

# Code Administrator Meeting Summary

**Meeting name: Application of Gate 2 Criteria to existing contracted background.**

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Date: 23/05/2024

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## Contact Details

**Chair:** Elana Byrne, ESO Code Administrator

**Proposer:** Alice Taylor, ESO (CMP435), Steve Baker, ESO (CM096)

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## Key areas of discussion

The Workgroup 3 discussed the following topics:

- Proposed solution and identifying key issues to discuss in future Workgroups
- Exemptions
- What costs will be reimbursed.
- Capital Contributions
- (Project scope scenarios were agreed to be discussed at a later date)

The Chair reviewed the action log and the Workgroup agreed to close actions 3, 4, 13, 17 & 18.

The Proposer outlined the key points for productive discussion and solution.

- The Proposer agreed to review the current proposed topics and ordering of these topics to share with the Workgroup.
- The Proposer confirmed that query log will outline ESO view so could open the door for alternatives to be raised by Workgroup members.

Topics/questions raised as part of the Workgroup discussion:

- Subject matter (topics) to be discussed in meetings across the modification timeline – the ESO agreed to review this following Workgroup 3 accounting for comments from the group on necessary topics and ordering.
- User commitment & charging commitments – clarification from the Proposer that there were no changes proposed to these as part of the solution. Noted were comments on a

need for a methodology for any charges to the connection queue (out of scope for CMP435), the need for DUCUSA changes relating to changes for distribution, whether liabilities would have a fixed option and how securities are treated in terms of interest.

- RFI updates – the ESO confirmed the RFI would be shared with industry Tuesday 28 May 2024. Discussion covered the question of using consultants to assess data for impact assessments and the codification of requirements for industry to provide information vs NESO’s powers to request it.
- Terms of reference – the Workgroup explored the use of terminology around ‘existing connection contracts’ vs ‘existing contracts’ and alignment between CM096 and CMP435 Terms of Reference, agreeing final wording to be reviewed before submission to Panel.
- Exemptions – the Workgroup discussed/raised questions on:
  - The need for clarity on what projects the CMP435 solution will be applicable to (therefore identifying exemptions by default)
  - The implications of NESO designation
  - Assessment of Gate application evidence embedded generation projects (via DNO/ESO)
  - The need for clarity where projects are defined as ‘relevant’ in terms of embedded generation. It was noted that the term “relevant embedded small/medium and large power stations” are defined terms in the CUSC and CMP435/CMP096 is not proposing any changes to those definitions.
  - Whether the solution covers embedded demand such as large data centres and how staged projects are affected (including transitional arrangements)
  - How the solution will apply to queue management vs capacity management (and modification applications)
  - Unintended consequences of applying Gate 2 to the whole queue:
    - Restriction of strategic or novel projects – noting Ofgem would confirm that DESNZ have ruled out their designation of strategic projects and this is not proposed as part of CMP435/CM096)
    - Resource requirements to get projects from Gate 1 to Gate 2
    - Changes required on a modelling and planning level
- Costs to reimburse
  - Clarity sought for when application fees/other fees would be required considering different scenarios (e.g. if miss Gate 2/don’t have evidence for it, if meet Gate 2 but want to re-work an offer, changes in connection dates) and where cost liability sits due to the reason for the charge (i.e. which party causes the need for a fee). Workgroup members supported the process being mindful of avoiding discrimination against certain users (especially in the event of batch assessment), and a consideration of whether applications will surge after implementation to avoid costs from applying in the transitional period.

- Capital contributions – a TO Workgroup member suggested a TO:SO call to discuss data availability for this year’s contributions to bring to the Workgroup (early June) for discussion about approaches that could be taken during the transitional period. It was suggested that representatives of DNO parties could contribute to where risk may lie for them re: capital contribution fees (with a suggestion of where projects sit on a timeline for Gate 1 & 2 (for transmission and demand)).
- Feasibility of substituting other customers into a modification application if others drop out

**Next Steps**

- Terms of reference to be updated by the Proposers and shared with the Workgroup ahead of sending to respective Panels
- Updated meeting 4 slides to be shared with the Workgroup (update: any new content to be shared with the Workgroup in subsequent meetings)
- Workgroup summary and meeting 4 papers to be shared with the Workgroup

