

CMP434 Implementing Connections Reform

CM095 Implementing Connections Reform

Workgroup Meeting 19, 20 August 2024
Online Meeting via Teams

WELCOME



Agenda

Topics to be discussed	Lead
Timeline	Chair
Scene Setting – Workgroup 19	Proposer
Finalise Solution	SMEs
Alternative Request Discussion	ALL
Actions Log	Chair
Any Other Business	Chair
Next Steps	Chair

Timeline

Claire Goult – ESO Code Administrator

CMP434 Implementing Connections Reform Timeline

Post Workgroup Consultation		
CMP434 Workgroup 19	20/08/24	Finalise solution/Alternatives Discussion
CMP434 Workgroup 20	27/08/24	Finalise solution + Alternative Vote
CMP434 Workgroup 21	03/09/24	Original legal text
CMP434 Workgroup 22	11/09/24	WACM legal text
CMP434 Workgroup 23	17/09/24	Finalise WG Report & ToR, WG vote
CMP434 Workgroup Report to Panel	20/09/24	
CMP434 Panel to agree whether ToR have been met	25/09/24	Special Panel
Post Workgroups		
CMP434 Code Administrator Consultation	26/09/24 – 10/10/24	
CMP434 Draft Final Modification Report to Panel	16/10/24	
CMP434 Final Modification Report to Panel to check Votes	22/10/24	Special Panel
CMP434 Final Modification to Ofgem	22/10/24	
CMP434 Decision Date	13/12/24	
CMP434 Implementation Date	01/01/25	

CM095 Implementing Connections Reform Timeline

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Post Workgroup Consultation		
CM095 Workgroup 19	20/08/24	Finalise solution/Alternatives
CM095 Workgroup 20	27/08/24	Finalise solution + Alternative Vote
CM095 Workgroup 21	03/09/24	Original legal text
CM095 Workgroup 22	11/09/24	WACM legal text
CM095 Workgroup 23	17/09/24	Finalise WG Report & ToR, WG vote
CM095 Workgroup Report to Panel	20/09/24	
CM095 Panel to agree whether ToR have been met	25/09/24	Special Panel
Post Workgroups		
CM095 Code Administrator Consultation	26/09/24 – 10/10/24	
CM095 Draft Final Modification Report to Panel	16/10/24	
CM095 Final Modification Report to Panel to check Votes	22/10/24	Special Panel
CM095 Final Modification to Ofgem	22/10/24	
CM095 Decision Date	13/12/24	
CM095 Implementation Date	01/01/25	

Workgroup 19 Scene Setting

Ruby Pelling, Proposer

Meeting Objectives

What is the focus of the meeting?

- To continue to explain the CM095/CMP434 changes to the Original proposal following Workgroup 18
- To discuss individual Alternative requests raised following the Workgroup consultation

What is the ask of the workgroup?

- Understand and contribute to discussion
- Provide feedback

What is the desired output of the meeting?

- Clear understanding of the changes made to the solution for both CM095 and CMP434 post consultation
- To be clear on what Alternative requests will be brought forward to vote on

What should not be discussed?

- Whether you agree or disagree with the solution

Solution Update

SMEs

CMP434 Implementation Approach

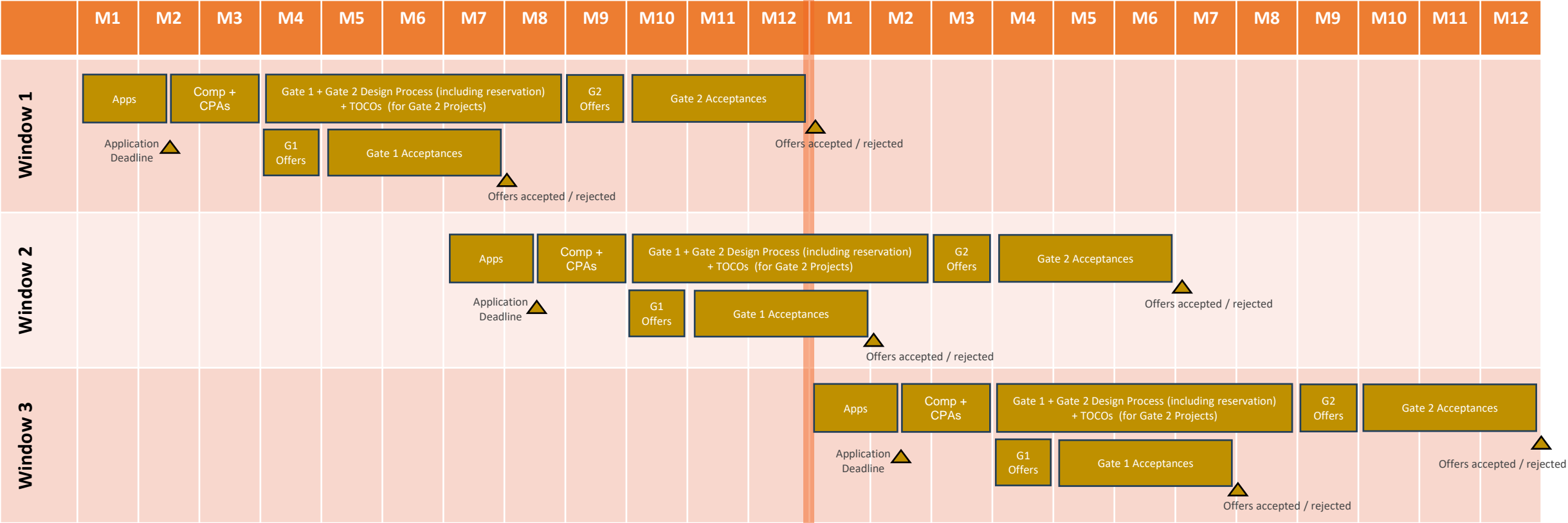
What has changed?	Rationale	Potential Alternative Negation
Operational Go-Live Date to Change	Considerable feedback that timescales within implementation approach are not realistic. Plan to amend implementation approach timescales but exact planned programme and revised dates remain TBC. We are in discussions with Ofgem on programme and will share an update as soon as possible but in any case within the next one-to-two weeks.	No

