ESO

Code Administrator Meeting Summary

Meeting name: CMP434 & CM095 Workgroup 4

Date: 22/05/2024

Contact Details

Chair: **Claire Goult** **Claire.Goult@nationalgrideso.com**

Proposer: **Joe Henry** **Joseph.Henry2@nationalgrideso.com**

Key areas of discussion

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

- 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 announced that this meeting would be recorded, and no Workgroup Member opposed this. The Chair asked for questions to be concise and on topic.

Timeline and Topics

The Chair pointed out that the Workgroup consultations are happening soon.

Actions and Query Log

The Chair asked if the Proposer had any comments on the actions, the Proposer noted that some actions were likely to be closed out today.

The Workgroup member that raised action 1 clarified it further, asking for technology types to be discussed.

The Chair noted that changes have been made to the query log format, with ranking and grouping of like queries being introduced.

The Chair noted that only Workgroup members and their Alternates would be able to access the query log.

The Proposer introduced the updated Terms of Reference. A Workgroup member asked that it should be discussed later so that Workgroup members could view it first before it being discussed.

Scene Setting – WG4

The Proposer discussed the meeting objectives. The focus of Workgroup 4 was on:

- Clarification on Gates 1 and 2 process and terminology
- Who has to go through the Primary Process
- Allowable changes to applications
- Connections Network Design Methodology
- Licence Changes

A Workgroup member asked if only Transmission would be discussed in this Workgroup or if Distribution would be discussed. A ESO SME stated that the approach taken would be to discuss each aspect of the process, then discuss how Transmission and Distribution differ. Some Workgroup Members asked for Transmission to be discussed fully, then Distribution to be discussed after. A Workgroup Member stated that they would like to have the Gate 1 process for Distribution and Transmission fully explained, so that it would be clear for applicants what the benefits and drawbacks of each type of application were. This Workgroup Member also stated that they desire to have no discrimination between contracts offered to applicants from Distribution and Transmission.

A Workgroup Member stated that it was not the Workgroup's role to fully explain embedded generators effect on the Transmission system, as this is outside the scope of the Modification.

Gate 1 Process – Understanding and Terminology

The Proposer spoke about Gate 1 common terms that will be used in the Workgroup:

Gate 1 Application Criteria:

- The application criteria requirements to enter into the Gate 1 Process i.e. application fee, application form (including Data Registration Code (DRC) data) and LoA (as per CMP427, with an offshore equivalent introduced for offshore projects as part of CMP434). The Gate 1 Application Criteria apply both to directly connected generation and demand projects, large Embedded Generator (EG) projects, and small/medium EG projects requesting a BEGA (noting that the DFTC process is also relevant for small/medium EG projects).
- In respect of the DFTC submission, the Gate 1 Application Criteria do not apply as it is a forecast to aid Anticipatory Investment planning. As part of this there will be a data exchange process in place in parallel timescales.

Gate 1 Process:

- The process leading from the application stage to the contracting stage in respect of Gate 1.
- For projects which have submitted effective applications into the Gate 1 Process (as above), the process leading to Gate 1 Offers being provided to such applicants. This applies to directly connected generation and demand projects and large EG projects.
- In respect of DFTC, the Gate 1 Application Process applies in relation to the data exchange process.

Gate 1 Offer:

- A connection contract offered with an indicative connection point and an indicative connection date (including in relation to DFTC) and as a result of there being no Transmission reinforcement works contracted there would be no UC liability/security or QM Milestones.

Gate 1 Offer Acceptance:

- The point at which a Gate 1 Offer is accepted.

- In respect of DFTC, this relates to the point at which the contract between the ESO and DNO is updated in relation to DFTC submission.

A Workgroup Member asked where the definitions would be written if they are not put in CUSC Section 11. The Proposer stated that these definitions are only indicative, and they are open to discussion before being codified.

A Workgroup Member asked if the contract offered in Gate 1 would be legally binding. A ESO Legal SME stated that the working assumption is that the contract will be indicative in Gate 1, then become firmer at Gate 2.

