

Code Administrator Meeting Summary

Meeting name: CMP434 & CM095 Workgroup 18

Date: 19/08/2024

Contact Details

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

Proposer: **Ruby Pelling** ruby.pelling@nationalgrideso.com

Key areas of discussion

The key areas for discussion in Workgroup 18 were to review the updated Proposers solution and timeline. The Chair noted quoracy and began the Workgroup.

Actions Update

All actions were reviewed; any updates can be seen within the actions log below.

Timeline Update

An SME provided the Workgroup with an update on the timeline and ongoing work in the Connections space. Workgroup members stated they would like the legal basis on how the Authority will make a decision on the urgent modifications, given that guidance/methodologies will be used alongside the codes. Workgroup members stated they would like to more of the details in the modification be added to the codes, rather than contained in supporting documents. The SME also gave an indication that a modification on Financial Instruments would be raised in the future by the ESO.

Key Changes to CMP434

An SME stated that they expect the operational go live date to be extended and that an update would be provided to the Workgroup in due course.

Element 1 – The ESO considered the feedback from the Workgroup Consultation, however did not think that a change was necessary to their Proposal.

Workgroup members requested clarity on the flexibility of methodologies and justification for their use over codification (Action 50 and 51). A Workgroup member asked if OFGEM can approve a set of modifications that have so much of their detail in supporting documents. Workgroup members stated they would like to see the ESO's evidence that these modifications would speed up the connections process.

Element 2 – The ESO considered the Workgroup Consultation feedback and made the following changes to their Proposal: Gate 1 will now be an optional process, the Gate 1 and Gate 2 processes have been combined with a 6 month frequency and 12 month duration, and the Gate 1 offer has been decoupled from the batched design process.

Several Workgroup members queried the purpose of Gate 1, with it now being optional, querying the incentive for developers to apply for Gate 1 and querying whether it is an improvement from the

existing process. One Workgroup member noted the need for a distinguishment to be made between Gate 1 offers with capacity, and those without capacity. Several Workgroup members noted their concern for only having two application windows per year, noting that this was worse than the Original Proposal and may risk making connections timescales even longer.

The ESO clarified that they had engaged with TOs when changing their Proposal, highlighting that a process with 3 application windows per year would not be compatible with their existing processes. One Workgroup member suggested shortening the Gate 1 acceptance window and amending other parts of the process timeline to speed up the process. Several Workgroup members highlighted the importance of the Gate 1 process, noting that it would be beneficial for projects with long lead times.

Element 3 – The ESO considered the feedback from the Workgroup Consultation and noted that they had decided to leave element 3 unchanged.

One Workgroup member noted that this element could negatively affect directly connected Demand Users, as noted in the Workgroup Consultation. The ESO agreed to reconsider the Workgroup Consultation responses that mentioned this and agreed to provide a future update on this element. (Action 52)

Element 4 – The ESO considered the Workgroup Consultation feedback and as a result changed their Proposal to apply Significant Modification Applications only to Gate 2.

One Workgroup member queried whether any changes could be significant enough to result in an application being terminated, which the ESO agreed to confirm. (Action 53)

Element 5 – The ESO considered the Workgroup Consultation feedback and as a result changed their Proposal to remove DFTC from the modification, with an intention to still request data from DNOs through week 24/50 submissions.

One Workgroup member queried what data visibility will be available for DNO customers, and queried whether the ESO will still be providing indicative dates to DNOs Pre-Gate 2, which the ESO agreed to confirm. Another Workgroup member noted that iDNOs would need to be considered as well as DNOs. (Action 54 DNO indicative dates)

One Workgroup member queried interaction of non-GB projects with CES and asked whether further changes would need to be made to the Proposal to accommodate this. The ESO agreed to confirm this. (Action 55)

Element 6 – The ESO advised that following feedback from the Workgroup Consultation, Element 6 will be updated as per Element 2 updates.

Workgroup members queried how fringe cases would be dealt with, and the ESO noted that these would be dealt with on a case-by-case basis.

Element 7 – The ESO considered the Workgroup Consultation feedback, advising that their intention is for Element 7 to remain de-scoped from the Proposal. The Workgroup did not have any comments on this.

Element 8 – The ESO considered the Workgroup Consultation feedback on Element 8 and advised that they have removed the Longstop Date from their Proposal. They advised that a separate modification will be raised to introduce a financial instrument to act as a disincentive for projects remaining in the connections queue for a lengthy period of time. The Workgroup asked for confirmation on this separate modification and when it would be raised. (Action 56)

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Element 9 – The ESO advised that they believe Project Designation should still be part of the Proposal despite the Workgroup Consultation feedback, however noted that it will no longer be applicable in respect of Gate 1, since Gate 1 is no longer mandatory.