**Actions**

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 following discussion and changes made in WG3	WG3	Ongoing
2	WG1	AT	Document that charging and user commitments will be out of scope for CMP435		Ongoing	Ongoing
5	WG1	AT	Clarification of types of projects that will be in/out of scope for CMP435	Scope to be discussed in WG4 to help clarify the situation for different project types	WG4	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	Ongoing	Ongoing

				this with their IT teams		
11	WG2	AT/RW	Discuss Capital Contributions.		WG3	Ongoing
12	WG2 (amended post WG3)	LH/HS	Discuss possibility of further impact assessment (RFI data)	ESO have confirmed that they will not pursue the use of consultants at this time	WG3	Ongoing
14	WG2	AT/PM	Update WG topics	Following WG3 discussion	WG4	Open
15	WG2	AT/RW	Clarify process (WG2 slide 2 particularly the yellow box)		WG4	Open
16	WG2	LH	Look into securities for offers		June 2024	Ongoing
19	WG3	PM, MO	Clarification on mod apps where CMP435/CM096 are applicable			Open
20	WG3	RW, AT	TOs and ESO meeting needed to discuss data available to review capital contributions for 2024	Information to be brought back to the WG and discussed in context of transitional arrangements	WG5	Open
21	WG3	ESO Connections Team	When considering transitional arrangements, include guidance for staged projects		WG6	Open
22	WG3	EB, LC	Confirmation sought from the Authority on the DESNZ position on government designation exemption for projects	This option will be out of scope for CMP435/96 - confirmation received 23.05.24 that DESNZ will not pursue government designation exemption for projects	WG4	Open
23	WG3	MO	ESO to check the process to avoid both DNO and ESO assessing evidence for Gate progression		WG4	Open

## Attendees (excluding Observers)

Name	Initial	Company	Role
Elana Byrne	EB	Code Administrator, ESO	Chair
Prisca Evans	PE	Code Administrator, ESO	Technical Secretary
David Halford	DH	Code Administrator, ESO	Technical Secretary
Alice Taylor	AT	ESO	Proposer
Angela Quinn	AQ	ESO	ESO legal
Ruth Matthew	RM	ESO	Subject Matter Expert
Paul Mullen	PM	ESO	Subject Matter Expert
Richard Paterson	RP	ESO	Subject Matter Expert
Liam Cullen	LC	OFGEM	Authority Representative
Salvatore Zingale	SZ	OFGEM	Authority Representative
Barney Cowin	BC	Statkraft	Workgroup Member CMP435
Charles Deacon	CD	Eclipse Power Solutions	Workgroup Member CMP435
Callum Dell	CD	INV Energy	Workgroup Member CMP435
Claire Evans	CE	Scottish Power Energy Networks	Workgroup Member CMP435
Claire Hynes	CH	RWE Renewables	Workgroup Member CMP435 & CM096
Deborah MacPherson	DM	Scottish Power Renewables	Workgroup Member CMP435
Ed Birkett	EB	Low Carbon	Workgroup Member CMP435
Emily Rice	ER	SSEN Transmission	Workgroup Member CM096
Gareth Williams	GW	Scottish Power Transmission	Workgroup Member CMP435 & CM096
Garth Graham	GG	SSE Generation	Workgroup Member CMP435
Grant Rogers	GR	Qualitas Energy	Workgroup Member CM096

Greg Hunt	GH	SSEN	Workgroup Member Alternate CMP435
Greg Stevenson	GS	SSEN Transmission	Workgroup Member CMP435 &CM096
Helen Snodin	HS	Fred Olsen Seawind	Workgroup Member CMP435 &CM096
Hooman Andami	HA	Elmya Energy	Workgroup Member CMP435
Jack Purchase	JP	NGED	Workgroup Member CMP435
James Devriendt	JD	UK Power Networks	Workgroup Member CMP435
Joe Colebrook	JC	Innova Renewables	Workgroup Member CMP435 & CM096
Joel Matthews	JM	Diamond Transmission Corporation	Workgroup Member CM096
Jonathan Hoggarth	JH	EDF Renewables	Workgroup Member CMP435
Kyran Hanks	KH	WWA ltd	Workgroup Member CMP435
Mark Field	MF	Sembcorp Energy	Workgroup Member CMP435
Niall Stuart	NS	Buchan Offshore Wind	Workgroup Member CMP435
Nirmalya Biswas	NB	Northern Powergrid	Workgroup Member CMP435
Paul Jones	PJ	Uniper	Workgroup Member CMP435 &CM096
Paul Youngman	PY	Drax	Workgroup Member CMP435
Ravinder Shan	RS	FRV TH Powerteck Limited	Workgroup Member CMP435
Richard Woodward	RW	NGET	Workgroup Member CMP435 &CM096
Rob Smith	RS	ENSO Energy	Workgroup Member CMP435
Sam Aitchison	SA	Island Green Power	Workgroup Member CMP435 &CM096
Samuel Railton	SR	Centrica	Workgroup Member CMP435
Tony Cotton	TC	Energy Technical & Renewable Services	Workgroup Member CMP435