What has changed?	Rationale	Potential Alternative Negation
No Change	<p>Whilst there was considerable feedback on our position on Methodologies, Codification and Guidance, we continue to feel that our position is the one which should be presented to Ofgem as part of the Original Proposal.</p> <p>We are in discussions with Ofgem on programme and will share an update as soon as possible but in any case within the next one-to-two weeks.</p>	No

CMP434 Element 2 -Introducing an annual application window and two formal gates,
which are known as Gate 1 and Gate 2 (i.e. the Primary Process)

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What has changed?	Rationale	Potential Alternative Negation
<p>Gate 1 (within the Combined Gate 1 and Gate 2 Process) now Optional and not Mandatory</p> <p>Combined Gate 1 and Gate 2 Process – 6 Month Frequency and 12 Month Duration (Subject to Licence)</p> <p>Gate 1 Offer (for those applying for Gate 1) is decoupled from a batched design process outcome i.e. desktop exercise</p>	<p>Whilst some support for the intent behind Gate 1, considerable feedback that Gate 1 should not be mandatory for in-scope developers.</p> <p>Also, concerns about different treatment of those required to progress through Gate 1 and those who could utilise DFTC.</p> <p>Consequentially, opportunity to combine Gate 1 and Gate 2 processes and reduce process complexity. Also, able to decouple Gate 1 Offers from any Gate 1 network design process.</p>	<p>No</p>



The Month of M1 Remains TBC.

The appropriate level of codification related to frequency and duration remains to be confirmed, but as the current codified process timescales are derived from the ESO and TO transmission licences this will in part depend upon changes to licence. The Proposer therefore plans to keep the frequency and duration of the process, as well as the process steps, under review post-consultation.

CMP434 Element 3 - Clarifying which projects go through the Primary Process

What has changed?	Rationale	Potential Alternative Negation
No Change	General support for position. Some comments on Large Embedded Demand, but having reflected on that feedback we have not amended what we considered to be in-scope projects.	No

CMP434 Element 4 - Significant Modification Applications

What has changed?	Rationale	Potential Alternative Negation
Significant Modification Applications now only indicate whether a change request needs to go through the Gate 2 Process (as part of the combined bi-annual Gate 1 and Gate 2 Process)	<p>As a consequential change as a result of Gate 1 becoming optional i.e. there are no longer restrictions proposed between Gate 1 and Gate 2 and as a result Significant Modification Applications will go through the Gate 2 Step of the combined bi-annual process (rather than the standard Mod App process).</p> <p>Material Technology Change policy/guidance will still apply within the Mod App process, whether or not a Significant Modification Application.</p> <p>Some specific feedback in relation to legal drafting we will consider further when drafting Proposal legal text over the next couple of weeks.</p>	No

CMP434 Element 5 - Clarifying any Primary Process differences for customer groups

What has changed?	Rationale	Potential Alternative Negation
DFTC Removed	<p>The original purpose of DFTC was to allocate Gate 1 capacity under previous proposals. However, DFTC has evolved and is now an information exchange between the ESO, TOs, DNOs and transmission connected iDNOs to assist with efficient and coordinated network planning, akin to the annual week 24 DNO data submission.</p> <p>GC Modification 139 is looking to enhance planning data exchange to facilitate whole system planning. Networks are engaging the GC working group to understand if DFTC can be incorporated into the existing in train GC modification. So far indications look promising. This would align to stakeholder feedback that the DFTC should be in some way codified.</p> <p>If DFTC cannot be incorporated the ESO would look to raise a subsequent Grid Code modification to achieve this information exchange. It is expected that this can be done in a timely manner as the proposed DFTC data is not a critical component for 2026 network planning and therefore not required to deliver the MVP for Go Live. In the interim (until the Grid Code modification is implemented), work is progressing within the ENA to create a non-codified transitional process.</p>	<p>Alternative 15 (CMP434) DFTC</p>

