

# Code Administrator Meeting Summary

## Meeting name: CMP434 & CM095 Workgroup 5

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Date: 28/05/2024

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### 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)

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## Key areas of discussion

The key areas of discussion for Workgroup 5 & 6 were Gate 2 Criteria (including financial element requirement), Letter of Authority changes (allowable amendments to red line boundaries and introduction of duplication checks), including impacts to Queue Management (Milestones and impact to all contracts) and NESO designation (criteria and process).

## Welcoming Remarks

The Chair noted quoracy and began the meeting.

## Actions and Query Log

A Workgroup Member asked that the action regarding major and minor changes should be reopened. The Chair said this action would be spoke on.

A Workgroup Member noted that recommendation 19 from the house of commons select committee was for Ofgem to be transparent on the connections queue.

## Scene Setting – Workgroup 5

The main focuses of this Workgroup are:

- Scope (Primary Process)
- Understanding Gate 2 Criteria
- Understanding Proposed changes and land boundaries
- Recap of Gate 1 financial Instruments and Connections Network Design Methodology

## Scope (Who is in Primary Process)

A Workgroup Member noted that when scope is spoken about, concepts which are outside of scope should be noted. A ESO SME stated that this concept has been discussed, and they may do this in future, but it may be difficult to create an exhaustive list of all concepts outside of scope.

A Workgroup Member asked for scope to revisited at the end of this meeting.

A Workgroup Member asked if “significant change” would be defined in the CUSC, the ESO SME stated that the concept of the significant change would be codified.

A Workgroup Member asked how phase connection are considered. An ESO SME stated that the ESO is not expecting phased connections to change considerably, and that whatever phase is significant will be treated as such.

A Workgroup Member asked if synchronous compensators would be considered as directly connected generation. The ESO SME stated that a footnote on this topic would be added to the slides. This Workgroup Member asked if the Proposal form would be updated to reflect any changes from discussions. The Proposer stated that the updated Proposal form would be added at the Workgroup consultation.

### **Introducing the concept of Connections Network Design Methodology**

An ESO SME outlined that the CNDM is the proposed process by which the ESO and TOs will assess connection applications and define the roles and responsibilities of the ESO and TOs in conducting these activities. The SME noted that they believe the following should be codified in relation to the CNDM:

- The requirement for the ESO and TOs to have a CNDM;
- An obligation on the ESO to publish the CNDM; and
- An obligation to engage with industry on the content of the CNDM.

Workgroup Members agreed with these points for codification, however one Workgroup Member noted that they believed it should also be codified that the Authority need to approve the content of the document.

The ESO SME noted that they would be engaging with the ENA regarding the CNDM, and that the DFTC would be considered as part of the CNDM. One Workgroup member noted that iDNOs are not represented within the ENA; the ESO SME agreed to ensure iDNOs were consulted.

A Workgroup Member asked if more clarification would be given to what is being codified in regards to CNDM. The ESO SME agreed to summarise what the CNDM is and put that in the Proposal form.

A Workgroup Member asked how much code mapping for procedures had been completed by the ESO with regards to the STC. The ESO SME stated this was still to be addressed. A Chair asked the Workgroup Member if they had an idea as related to the previous point, the Workgroup Member agreed to take this away as an action.

A Workgroup Member stated that TOs have a requirement to aim for harmonisation and non-discrimination of users on the network. A ESO Legal SME stated that whilst non-discrimination is required under similar circumstances, differences between transmission networks may cause some users to be treated differently.

A Workgroup Member what happens if CNDM wasn't approved by the 1<sup>st</sup> of January 2025. An ESO SME stated that the deadline may be pushed back in that case and the current connections process would continue until CNDM is approved.

A Workgroup Member asked if the ESO planned on initiating anticipatory investment using Gate 1 submissions, the ESO SME stated yes.

A Workgroup Member asked for clarity on how Gate 1 is mainly forecast based, then how does a firm offer get made in Gate 2. A Workgroup Member answered that the CNDM will inform the connection process, but there is still a need for the ESO to analyse the connection.

### **Gate 2 Criteria – Land Requirement and Duplication Checks**

An Authority representative provided an update relating to codifying Gate 2 criteria, noting that they are open to suggestions from the Workgroup on how much of the criteria is codified. One Workgroup member noted the statutory requirement for any changes to their connection Terms and Conditions to be approved by the Authority. The Authority representative stated that guidance does not have to be owned and controlled by the ESO.

