

CUSC Alternative Form – Non Charging**CMP434 Alternative Request 5:**

Overview: Raising the lower threshold at which embedded schemes that will follow the Primary Process (Element 5 and Element 3)

Proposer: Steffan Jones, Electricity North West Limited

I/We confirm that this Alternative Request proposes to modify the non - charging section of the CUSC only

What is the proposed alternative solution?

Broadly in line with the Original proposal, however we propose a change to Elements 3 and 5 in that the minimum threshold for inclusion within the primary process is increased to allow smaller, nimble, HV connected local and community generation schemes to be removed from the process.

For England and Wales we propose that the lower limit is increased from 1MW to 10MW.

For Southern and Northern Scotland this would need to be reviewed in line with the different network configuration and the relative impact of such schemes on the network, compared with the benefits of facilitating their connection.

What is the difference between this and the Original Proposal?

The threshold at which small, embedded generation schemes enter the Primary Process is currently set (in England and Wales) at 1MW and referenced in Element 5 of the Original Proposal.

This means that a large number of generally nimble, low-cost schemes connecting to the embedded DNO (and iDNO) HV networks are being tied up in the constraint, time and cost of the wider transmission impact assessment and overall transmission network design review arrangements.

This can have an unduly disproportionate impact on what are often low impact / low cost schemes, that are net zero enablers at a local or community level, offsetting local or community demand requirements and which become unviable when the Transmission Impact Assessment is applied.

When the view of overall impact on the wider Transmission network is considered against the impact on these small nimble schemes that benefits local communities and supports the transition to Net Zero, pulling them out of the process is in our view more than justified.

The inclusion within the primary process (TMO4+/TIA) can in many cases become the significant cost and time driver for these projects, expanding connection time profiles 2-3 times just to go through the process, without consideration to actual wider network constraint issues.

Within England and Wales, schemes connected to the DNO (or iDNO's) High Voltage network (6.6kV or 11kV) are typically four network "levels" down from the Transmission network, with three levels of transformation sitting between them and the 275kV (or 400kV) networks.

Our proposal is therefore based around lifting the minimum threshold to 10MW, which would typically be a High Voltage connection.

What is the impact of this change?

Proposer's Assessment against CUSC Non-Charging Objectives

| Relevant Objective | Identified impact |
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| <p>(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;</p> | <p>Positive: Will remove the lower capacity element from the primary process. Will remove unduly disproportionate delays from these schemes.</p> |
| <p>(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;</p> | <p>Positive: Will allow more of these smaller schemes to progress, will help facilitate and develop the community energy sector.</p> |
| <p>(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and</p> | <p>None</p> |
| <p>(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.</p> | <p>Positive: Will remove smaller schemes from the process, that will remove from the process many of the schemes that don't fully understand or are able to manage the requirements of process compliance.</p> |
| <p>*The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.</p> | |

When will this change take place?

Implementation date:

Aligned with the Original Proposal

Implementation approach:

Aligned with the Original Proposal

Acronyms, key terms and reference material

| Acronym / key term | Meaning |
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| DNO | Distribution Network Operator |
| iDNO | Transmission Connected Independent Distribution Network Operator |
| TMO4+ | ESO's (Transmission) Connection Reform Proposal as covered by CMP434 |
| TIA | Transmission Impact Assessment |