CMP434 Element 5 - Clarifying any Primary Process differences for customer groups

What has changed?	Rationale	Potential Alternative Negation
<p>LoA Equivalent for Offshore Projects may be a Letter of Acknowledgement rather than a Letter of Authority.</p> <p>In respect of I/Cs and OHAs, relevant changes in relation to approach i.e. longstop date, Gate 2 criteria, etc.</p>	<p>Based on feedback from Crown Estate.</p> <p>Based on feedback from Interconnector / OHA developers, and other developers of DCO projects, we have made changes which impact such developers, as set out across the other Elements.</p>	<p>No</p>

CMP434 Element 6 - Setting out the process and criteria in relation to Application Windows and Gate 1, including introducing an offshore Letter of Authority equivalent as a Gate 1 application window entry requirement for offshore projects

What has changed?	Rationale	Potential Alternative Negation
As per Element 2	As per Element 2	No

CMP434 Element 7 - Fast Track Disagreement Resolution Process

What has changed?	Rationale	Potential Alternative Negation
No Change	Majority of stakeholders supported our general position and we did not identify a reason to amend our position as part of the MVP.	No

CMP434 Element 8 - Longstop Date for Gate 1 Agreements

What has changed?	Rationale	Potential Alternative Negation
<p>Longstop Date Removed</p> <p>(This includes the removal of creating an obligation on the DNOs to include a Longstop date in their offers to embedded generators under Element 18.)</p>	<p>Whilst there was support for the proposed longstop date several issues were highlighted about its construction and application, and some challenged whether it should be part of the MVP.</p> <p>However, as a consequence of Gate 1 being optional (coupled with the above) we have decided to descope the concept of the longstop date for Gate 1 projects.</p> <p>Note however that we have replaced it with a similar concept in respect of Element 10, where there is still a strong need for protective arrangements.</p>	<p>No</p>

What has changed?	Rationale	Potential Alternative Negation
Project Designation no longer applicable in respect of Gate 1 bypass route	<p>Consequential Change (Gate 1 Optionality).</p> <p>Whilst there was considerable feedback on our position on the CNDM and codifying elements of this, we continue to feel that our position is the one which should be presented to Ofgem as part of the Original Proposal.</p>	No

CMP434 Element 10 - Connection Point and Capacity Reservation

What has changed?	Rationale	Potential Alternative Negation
Potential greater use of Element 10 for projects submitting Gate 1 Applications and need to broaden potential usage in future	<p>Consequentially linked to Gate 1 process being optional, to continue to incentivise use of the Gate 1 Process by those most likely to benefit from Gate 1, a potential greater use of such arrangements.</p> <p>Consequentially linked to removal of longstop date, a bilaterally agreed minimum reservation time period (where reservation is for and contracted with a specific developer e.g. interconnectors and OHAs, rather than for a network requirement and being held by the ESO) with an annual review thereafter, to ensure reservation is not indefinite.</p>	No

CMP434 Element 11 - Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved

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What has changed?	Rationale	Potential Alternative Negation
No change re: Minimum Option length apart from to clarify that the evidence of land rights submitted at Gate 2 application must have/show a 3 year minimum option length (unless ESO discretion applied via the Gate 2 Criteria Methodology – see following slide)	Need a minimum option period - otherwise the Gate 2 criteria is too low	No
Projects that go down the DCO route have an alternative option for Gate 2 evidence within the Gate 2 Criteria Methodology i.e. submission of the application planning consent (<u>or other evidencable measure to be discussed with Workgroup</u>)	Mitigates the risk that developers who seek land rights later in their development process (e.g. they need to go through the DCO process to obtain land rights through the use of CPO powers) have an alternative (comparable, or more onerous) route to them meeting Gate 2 that aligns with their development strategy. (Ongoing compliance will need to also be adjusted.) We believe this choice is limited to DCO projects as it is only for DCOs where the planning process and land rights are more coupled.	No

CMP434 Element 11 (Ongoing Compliance - Land)

What has changed?	Rationale	Potential Alternative Negation
<p>Confirm that land option will need to have a continued 3 year validity subject to the following exceptions:</p> <ul style="list-style-type: none">• Connection Date <3 years away; and/or• Evidence that having to have and/or maintain a 3 year validity detrimentally impacts development of the project (<i>need to define what these exceptions are as part of the Gate 2 Criteria Methodology</i>)	<p>Maintain that ongoing compliance of land rights is important to demonstrate project viability</p>	<p>No</p>

CMP434 Element 11 (Ongoing Compliance - Land)

What has changed?	Rationale	Potential Alternative Negation
Red Line compliance calculation based on installed capacity (generation or demand) and not TEC.	TEC is contractual and does not generally align with the capacity of the assets being installed. Some sites will install greater generation capacity than TEC to, more efficiently, utilise limited network infrastructure.	No
<p>Codify that (unless ESO discretion is applied) whatever installed capacity is built within the original red line boundary, only 50% of that number can then be located outside of the original red line boundary. Where this calculation results in a number that is less than the total installed capacity, the total installed capacity will be reduced accordingly, (and this may result in a TEC reduction).</p> <p>Therefore, Gate 2 ongoing compliance requirements would now be codified.</p>	Prudent to codify requirement as consequence of non-compliance is a TEC reduction under CUSC.	Alternative 14 (CMP434) RLB Ongoing Compliance Codification