A Workgroup member asked what the purpose of Gate 1 is. The Proposer stated that it was to ensure that ready to connect applications could connect faster.

The Proposer spoke about Gate 2 common terms that will be used in the Workgroup:

Gate 2 Application Criteria:

- The application criteria requirements to enter into the Gate 2 Process i.e. application fee, application form (including DRC data) and Gate 2 Criteria Evidence (to be discussed in a future Workgroup meeting). This applies to directly connected generation and demand projects, large EG projects, and small/medium EG projects requesting a BEGA and (via the DNO) relevant small and medium EG projects.

Gate 2 Process:

- The process leading from the application stage to the contracting stage in respect of Gate 2.
- For projects which have submitted effective applications into the Gate 2 Process (as above), the process leading to Gate 2 Offers being provided to such applicants. This applies to directly connected generation and demand projects, Large Embedded Generation projects and Small/Medium EG projects requesting a BEGA and (via the DNO) relevant small and medium EG projects.
- Note that directly connected generation and demand projects and large EG projects can provide Gate 2 Criteria Evidence alongside the Gate 1 Criteria Evidence (if they choose to do so), and be provided with a Gate 2 Offer instead of a Gate 1 Offer.

Gate 2 Offer:

- A full connection contract offered i.e. confirmed connection point, confirmed connection date, Transmission reinforcement works, relevant UC liability/security, relevant QM Milestones, etc.

Gate 2 Offer Acceptance:

- The point at which a Gate 2 Offer is accepted.

The Proposer spoke about additional information around the propose of Gate 1 and 2, and why projects must go through both.

A Workgroup member asked if Gate 1 is indicative or if it guarantees connection. An ESO SME stated that Gate 1 is only indicative and does not guarantee connection.

A Workgroup member asked if a joint Gate 1 and 2 application is being done, when does it have to be done. An ESO SME stated that this application will be done in the Gate 1 window. An ESO SME stated that the DFTC is for forecast purposes, and is not at project level, as the ESO currently lacks a like forecast.

A Workgroup member asked if you need LOA and land rights during a joint Gate 1 and 2 application, and that only land rights are needed. The ESO SME stated that this is so that all applicants go through the same process. The Workgroup Member stated they were concerned that the ESO proposal may lead to more speculative applications rather than less, as some applicants may believe that a Gate 1 offer is worth more than its true value.

A Workgroup member asked how long an applicant can spend in Gate 1. An ESO SME stated that the purpose of the holding payment was to discourage speculative applications.

A Workgroup member stated that the current ESO proposal disadvantaged projects that apply to both Gates 1 & 2 at the same time, and suggested that a combined window twice a year should be introduced and mentioned raising a Workgroup Alternative Request to this effect. An ESO SME stated that the purpose of having separate windows for each Gate is so that projects apply at the correct stage.

Primary Process Project Types and Gate 1-to-2 Acceptable Changes

The Proposer shared a table on Primary Process Project Types:

Project Type	Included in Primary Process under CMP434
New Directly Connected Generation	**Yes**
New Directly Connected Demand	**Yes**
New Interconnectors (and Offshore Hybrid Assets)	**Yes**
New Relevant Embedded Small and Medium Power Stations (via the DNO or IDNO)	**Yes**
New Relevant Embedded Small and Medium Power Stations who want a BEGA	**Yes**
New Embedded Large Power Stations (e.g. BEGA and BELLA)	**Yes**
New Embedded Demand	**No**
New Grid Supply Point for I/DNO	**No**

A Workgroup member asked why Grid Supply Points were excluded from the primary process; the Proposer said they would take this away and possibly make it Non Applicable rather than NO (Action 14).

Multiple Workgroup members stated this table would be more useful if it were developed into a matrix with DFTC and other aspects included in the table.

A Workgroup member stated that The Crown Estate and Crown Estate Scotland may have to create a feed-in study about how their process would interact with the ESO's process and that this study should be shared with developers. The Workgroup member asked when the discussions of the offshore aspects will be discussed. The Proposer added an action on themselves to find out more information on this.