Element 10 – The ESO advised of a change to their Proposal for Element 10, noting that they were potentially expanding the use of Connection Point and Capacity Reservation for projects submitting Gate 1 applications. They also noted they may need to broaden the usage of Element 10 in future. They advised that this was to continue to incentivise use of the Gate 1 process and noted that reservation would not be indefinite but would have a bilaterally agreed minimum reservation time period.

Workgroup members raised concerns that this change could benefit offshore wind at the expense of onshore wind. One Workgroup member queried the use of a minimum reservation time period, rather than a maximum time period, the ESO stated that these minimum reservation time periods would be easier to apply.

Element 11 – The ESO presented the following updates to Element 11, following Workgroup Consultation feedback:

- Clarification that land rights submitted at Gate 2 must have a 3-year minimum option length, subject to ESO discretion.
- DCO projects will have an alternative option for Gate 2 criteria evidence to mitigate a risk of the process being unviable for them.
- Calculation of Red Line compliance based on installed capacity rather than TEC.
- Codification of red line boundary compliance.
- Amended timescales from Gate 2 Offer acceptance to forward looking M1 based on feedback.
- Option for the ESO to adjust milestones to avoid unintended outcomes.

One Workgroup member queried how the ESO had arrived at the 3-year minimum option length. Workgroup members queried whether the ESO would have powers to retroactively remove applicants from Gate 2 if the Gate 2 criteria were changed. Some Workgroup members were confused with the changes to Element 11, with members querying the change in red line boundary compliance being based on installed capacity. The ESO advised that the ESO's interest is in installed capacity, rather than TEC.

Next steps

Next meeting will contain the rest of the key changes to CMP434 & CM095

Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
11	WG2	All	Add agenda time to respond to papers provided by Workgroup members	Ongoing	WG4	Open
20	WG6	JN/AQ	Consider legal perspective on NESO designation	Remain open until new solution discussed	TBC	Open
22	WG6	JH	Consider if an impact assessment by the ESO on the proposed solution is		TBC	Open

Commented [LT(1)]: Some Workgroup members were concerned that installed capacity is not fully defined, however the ESO noted they had made this change based on Workgroup Consultation responses. The Chair requested more detail on the solution from the ESO as Workgroup members were not clear on which parts would be within methodologies and what would be codified. Workgroup members stated that they were unable to raise Alternative Requests without this further detail. Action 61 – confirm intention on what will be codified / in methodologies. Actions 59-60 – produce examples to provide clarification, and provide analysis to show which projects would benefit from Proposals.

This covers Element 11 from both Workgroups so may need splitting out!

			achievable within the current timescales			
23	WG7	LH	Clarify the ESO Position as to why the capacity reallocation process is out of scope for CMP434	Add narrative into Workgroup Report	TBC	Closed
24	WG7	MO	Consult ESO legal team to consider using existing legal definitions for clarification (substantial modification) and reconsider terminology being used (material/significant/allowable)	To remain open until legal text review	TBC	Open
26	WG7	SMEs	Provide a list of policy documents envisaged for TMO4+ and for which details are not within scope of CMP434 (e.g.CNDM). Also provide a list of their contents/principles the documents are using if not available for the WG consultation	WG consultation includes those relevant – replaced with action 49	TBC	Closed
29	WG9	MO/AQ	In terms of the 3 year long stop cancellation of sites/capacity provide detail to what element of the CUSC is being referenced and how this is envisaged to work?	No longer being proposed	TBC	Closed
30	WG9	AQ	To explain how the dispute process will fit into the statutory approach (legal route)	De-scoped	TBC	Closed
31	WG9	MO	More detail requested by Workgroup to make a judgement on Connection Point and Capacity Reservation (including offshore)	Remain open until new solution discussed	TBC	Open
32	WG10	MO	Clarify TO/ESO in terms of CNDM and what would get into the Gate 1 offer		TBC	Closed
35	WG10	AC/AQ	ESO to confirm whether additional uncertainty clauses (which have been appearing in offers recently) will remain		TBC	Open
36	WG10	AC/AQ	ESO to consider doing duplication checks on LoAs given info received today on G1 offers, to avoid buying LoAs off each other.	Not proposing to do LoA duplication checks	TBC	Closed