CMP434 Element 11 (Ongoing Compliance - Planning)

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What has changed?	Rationale	Potential Alternative Negation
Timescales from Gate 2 Offer acceptance to forward looking M1: see next slide and Annex 1	Agree with stakeholder feedback that the ESO's proposed forward-looking timescales are too short.	Does not fully negate Alternative 4 (CMP434) Backwards Looking M1 but the extended timescales are potentially a partial mitigation
Introduce milestone adjustment ability for ESO e.g. where a developer asks for an earlier date and gets a later date, or asks for and gets a later date (but this is due to a normal programme timescales e.g. mega projects) to avoid unintended outcomes.	Mitigates the risk of a developer having to submit their application for planning objectively too early in their development cycle. We noted from the stakeholder feedback there was a lot of support for a forward looking M1 milestone if the connection date is within ~6 years of the offer date to mitigate the risk for consent expiration and backward looking if >6/7 years away from the connection date. We see merit in this and our proposed solution factors in this principle but avoids setting a specific time period, which would represent a cliff edge and could also undermine forward-facing milestones by allowing developers to ask for and get a later connection date to avoid milestones.	Alternative 4 (CMP434) Backwards Looking M1

CMP434 Element 11 (Ongoing Compliance - Planning)

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Planning Type	ESO Proposal (at time of Workgroup Consultation), assuming some land and planning work are done in parallel	Typical timescales based on views of some Workgroup Members	ESO revised Proposal (based on Stakeholder feedback following Workgroup Consultation)
Town and Country Planning (England, Scotland and Wales)	1 year	1.5 years	2 years
Section 36 (England/Scotland)	1 year	1.5 years	3 years
Development of National Significance (Wales)	1.5 years	2 years	3 years
NSIP / DCO (England)	2 years	3 years	3 years
Offshore (including Interconnectors and OHAs)	n/a	n/a	5 years
Nuclear	n/a	n/a	Case by Case
Novel technologies	n/a	n/a	Case by Case

CMP434 Element 12 - Setting out the general arrangements in relation to Gate 2

What has changed?	Rationale	Potential Alternative Negation
<p>As per Element 2</p> <p><i>Note that Gate 2 process frequency has reduced as a result of broader proposal changes and due to further internal engagement and with TOs.</i></p>	<p>As per Element 2</p>	<p>No</p>

CMP434 Element 13 - Gate 2 Criteria Evidence Assessment

What has changed?	Rationale	Potential Alternative Negation
Introduce right to check up to 100% of land rights	Addresses stakeholder concerns that underlying evidence may never be checked	No
We will carry out 100% of Duplication Checks (against projects in Gate 2)	Recognise that you need to do 100% checking to identify potential duplicates	No

Note that under our revised proposal we will still require self-declaration, evidence of land rights and red line boundary alongside the Gate 2 Application.

ESO propose to check/audit land rights for directly connected and large embedded projects and DNOs and Transmission connected iDNOs to check/audit all relevant small and medium embedded projects. ESO will also conduct duplication checks for all projects in totality – we need to define the process (e.g how any overlaps are investigated, what is and isn't an acceptable overlap, how we deal with co-located projects, consequences, appeals, etc) for inclusion within the code (in part i.e. to state that self-declaration can be checked up to 100% and projects can be removed through checks/audits) and (substantially) within the Gate 2 Criteria Methodology.

Checks to be done after the 'clock start date' (noting this concept is to change) and before the Gate 2 Offer release.

CMP434 Element 13 - Gate 2 Criteria Evidence Assessment

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- A Self-Declaration Letter, which must be signed by a Director of the developer applying and this letter must show the following (**updates in red text**):
 - The date the project achieved the Gate 2 criteria (i.e. the date they actually secured the requisite land rights).
 - The red line boundary (**including site address/co-ordinates**) for the project site upon which the project will be located and confirmed to meet or exceed the minimum land density requirements (as per the ESO's Energy Land Density Table introduced by CMP427).
 - The land status information; i.e. whether all or some of land is already owned or leased (for the operational life of the project), or whether an option agreement is in place in respect for a lease or purchase of the land.
 - If not already owned/leased, the parameters of length of option agreement in respect of lease or purchase.
 - (If applicable) the parameters of the length of the lease (and that this or any extension will cover the operational life of the project).
 - ~~○ A statement that to the Director's best knowledge, no-one else has any rights over the land (for the purposes of energy) and that it does not overlap in relation to mutual exclusive usage.~~
 - Statement that to the Director's best knowledge, the developer is not applying for both transmission and distribution with the same land.
 - Explain any known overlaps**
 - Intended planning regime to be followed**