A Workgroup Member asked why the ESO were considering not codifying all gate 2 criteria. The ESO SME and Authority representative stated that the reason is for flexibility.

An ESO SME presented on the Gate 2 criteria, noting that they were considering using secured land, and the requirement to submit application for planning consent (forward calculated). They noted that the consideration of a Gate 2 financial instrument was no longer part of the Proposal, as Queue Management Milestone (M1) will be forward calculated from Gate 2 offer acceptance date.

One Workgroup member queried whether there would be an application fee for Gate 2, which the ESO confirmed, noting they would discuss this further in future Workgroup meetings. A Workgroup Member asked if submitting planning consent was a Gate 2 criteria, an ESO SME stated that the Workgroup Member was correct.

The proposer shared a slide on secured land.

A Workgroup Member asked why 7 years after Gate 2 submission was selected as the provisional longstop date. The ESO SME stated that this is based on the average time from secured land to connection.

A Workgroup Member asked how the ESO anticipated that proof of land rights could be shown when there are multiple landowners. This question was added to the query log.

A Workgroup Member asked for clarity on what specific completion date is being referred to at any given time, as there can be multiple completion dates. The ESO SME agreed to be more clear on this subject in future.

A Workgroup Member asked to reduce the amount of required land from 100% to something like 80-85%. Another Workgroup Member stated that the 100% of land is concerned with minimum acreage rather the exact submitted land.

A Workgroup Member asked if the energy density technology table would still be used as just guidance or if there was room for discussion. An ESO SME stated there would be room for discussion. The Workgroup Member asked how the ESO were planning on checking option agreements. The ESO SME stated that this was still being worked on.

A Workgroup Member stated that any offer with a connection date over 10 years is highly concerning, as landowners often like to see progress on the land they have leased out to developers.

A Workgroup Member asked why offshore generation build connection assets, such as cable routes, have been exempted, as often offshore generators build a significant amount of offshore transmission network. An ESO SME stated that this was a conscious choice to keep the offshore connection process like the onshore process.

A Workgroup Member stated that a grace period for connections in the queue should be introduced.

A Workgroup Member asked if the intention was to have a director's statement or just have the ESO audit the application. The ESO SME stated this will be discussed in Workgroup 7 & 8.

The proposer shared a slide on secured land with offshore.

A Workgroup Member stated that offshore wind should be moved to all technologies. Another Workgroup Member disagreed. Workgroup Members discussed how directly connected generation that was based in another country's jurisdiction would be treated, such as Xlinks in Morocco. The ESO SME noted that this case would need further discussion.

This Workgroup Member stated that interconnectors shouldn't have to have land secured as they are very subject to change with regards to landing sites. An ESO SME stated that this would be discussed in future.

A Workgroup Member asked how the process would work if compulsory purchased land was used. The ESO SME stated that proof was needed that the land had been purchased.

A Workgroup Member stated that compulsory purchased land can be complicated when it comes to proving land rights, and that something equivalent to land rights should be used to demonstrate the equivalent to land rights.

#### The proposer shared a slide on Gate 2 duplication checks

A Workgroup Member asked for clarity on what Gate 2 pool means. The ESO SME stated the intent of the ESO that this meant projects that have passed Gate 2 checks.

A Workgroup Member stated that they did not see the purpose of performing a duplication check at Gate 2 as it makes more sense to just check at Gate 1.

A Workgroup Member stated that duplication checks should be careful not to rule out the case of two different types of technology being used on the same land, such as wind and batteries.

A Workgroup Member asked if Gate 2 would be first come first serve, or if both would be thrown out.

A Workgroup Member asked if the DNOs should do duplication checks, or if the ESO should do it. Another Workgroup Member stated that the ESO is in the best place to check, as they have access to information that Users and DNOs may not.

A Workgroup Member asked why more was required than option leases, in terms of duplication checks. Another Workgroup Member noted that overlapping technologies could be used on the same land, and that projects could submit two different applications on the same land; one for distribution and one for transmission.

#### The proposer shared a slide on LoA phase 2 paper

Multiple Workgroup Members stated that Gate 1 may have less use than the ESO has previously stated.