37	WG10	AC/AQ	To confirm Gate 1 contracts are formal binding contracts and clarify terminology accordingly	Yes in relation to content	TBC	Closed
38	WG11	MO	Updated Action: To expand on licence change conditions/obligations, including any suggested changes to the Licensed offer timescales		TBC	Open
39	WG11	MO	To share ESO suggested Licensed offer timescales changes from 3 months with the Workgroup	Combined with action 38	TBC	Closed
40	WG11	RF	To share licence changes programme timescales with Workgroup		TBC	Open
41	WG12	PM	To share analysis/feedback which informs the Gate 2 period offer acceptance to submission of application for Planning Consent		TBC	Open
42	WG12	JH	To provide an update of the action log at Workgroup 13		WG13	Closed
43	WG16	DH/GL	Investigate whether changes are required to STCP 18-7 based on the CMP434 solution	Anticipated that no changes need to be made, but will confirm this once it has been investigated further	ASAP	Open
44	WG16	DH/GL	Consider whether an update is required to the STC Panel on timings of STCP modifications and approval route	An update will be provided to the STC Panel Representatives via email circulation.	ASAP	Closed
45	WG16	RW	Provide narrative within Workgroup Consultation on Connection Point and Capacity Reservation	Completed	19/07	Closed
46	WG16	AL	Provide narrative within Workgroup Consultation relating to CATOs	Completed	19/07	Closed
47	WG16	MO	Amend 'Why Change' and 'Interactions' sections of Workgroup Consultation document	Completed	19/07	Closed

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48	WG16	LT	Amend Proposer's solution section within Executive Summary	Completed	19/07	Closed
49	WG17	MO	Updated action: SMEs to share a short summary of the methodologies, timescales and the underlying principles of this modification. This should include a plan for engagement with stakeholders.		TBC	Open
50	WG18	AQ	Provide the ESO view on the legal position associated with Element 1 of the Proposal in the context of the Ofgem decision-making process on code change		TBC	Open
51	WG18	HM	Provide further explanation/evidence on the perceived flexibility / timing differences between changing the content of a methodology and changing the content of a code.		TBC	Open
52	WG18	MO	Review consultation responses from directly connected Demand Users, and provide an update on intentions for Element 3.		TBC	Open
53	WG18	DD/SG	Clarify whether developer requested changes within a Significant Modification Application could potentially be so significant that they result in an application having to be restarted or having the contract terminated, etc		TBC	Open
54	WG18	RP/AP	Clarify whether the ESO will still be providing indicative dates to DNOs Pre-Gate 2		TBC	Open
55	WG18	DD	Re-review consultation feedback specific to the ESO position on any Non-GB Projects (as consulted on within the WG Consultation) and either confirm that the position still remains unchanged or confirm new position to the Workgroup.		TBC	Open
56	WG18	MO	Confirmation of whether financial instruments will be raised as a separate modification.		TBC	Open

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57	WG18	AQ	Consider Innova response and confirm whether ESO feels that Element 9 is consistent with Electricity Regulations in terms of discrimination.	TBC	Open
58	WG18	PM	Clarify whether anything in Proposal could allow the Gate 2 criteria to be amended and applied retrospectively i.e. with a Gate 2 project then no longer being a Gate 2 project, even where it is complying with its ongoing compliance obligations.	TBC	Open

Attendees

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, ESO	Chair
Lizzie Timmins	LT	Code Administrator, ESO	Chair
Stuart McLarnon	AH	Code Administrator, ESO	Tech Sec
Ruby Pelling	RP	ESO	Proposer
David Halford	DH	ESO	Proposer
Lee Wilkinson	LW	Ofgem	Authority Representative
Alex Ikonic	AI	Orsted	Workgroup Member
Allan Love	AL	SPT	Workgroup Member
Anthony Cotton	AC	Green Generation Energy Networks Cymru Ltd	Workgroup Member
Bill Scott	BS	Eclipse Power Networks	Workgroup Member
Brian Hoy	BH	Electricity North West Limited (ENWL)	Workgroup Member
Ed Birkett	EB	Low Carbon	Workgroup Member
Deborah MacPherson	DM	Scottish Power Renewables	Workgroup Member
Garth Graham	GG	SSE Generation	Workgroup Member
Grant Rogers	GR	Qualitas Energy	Workgroup Member
Greg Stevenson	GS	SSEN Transmisson (SHET)	Workgroup Member
Charles Yates	CY	Fred Olsen Seawind	Workgroup Member
Helen Stack	HES	Centrica	Workgroup Member
Kyran Hanks	KH	CUSC Panel member	Workgroup Member
Luke Scott	LS	Northern Powergrid	Workgroup Member
Mark Field	MF	Sembcorp Energy (UK)	Workgroup Member

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Michelle M Sandison	MS	SSEN	Workgroup Member
Andy Dekany	AD	NGV	Workgroup Member
Paul Jones	PJ	Uniper	Workgroup Member
Paul Youngman	PY	Drax	Workgroup Member
Ravinder Shan	RS	FRV TH Powertek Limited	Workgroup Member
Richard Woodward	RW	NGET	Workgroup Member
Rob Smith	RS	Enso Energy	Workgroup Member
Sam Aitchison	SA	Island Green Power	Workgroup Member
Claire Hynes	CH	RWE	Workgroup Member
Wendy Mantle	WM	SPEN	Workgroup Member
Yates Andrew	YA	Statkraft	Workgroup Member
Mohammad Bilal	MB	UK Power Networks	Workgroup Member
Zygimantas Rimkus	ZR	Buchan Offshore Wind	Workgroup Member