CMP434 Element 14 - Gate 2 Offer and Project Site Location Change

What has changed?	Rationale	Potential Alternative Negation
Removed the proposed 12 month window after acceptance of Gate 2 offer to move project site location	<p>Consultation feedback that the 12 month period for location change was too short, and that it was not straightforward for certain technology types to move to a nearby site (e.g. onshore wind where energy yield assessments are site specific).</p> <p>As there is no suitable and technology agnostic time period or alternative that can be applied, we have decided to descope as anything more complex would not be considered MVP.</p>	<p>Alternative 16 (CMP434) Remove element 14</p> <p>Alternative 3 (CMP435) Remove element 14</p>

CMP434 Element 15 - Changing the offer and acceptance timescales to align with the Primary Process timescales (e.g. a move away from three months for making licenced offers)

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What has changed?	Rationale	Potential Alternative Negation
No Change	No feedback requiring a change, considering linked to and dependent upon Licence Changes.	No

CMP434 Element 16 - Introducing the proposed Connections Network Design Methodology (CNDM)

What has changed?	Rationale	Potential Alternative Negation
No Change	Whilst there was considerable feedback on our position on the CNDM and codifying elements of this, we continue to feel that our position is the one which should be presented to Ofgem as part of the Original Proposal.	No

CMP434 Element 17 - Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission process for Distribution Network Operators (DNOs) and transmission connected Independent Distribution Network Operators (iDNOs)

What has changed?	Rationale	Potential Alternative Negation
DFTC Descoped	As per Element 5	Alternative 15 (CMP434) DFTC
<p>For Relevant Small/Medium EG wanting a BEGA:</p> <p>BEGA application can be made to ESO anytime of the year and is no longer tied to a Gate 1 Application.</p> <p>The embedded customer must go through the Gate 2 process via their DNO (or iDNO), rather than a direct application at Gate 2 via the ESO.</p>	<ul style="list-style-type: none"> ▪ The process is largely administrative. ▪ The time involved in coordinating the parties is challenging given the expected windows. ▪ The ESO will continue to issue modification notices to the DNO / transmission connected iDNO (where relevant), giving the DNO / transmission connected iDNO more time to work with embedded customer on coordination of information. 	No

What has changed?	Rationale	Potential Alternative Negation
<p>For Large Embedded Generators applying at Gate 2:</p> <p>Can submit a BEGA/BELLA application at any time rather than only within the [six week] application window on a bi-annual basis, for processing within a Gate 2 Process.</p>	<ul style="list-style-type: none">▪ Large Embedded Generators will go through the Gate 2 application window once they have met the Gate 2 criteria, but they need a supporting DNO / transmission connected iDNO (where relevant) application (which is the same requirement as now for applications).▪ The process is that after a large embedded generator applies to the ESO, we notify the DNO / transmission connected iDNO (where relevant), and they then submit a modification application to the ESO with the additional information needed to enable the large embedded generator application to be processed by the ESO/TO.▪ Therefore to ensure there is sufficient time for this process to run and to allow both parties to submit the required information, large embedded generators can apply for their BELLA/BEGA at any time throughout the year. We will then notify the DNO / transmission connected iDNO (where relevant), about the application.▪ Once both applications have been received by the ESO, the large embedded generator application can then go through the next available Gate 2 window/process.	<p>No</p>

CMP434 Element 18 - Set out the process for how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria

What has changed?	Rationale	Potential Alternative Negation
<p>DNO and transmission connected iDNO will have a maximum of 10 working days after the close of the Gate 2 window to submit their fully completed application including DRC</p>	<ul style="list-style-type: none"> ▪ This is an administrative window only. Not an extension. ▪ DNOs and transmission connected iDNOs are required to produce additional information as part of their application to the ESO. This information is collated based on the Embedded Customers' applications (received in the Gate 2 window). <ul style="list-style-type: none"> ▪ This approach is intended to allow Embedded Customers to have a similar Gate 2 window duration. ▪ DNOs and transmission connected iDNOs will not be allowed to include Embedded Customers who applied after the close of the Gate 2 window within their fully completed application to the ESO. 	<p>No</p>

Queue Management Milestones – Example if M1 forward looking (based on updated ESO proposal)

Signed Gate 2 Offer – 1 December 2025
Connection Date – 1 April 2033

M1	Town and Country Planning (2 years)	Section 36 (3 years)	DNS – Wales only (3 years)	DCO (3 years)	Offshore (5 years)
M1 forward calculated	1 December 2027	1 December 2028	1 December 2028	1 December 2028	1 December 2030
M1 based on CMP376 – backwards calculated (48 months from Connection Date)	1 April 2029	1 April 2029	1 April 2029	1 April 2029	1 April 2029

Text in green shows what the Queue Management Milestones would be in the Construction Agreement

Queue Management Milestones – Example if M1 forward looking (based on updated ESO proposal)

Signed Gate 2 Offer – 1 December 2025

Connection Date – 1 April 2035

M1	Town and Country Planning (2 years)	Section 36 (3 years)	DNS – Wales only (3 years)	DCO (3 years)	Offshore (5 years)
M1 forward calculated	1 December 2027	1 December 2028	1 December 2028	1 December 2028	1 December 2030
M1 based on CMP376 – backwards calculated (48 months from Connection Date)	1 April 2031	1 April 2031	1 April 2031	1 April 2031	1 April 2031