A Workgroup member asked how system service applications interact with the primary process. The Proposer stated that the intent is that if the alteration to the existing connection did not impact power

flows, then the alteration should not have to go through the Primary Process. Another Workgroup member stated that applications should not be able to alter their applications to skip the queue.

An ESO SME shared a table on **significant** changes:

Item	Change to Signed Gate 1 Contract	Gate 1 Contract Changes as part of Gate 2 Application	Change to Signed Gate 2 Contract	Change to Connection Contract Post-Connection
TEC Increase	Via Mod App	Not Allowed	Must be new Gate 1 Application for additional TEC	Must be new Gate 1 Application for additional TEC
TEC Reduction	Via Mod App (Subject to Capacity Holding Payment - TBC)	Via Gate 2 Application (Subject to Capacity Holding Payment – TBC)	Via Mod App (Subject to User Commitment)	Allowed (As per TEC Reduction process)
Technology Change	Via Mod App	Not Allowed	Not Allowed	TBC
Project Location Change	Via Mod App	Not Allowed	Not Allowed	Not Allowed
Requested Connection Date Change	Via Mod App	Not Allowed	Via Mod App and only via allowed exemptions under QM	N/A
CEC Change	Via Mod App	Not Allowed	Via Mod App	Via Mod App

A Workgroup member asked how changes to signed Gate 1 contracts are different to the current applications process. An ESO SME stated that the advantage of the new proposed model is that the ESO could keep track of changes to Gate 1 applications, rather than having applications removed and re made with minor changes.

A Workgroup Member asked what would happen if project location was made to change for network reasons from the network developer, rather than economic reasons. The ESO SME stated that leeway should not be added as it would introduce potential gaming of the process. The Workgroup member asked if projects could ask for advancement. The Chair asked for this question to be logged on the query log.

A Workgroup member asked if TEC reduction would result in a penalty payment. The ESO SME stated that this option would be considered. The Workgroup member asked if technology change item in the table should include adding technology. The ESO SME stated yes. The Workgroup member asked if TOs asking for changes made to the project for network reasons would result in a new application. The ESO SME stated yes, as otherwise this could lead to gaming.

A Workgroup member asked if removing batteries from an application would result in a new Gate 1 application. The ESO SME said they would take this question away.

A Workgroup member asked if bays would be allocated at Gate 1, or just a substation. The ESO SME stated that only a substation is assigned. The Workgroup member asked why land is necessary, the ESO SME stated that this was to reduce gaming, but this would be added to the query log.

A Workgroup member asked if CEC reductions would be allowed, as TEC reductions are. The ESO SME stated this would be considered.

A Workgroup member stated that not allowing changes to redline boundaries is unfair, and asked if technology changes mean from one type of technology to another, such as solar to wind, or if it means changes within the one type of technology, such as changing inverters. The ESO SME stated that the intent of technology type is for changing technologies entirely, such as wind to solar.

A Workgroup member stated that not allowing changes could lead to multiple similar applications, and gaming of the system. The Workgroup member then asked for more clarity on would be allowed in terms of TEC reduction during Gate 2, and for technology addition and removal to be split into two separate points.

A Workgroup member asked if an existing generator would be allowed to change equipment, such as transformers, without having to apply to the Primary Process. The ESO SME stated that this was the ESO's intent.

A Workgroup member asked when dates would be given during the process, and they would like confirmation that applicants will not be given dates further in the future than their indicative offer.

An ESO SME shared a slide on **minor** changes:

Item	Change to Signed Gate 1 Contract	Gate 1 Contract Changes as part of Gate 2 Application	Change to Signed Gate 2 Contract	Change to Connection Contract Post-Connection
Novations	Allowed	Not Allowed	Allowed	Allowed
Charging Notices	N/A	Not Allowed	Allowed	Allowed
Commissioning Notices	N/A	Not Allowed	Allowed	N/A
De-Commissioning Notices	N/A	Not Allowed	N/A	Allowed

A Workgroup member asked if changes to Appendix O and F would count as minor changes. The ESO SME stated that the intent is that if the ESO does not have to do a new power flow study, then these changes can happen outside the primary process. The ESO SME stated that minor changes would be allowed all year round, according to the table.

