codified?		WG4	New
13	WG2	ALL	Workgroup to propose what they think could change in their application between Gate 1 and Gate 2		TBC	New

**Attendees**

Name	Initial	Company	Role
Claire Goult		Code Administrator, ESO	Chair
Andrew Hemus		Code Administrator, ESO	Tech Sec
Stuart McLarnon		Code Administrator, ESO	Tech Sec
Joe Henry		ESO	Proposer
Alison Price		ESO	ESO SME
Dovydas Dyson		ESO	ESO SME
Paul Mullen		ESO	ESO SME
Rachael Eynon		ESO	ESO SME

Allan Love	Scottish Power Transmission	Workgroup member
Andrew Yates	Statkraft	Workgroup member
Anthony Cotton	Energy Technical & Renewable Services Ltd	Workgroup member
Bill Scott	Eclipse Power Networks	Workgroup member
Brian Hoy	Electricity North West Limited (ENWL)	Workgroup member
Claire Hynes	RWE Renewables	Workgroup member
Claire Witty	Scottish Power Energy Networks	Workgroup member
David Tuffery	NGED	Workgroup member
Deborah MacPherson	Scottish Power Renewables	Workgroup member
Ed Birkett	Low Carbon	Workgroup member
Garth Graham	SSE Generation	Workgroup member
Grant Rogers	Qualitas Energy	Workgroup member
Greg Stevenson	SSEN Transmission (SHET)	Workgroup member
Helen Stack	Centrica	Workgroup member
Hooman Andami	Elmya Energy	Workgroup member
Joe Colebrook	Innova Renewables	Workgroup member
Kyran Hanks	WWA Ltd	Workgroup member
Luke Scott	Northern Powergrid	Workgroup member
Mark Field	Sembcorp Energy (UK) Limited	Workgroup member
Michelle MacDonald Sandison	SSEN	Workgroup member
Mpumie Hlophe	Fred Olsen Seawind	Workgroup member
Paul Jones	Uniper	Workgroup member
Paul Youngman	Drax	Workgroup member
Pedro Javier Rodriguez	Lightsourcebp	Workgroup member
Phillip Addison	EDF Renewables	Workgroup member
Ravinder Shan	FRV TH Powertek Limited	Workgroup member
Richard Woodward	NGET	Workgroup member
Rob Smith	Enso Energy	Workgroup member
Zivanayi Musanhi	UK Power Networks	Workgroup member

---

Zygimantas  
Rimkus

Buchan Offshore Wind

Workgroup member

---