Text in green shows what the Queue Management Milestones would be in the Construction Agreement

CM095 Implementation Approach and Components

What has changed?	Rationale	Potential Alternative Negation
Operational Go-Live Date to Change	Considerable feedback that timescales within implementation approach are not realistic. Plan to amend implementation approach timescales but exact planned programme and revised dates remain TBC. We are in discussions with Ofgem on programme and will share an update as soon as possible but in any case within the next one-to-two weeks.	No
Component A - Change to Primary Process within Elements 2, 6 and 12, and Element 5 and 17	Changes to Gate 1 and Gate 2 Process and removal of DFTC simplify changes in relation to STC.	No
Component B - No Change	As no change to Element 16.	No
Component C - Potential Broader Usage	As changes to Element 10 which impact of legal text relative to previous proposals.	No

Alternative Requests

Proposers

Alternatives Summary

Key:
 Considered to fully negate alternative
 Considered to partially negate alternative

Number	Proposer Name	Proposer Organisation	Comment	What does this Alternative suggest?
1	Simon Lord	Engie		Firm access only available to projects that are fully formed and formally in the planning process.
2	Phillip Addison	EDF		This alternative proposes to remove the current proposed restrictions to build capacity outside of the red line boundary.
3	Phillip Addison	EDF		The current proposed forward planning milestone are to be removed from the proposal. The current Queue Management planning milestone dates will be used instead.
4	Steffan Jones	ENWL		Clarifying the definition of embedded schemes that will follow the Primary Process
5	Steffan Jones	ENWL		Raising the lower threshold at which embedded schemes that will follow the Primary Process
6	Steffan Jones	ENWL		To amend the threshold at which embedded schemes will follow the Primary Process
7	Zachary Gray	Hydrostor Inc	Not eligible to raise Alternative - will still share Alternative Request with the Workgroup for reference	To provide greater certainty to all LDES projects, requesting regulatory alignment between future connection reforms, consents, and procurements by considering further provisions for LDES beyond pumped hydro.
8	Barnaby Wharton	Renewable UK	Still confirming lead CUSC Schedule 1 party	Include an explicit requirement within CUSC for all DNOs to submit Gate 2 information to the ESO within 30 days of it being received from the customer / user.
9	Deborah Walker	ABO Energy	Not eligible to raise Alternative - will still share Alternative Request with the Workgroup for reference	Extend the timeline for implementation
10	Eibhlin Norquoy	Point and Sandwich Power Limited		To provide an indication of cost within the Gate 1 offer. Indication of costs ahead of application to Gate 2 would enable developers to undertake early planning for costs, securities, and liabilities and be in a better financial position to be able to accept a Gate 2 offer. This will be especially important for Embedded Generation which is not familiar with Transmission costs.

Number	Proposer Name	Proposer Organisation	Comment	What does this Alternative suggest?
11	Eibhlin Norquoy	Point and Sandwich Power Limited		<p>In order to fully comply with objective (c) of CUSC, and especially alignment with articles of Regulation (EU) 2019/943 requiring “to ensure fair conditions of competition in the internal electricity market”, introduce an alternative to unfair connection regulation for Community Generators by considering a specific “Community” Project Designation. Community Generators have repeatedly been shown to deliver many times more value and return locally and have considerably more local acceptability and support when compared to embedded generation in general. The Alternative should both increase the installed capacity and value, and speed to build out of embedded Community led generation across the networks so furthering the overall aims of this reform. Furthermore, it addresses increasing fairness and inclusion challenges by recognising the additional benefits these generators bring to society through the additional operating restrictions they have in place in order to ensure benefit from their actions is socialised, the fact that speculation is effectively not a practical feature for them, and to compensate for the unbalanced conditions and lack of resources faced when Community Generators have to compete with the corporations in the new ‘first ready, first served’ approach of the connection reform.</p>
12	Eibhlin Norquoy	Point and Sandwich Power Limited		<p>In order to fully comply with objective (c) of CUSC, and especially alignment with articles of Regulation (EU) 2019/943 requiring “to ensure fair conditions of competition in the internal electricity market”, introduce provisions so a proportion of any planned new grid infrastructure would be ring-fenced for use by Community Generators in the first instance. If community companies do not apply to use the capacity within a defined period (e.g., 5 to 7 years), the capacity can then be released back into the wider market. Community Generators have repeatedly been shown to deliver many times more value and return locally and have considerably more local acceptability and support when compared to embedded generation in general. The Alternative should both increase the installed capacity and value, and speed to build out of embedded Community led generation across the networks so furthering the overall aims of this reform. Furthermore, it addresses increasing fairness and inclusion challenges by recognising the additional benefits these generators bring to society through, the additional operating restrictions they have in place in order to ensure benefit from their actions is socialised, the fact that speculation is effectively not a practical feature for them, and to compensate for the unbalanced conditions and lack of resources faced when, Community Generators have to compete with the corporations in the new ‘first ready, first served’ approach of the connection reform.</p>
13	Ed Birkett	Low Carbon		<p>This proposed alternative would codify a simple capacity reallocation mechanism, with terminated capacity being offered to the next project that has passed Gate 2 and can take advantage of that terminated capacity.</p>