A Workgroup Member stated that only the ESO could perform duplication checks.

A Workgroup Member stated that the CES or TCE should be contacted by the ESO, rather than developers submitting multiple applications for the same piece of seabed offshore and having all but one application rebuffed.

A Workgroup Member stated that the ESO should reach out to applicants and tell them if someone has already applied using the same land, rather than just remove the applications.

#### The proposer shared a slide on secured land with respect to onshore ongoing compliance.

A non-exhaustive list of options were shared by the ESO SMEs:

1. No more than 'X%' change to the red line boundary once Gate 2 has been met;.

2. User builds no more than [X%] of the capacity of a technology outside of their original red line boundary. Where User has built more than [X%] of the capacity of a technology outside their original red line boundary, could introduce a right to reduce a User's capacity of that technology or technologies; or
3. At each Queue Management Milestone, Users have sufficient acreage (calculated using the Energy Density Table as defined under CMP427 and contained in the ESO guidance document) of land rights and/or consents for the full capacity of all technologies in the Connection Agreement and could introduce a right to remove and/or reduce the capacity of those technologies.

A Workgroup Member stated that developers often have to move boundaries. This Workgroup Member asked why the land boundary would matter if it does not affect the transmission system. The Workgroup Member suggested having this added as a 4<sup>th</sup> option. A Workgroup Member stated that this option is similar to option 3.

A Workgroup Member stated they did not believe a compliance check was necessary after planning permission has been secured so long as the project already has the adjacent land they would like to move to secured. An ESO SME stated that these checks would not just be a one-time event, and that the projects would have to continually demonstrate they had rights to the land.

Multiple Workgroup Members suggested not allowing developers to move boundaries as moving boundaries can take time and the purpose of this modification is to speed up the connection process.

A Workgroup Member suggested that rather than a percentage change of redline boundary being allowed, the mod should have a max distance the development can be moved.

A Workgroup Member stated that this modification in its current form could give too much power to landowners.

A Workgroup Member stated that option 1 is too vague as reducing the redline boundary can be beneficial to the developer with no downside to the ESO.

A Workgroup Member asked if the ESO could clarify if the purpose of this mod was about electrical network design or if it is about speeding up the connection process. The ESO SME stated they would like to avoid selling on of projects.

A Workgroup Member asked if the redline boundary being submitted to the ESO is the same as the redline boundary being submitted to the planning authority. The ESO SME agreed they could be different.

A Workgroup Member stated the legal text should have a point on not allowing the projects to be transferred to other developers.

A Workgroup Member asked why project location changes are being discussed if in the last Workgroup it was stated by the ESO that this would not be allowed. An ESO SME stated that the ESO's opinion on this had been changed due to feedback received.

A Workgroup Member stated that option 2 could encourage overplanting.

A Workgroup Member stated that not allowing a project to be sold on would be a negative. The ESO SME stated that they recognised that many projects that currently exist were started with different developers than they started with.

A Workgroup Member stated they would like further discussion on allowing the ESO to force developers to remove technologies they do not have rights for from their application.

Members debated on if multiple technologies should be allowed in an application, or if each technology should have to be applied to separately.

The proposer shared another slide on secured land with respect to onshore ongoing compliance.

Workgroup Members stated they would like flexibility when it comes to applying for the Gate 2 window, as sometimes they are required by planning to do studies at certain times of the year, like winter bird studies.

A Workgroup Member stated that the M1 milestone was not too early in the development cycle. The ESO SME stated that the feedback received previously generally stated that M1 was too late in the development cycle.

A Workgroup Member asked why the Workgroup is using both the current and the old definition of M1.

A Workgroup Member stated they felt it was a high-risk approach to use a forward-looking date, and they would rather have a backwards calculated date from M3.

A Workgroup Member asked if the Gate 2 offer is still conditional at submission of planning. The ESO SME stated that Gate 2 is a firm offer. The Workgroup Member asked if there should be an option for a maximum time on each planning option.

A Workgroup Member stated that the timeframe should be reasonable for completing the planning for developers only after Gate 2 has been confirmed, and that it would be unreasonable to assume developers would plan before having a firm offer.

A Workgroup Member asked the ESO to give out a feedback table. The Workgroup Member asked how much of the compliance is going to be codified rather than being up to DNOs.