A Workgroup member stated that a separate subgroup may be needed to discuss how this Modification would affect existing users and if they need to reapply using the primary process if they want to change equipment.

The ESO SME shared a slide on the Gate 1 process and timeline.

A Workgroup member stated that if the ESO timeline remains the way it is, then developers would need time to query the ESO and TOs on their application to ensure they did not miss the Gate 1 application window.

A Workgroup member asked if applicants could request an extension on their application if their queries are not answered in time. The ESO SME stated that this is an option they are considering.

Terms of Reference

The Chair presented the proposed new CMP434 Terms of Reference to the Workgroup, which had been circulated to Workgroup members. The Workgroup discussed and agreed several changes to the Terms of Reference. These were circulated to the Workgroup for their reference and submitted within the May 2024 CUSC Panel papers for the CUSC Panel to review.

The Proposer of CM095 agreed to review the CM095 Terms of Reference to reflect the changes to the CMP434 Terms of Reference.

Connections Network Design Methodology

A Workgroup member asked if the authority must be consulted when changes to the CNDM are needed.

Gate 1 Licence changes

A Workgroup member asked that the ESO shared their initial views with OFGEM, the ESO SME agreed to share these views.

Any Other Business

A Workgroup member asked if “Reactive Queue Management” could be defined. The Proposer agreed.

The Chair stated that the query log would be discussed prior to the Workgroup Consultation.

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		TBC	Open
3	WG1	JH	Tighten up the language RE: User Commitment Methodology/ Final Sums		TBC	Open
4	WG1	JH/RW	Revise Terms of Reference based on Workgroup feedback	Covered in WG4	TBC	Propose to close

6	WG2	JH	Clarification slide on what is BAU regarding the GSP process	Covered in WG4	WG4	Propose to close
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 25/06/24	TBC	Open
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		TBC	Open
9	WG2	AP	Slide on Large Embedded for clarification		WG4	Open
10	WG2	DD	Tabulate Minor and Major Changes at Gate 1 and 2 for a clearer distinction	Covered in WG4	WG4	Propose to close
11	WG2	JH/DD	Response to the paper provided by Simon Lord	Ongoing	WG4	Open
12	WG2	JH	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	Open
13	WG2	ALL	Workgroup to continue to add thoughts in relation to discussion of significant and minor changes		TBC	Open
14	WG4	JH	Clarification of new GSPs for iDNOs		TBC	Open
15	WG4	JH	Consider alignment of crown estate invitation to tender and auction timing		TBC	Open

Attendees

Name	Initial	Company	Role
Claire Goult		Code Administrator, ESO	Chair
Lizzie Timmins		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
Lee Wilkinson	Ofgem	Authority Representative
Rory Fulton	Ofgem	Authority Representative
Alex Ikonic	Orsted	Workgroup member
Allan Love	Scottish Power Transmission	Workgroup member
Andrew Yates	Statkraft	Workgroup member
Anthony Cotton	Energy Technical & Renewable Services Ltd	Workgroup member
Barney Cowin	Energy Corp	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
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 Snodin	Fred Olsen	Workgroup member
Helen Stack	Centrica	Workgroup member
James Innes	Elmya Energy	Workgroup member
Joe Colebrook	Innova Renewables	Workgroup member
Kyran Hanks	WWA Ltd	Workgroup member
Luke Scott	Northern Powergrid	Workgroup member
Magdalena Paluch	NGED	Workgroup member
Mark Field	Sembcorp Energy (UK) Limited	Workgroup member
Michelle MacDonald Sandison	SSEN	Workgroup member

Mireia Barenys	Light Source BP	Workgroup member
Paul Jones	Uniper	Workgroup member
Paul Youngman	Drax	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
Sam Aitchison	Island Green Power	Workgroup member
Simon Lord	Engie	Workgroup member
Zivanayi Musanhi	UK Power Networks	Workgroup member
Zygimantas Rimkus	Buchan Offshore Wind	Workgroup member