Alternatives Summary

Key:
Considered to fully negate alternative
Considered to partially negate alternative

<u>Number</u>	<u>Proposer Name</u>	<u>Proposer Organisation</u>	<u>Comment</u>	<u>What does this Alternative suggest?</u>
14	Ed Birkett	Low Carbon		This Alternative Request would codify the proposed restrictions on changes to project RLB post-Gate 2. The original solution does not propose to codify these new restrictions, instead proposing to house the restrictions in the proposed Gate 2 Criteria Methodology.
15	Grant Rogers	Q-Energy Sustainable Investments Ltd		Remove DFTC from the proposed solution. DFTC is proposed as a forecast however existing DNO datasets already indicate this in the same way DFTC is intended to e.g. connections application data and the ECR’s confirm the relevant generation applicants and the upstream GSP’s at DNO level.
16	Grant Rogers	Q-Energy Sustainable Investments Ltd		Remove Element 14 from the proposed solution. This would limit/stop the ability to move site location post Gate 2 Offer.
17	Grant Rogers	Q-Energy Sustainable Investments Ltd		Alternative to Element 18. A new process, preferably codified, to address how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria
18	Luke Scott	Northern PowerGrid		We would like the existing Allowable change rules to remain in place, and for us not to adopt the proposed significant change element.
19	Joe Colebrook	Innova Renewables		Remove Element 9: Project Designation from the Original proposal.

Actions Log

Claire Goult – ESO Code Administrator

Actions Log

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Action	Workgroup	Owner	Action	Update	Due by	Status
11	WG2	ALL	Add agenda time to respond to papers provided by Workgroup members		WG4	Open
20	WG6	JN/AQ	Updated action: Consider legal perspective on the ESO being able to designate projects	Remain open until new solution discussed	TBC	Open
22	WG6	RP	Consider if an impact assessment by the ESO on the proposed solution is achievable within the current timescales		TBC	Open
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
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
35	WG10	AC/AQ	ESO to confirm whether additional uncertainty clauses (which have been appearing in offers recently) will remain		TBC	Open
38	WG11	MO	Updated action: To expand on licence change conditions/obligations, including any suggested changes to the Licensed offer timescales	ESO not drafting licence text suggestions	TBC	Open
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
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 once any proposed changes to the current CMP434 solution have been confirmed.	ASAP	Open
49	WG17	MO	Updated action: SMEs to share a short summary of the methodologies and their underlying principles. This should include a plan for development of methodologies, including timescales and engagement approach with stakeholders.		TBC	Open

Actions Log

Action	Workgroup	Owner	Action	Update	Due by	Status
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
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

Any Other Business

Claire Goult – ESO Code Administrator

Next Steps

Claire Goult – ESO Code Administrator

Raising an Alternative Request Information

What is the Alternative Request?

What is an Alternative Request? The formal starting point for a Workgroup Alternative Modification to be developed which can be raised up until the Workgroup Vote.

Who can raise an Alternative Request? Any CUSC Party, BSC Party, the Citizens Advice or the Citizens Advice Scotland may (subject to Paragraph 8.20.20) raise a Workgroup Consultation Alternative Request in response to the Workgroup Consultation. If you are not a CUSC Party, but are nominated by a CUSC Schedule 1 Party, please submit a statement in writing from the nominating party to confirm submission of the Alternative Request on their behalf. No Workgroup Consultation Alternative Request may be raised by any CUSC Party during any second or subsequent Workgroup Consultation.

What do I need to include in my Alternative Request form? The requirements are the same for a Modification Proposal you need to articulate in writing:

- a description (in reasonable but not excessive detail) of the issue or defect as outlined in the Original Proposal which the alternative seeks to address compared to the current proposed solution(s);
- the reasons why you believe that the proposed alternative request would better facilitate the Applicable Objectives compared with the current proposed solution(s) together with background information;
- where possible, an indication of those parts of the Code which would need amending in order to give effect to (and/or would otherwise be affected by) the proposed alternative request and an indication of the impacts of those amendments or effects; and
- where possible, an indication of the impact of the proposed alternative request on relevant computer systems and processes.

How do Alternative Requests become formal Workgroup Alternative Modifications? The Workgroup will carry out a Vote on Alternatives Requests. If the majority of the Workgroup members or the Workgroup Chair believe the Alternative Request will better facilitate the Applicable Objectives than the current proposed solution(s), the Workgroup will develop it as a Workgroup Alternative Modification.

Who develops the legal text for Workgroup Alternative Modifications? ESO will assist Proposers and Workgroups with the production of draft legal text once a clear solution has been developed to support discussion and understanding of the Workgroup Alternative Modifications.