A Workgroup Member asked when the timelines began, the ESO SME stated that it was on Gate 2 acceptance. The Workgroup Member then asked how flexible the timelines would be as things like bird surveys can take a long time to plan. The ESO SME asked for this question to be added to the query log.

## 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	Closed
6	WG2	JH	Clarification slide on what is BAU regarding the GSP process	Covered in WG4	WG4	Closed
7	WG2	JH	Explain the interaction of CMP434 with GC0117, consider the potential impact if GC0117 approved such as a need for an	Workgroup Consultation 25/06/24	TBC	Open

			additional code modification (Chair to put in consultation)			
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
16	WG5	RW/GL	Look into where STC changes for CNDM should be located within main body of STC and STCPs			
17	WG5	FP	Are the duplication checks at Gate 2 against projects who are within the gate 2 applicants pool of that period, gate 2 applicants that are yet to accept their offer, or/and applicants who have accepted their Gate 2 offer			Open

**Attendees**

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, ESO	Chair
Lizzie Timmins	LT	Code Administrator, ESO	Chair
Stuart McLarnon	SM	Code Administrator, ESO	Tech Sec
Joe Henry	JH	ESO	Proposer
Graham Lear	GL	ESO	Proposer
Angela Quinn	AQ	ESO	ESO SME
Folashadé Popoola	FP	ESO	ESO SME

Kav Patel	KP	ESO	ESO SME
Michael Oxenham	MO	ESO	ESO SME
Paul Mullen	PM	ESO	ESO SME
Rachael Eynon	RE	ESO	ESO SME
Richard Paterson	RP	ESO	ESO SME
Ruth Matthew	RM	ESO	ESO SME
Lee Wilkinson	LW	Ofgem	Authority Representative
Alex Ikonic	AI	Orsted	Workgroup Member
Allan Love	AL	Scottish Power Transmission	Workgroup Member
Anthony Cotton	AC	Energy Technical & Renewable Services Ltd	Workgroup Member
Barney Cowin	BC	Energy Corp	Workgroup Member
Bill Scott	BS	Eclipse Power Networks	Workgroup Member
Brian Hoy	BH	Electricity North West Limited (ENWL)	Workgroup Member
Callum Dell	CD	Invenergy	Workgroup Member
Claire Hynes	CH	RWE Renewables	Workgroup Member
Claire Witty	CW	Scottish Power Energy Networks	Alternate
David Tuffery	DT	National Grid Electricity Distribution	Workgroup Member
Deborah MacPherson	DM	Scottish Power Renewables	Workgroup Member
Ed Birkett	EB	Low Carbon	Workgroup Member
Emily Rice	ER	SSEN Transmission	Alternate
Garth Graham	GG	SSE Generation	Workgroup Member
Greg Stevenson	GS	SSEN Transmission (SHET)	Workgroup Member
Helen Snodin	HS	Fred Olsen	Workgroup Member
Helen Stack	HSt	Centrica	Workgroup Member
James Innes	JI	Elmya Energy	Alternate
Joe Colebrook	JC	Innova Renewables	Workgroup Member
Kyran Hanks	KH	WWA Ltd	Workgroup Member
Luke Scott	LS	Northern Powergrid	Workgroup Member
Mark Field	MF	Sembcorp Energy (UK) Limited	Workgroup Member
Michelle MacDonald Sandison	MM	SSEN	Workgroup Member
Mireia Barenys	MB	Light Source BP	Alternate

Mohammad Bilal	MBi	UK Power Networks	Alternate
Mpumelelo Hlophe	MH	Fred Olsen Seawind	Workgroup Member
Nina Sharma	NS	Drax	Alternate
Nirmalya Biswas	NB	Northern Powergrid	Alternate
Paul Jones	PJ	Uniper	Workgroup Member
Paul Youngman	PY	Drax	Workgroup Member
Phillip Addison	PA	EDF Renewables	Workgroup Member
Richard Woodward	RW	NGET	Workgroup Member
Rob Smith	RS	Enso Energy	Workgroup Member
Sam Aitchinson	SA	Island Green Power	Workgroup Member
Simon Lord	SL	Engie	Workgroup Member
Tim Ellingham	TE	RWE	Alternate