Voting Information

What is the Alternative Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference)

Stage 1 – Alternative Vote

- Vote on whether Workgroup Alternative Requests should become Workgroup Alternative CUSC/ STC Modifications.
- The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.
- **Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC/ STC objectives than the Original then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM)/ STC modification (WASTM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.**

What is the Workgroup Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference)

Stage 2 – Workgroup Vote

- 2a) Assess the original and Workgroup Alternative (if there are any) against the relevant Applicable Objectives compared to the baseline (the current code)
- 2b) Vote on which of the options is best.

Alternate Requests cannot be raised after the Stage 2 – Workgroup Vote

Alternative Voting Eligibility

CMP434 - Implementing Connections Reform Workgroup Membership*

Code Administrator Modification Chair: Claire Goult
Code Administrator Technical Secretary: Stuart McLarnon

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[Code Governance Rules](#)

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All Workgroup members are eligible to vote if they have attended 50% of meetings or more.
Red = not currently eligible.
*as of 16 August 2024

Role	Name	Company	Industry Sector	Voting Eligibility*
Proposer	Ruby Pelling	ESO	System Operator	100%
Workgroup Member	Alex Ikonic	Orsted	Generator	94%
Workgroup Member	Allan Love	Scottish Power Transmission	Generator	76%
Workgroup Member	Andy Dekany	NGV		76%
Workgroup Member	Anthony Cotton	Green Generation Energy Networks Cymru Ltd	Other	100%
Workgroup Member	Barney Cowin	Statkraft	Generator	88%
Workgroup Member	Bill Scott	Eclipse Power Networks	Network Operator/IDNO	94%
Workgroup Member	Brian Hoy	Electricity North West Limited (ENWL)	Network Operator	94%
Workgroup Member	Callum Dell	Invenergy	Generator	76%
Workgroup Member	Charles Edward Cresswell	Cero Generation	Generator	0%
Workgroup Member	Claire Hynes	RWE Renewables	Generator	88%
Workgroup Member	David Tuffery	NGED	Network Operator	88%
Workgroup Member	Deborah MacPherson	Scottish Power Renewables	Generator	100%
Workgroup Member	Ed Birkett	Low Carbon	Generator	94%
Workgroup Member	Garth Graham	SSE Generation	Generator	100%
Workgroup Member	Grant Rogers	Qualitas Energy	Generator	82%
Workgroup Member	Greg Stevenson	SSEN Transmisson (SHET)	Onshore Transmission Licensee	100%

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Red = not currently eligible.
*as of 16 August 2024

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Role	Name	Company	Industry Sector	Voting Eligibility*
Workgroup Member	Helen Snodin	Fred Olsen Seawind	Generator	88%
Workgroup Member	Helen Stack	Centrica	Generator	94%
Workgroup Member	Hooman Andami	Elmya Energy	Generator	70%
Workgroup Member	Joe Colebrook	Innova Renewables	Generator	82%
Workgroup Member	Jonathan Wood	Tarchon Interconnector	Interconnector	11%
Workgroup Member	Kyran Hanks	CUSC Panel member	Panel Member	94%
Workgroup Member	Luke Scott	Northern Powergrid	Network Operator	88%
Workgroup Member	Mark Field	Sembcorp Energy (UK) Limited	Legal, Regulation and Compliance	94%
Workgroup Member	Michelle MacDonald Sandison	SSEN	Network Operator	82%
Workgroup Member	Paul Jones	Uniper	Generator	100%
Workgroup Member	Paul Youngman	Drax	Central service for generation and supplier licences	94%
Workgroup Member	Pedro Javier Rodriguez	Lightsourcebp	Generator	94%
Workgroup Member	Phillip Addison	EDF Renewables	Generator	70%
Workgroup Member	Ravinder Shan	FRV TH Powertek Limited	Generator	100%
Workgroup Member	Richard Woodward	NGET	Onshore Transmission Licensee	100%
Workgroup Member	Rob Smith	Enso Energy	Generator	94%
Workgroup Member	Sam Aitchison	Island Green Power	Developer	58%

CMP434 - Implementing Connections Reform Workgroup Membership*

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Code Administrator Modification Chair: Claire Goult
Code Administrator Technical Secretary: Stuart McLarnon

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All Workgroup members are eligible to vote if they have attended 50% of meetings or more.
Red = not currently eligible.
*as of 16 August 2024

Role	Name	Company	Industry Sector	Voting Eligibility*
Workgroup Member	Simon Lord	ENGIE	Generator	52%
Workgroup Member	Wendy Mantle	Scottish Power Energy Networks	Network Operator	88%
Workgroup Member	Zivanayi Musanhi	UK Power Networks	Network Operator	100%
Workgroup Member	Zygimantas Rimkus	Buchan Offshore Wind	Consultancy	47% (Update as of 19/08 – eligible to vote in Workgroup 19)
Authority Representative	Lee Wilkinson / Rory Fulton	Ofgem		N/A

Regarding STC – no alternatives have been raised for CM095. Should an alternative be raised, voting eligibility will be calculated.
Currently all Workgroup Members for STC have voting eligibility.