

CMP434 Implementing Connections Reform

CM095 Implementing Connections Reform

Workgroup Meeting 20, 27 August 2024
Online Meeting via Teams

WELCOME



Agenda

Topics to be discussed	Lead
Timeline	Chair
Scene Setting – Workgroup 20	Proposer
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

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Post Workgroup Consultation		
CMP434 Workgroup 20	27/08/24	Alternative Discussion
CMP434 Workgroup 21	03/09/24	Alternative Vote/ 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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CM095 Final Modification to Ofgem	22/10/24	
CM095 Decision Date	13/12/24	
CM095 Implementation Date	01/01/25	

Workgroup 20 Scene Setting

Ruby Pelling, Proposer

Meeting Objectives

What is the focus of the meeting?

- To discuss individual Alternative requests raised following the Workgroup consultation

What is the ask of the workgroup?

- To provide specific feedback on the Alternative Requests

What is the desired output of the meeting?

- To be clear on what Alternative requests will be brought forward to vote on

What should not be discussed?

- Feedback on the updated original solution

Alternative Requests

Proposers

Alternatives Summary

Key:

Considered to fully negate alternative

Considered to partially negate alternative

*Attendance confirmed

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<u>Number</u>	<u>Proposer Name</u>	<u>Proposer Organisation</u>	<u>Comment</u>	<u>What does this Alternative suggest?</u>
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	CBS Energy Storage Assets		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

*Attendance confirmed

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<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	Updated solution as of 21/8	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.
20	Philip John	Epsilon Generation Limited	Awaiting critical friend check response	Planning submission or permission is required as part of Gate 2 criteria
21	Philip John	Epsilon Generation Limited	Awaiting critical friend check response	Reintroduction of Element 14 and to remove the current proposed restrictions to build capacity outside of the red line boundary.

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	15
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	RPa/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	
59	WG19	PM	Element 11 – Produce examples to provide clarification to the Workgroup (slide 25) on how using installed capacity could work in practice		TBC	Open	
60	WG19	PM	Element 11 – Consider Workgroup Member request to provide analysis to show which projects could benefit from the Proposals (slide 26) to have a 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.		TBC	Open	
61	WG19	RPa/MO	Element 17 - To confirm whether BEGA application information references location i.e. in relation to what happens where a relevant small or medium EG project gets a different GSP to what they expected (as a result of the Gate 2 process and via the DNO) (Garths question)		TBC	Open	
62	WG19	RPa	Element 17 – To provide a pictorial representation of BEGA/BELLA process as proposed		TBC	Open	
63	WG19	RPa	Element 17 – Create an additional swimlane/s for chevron diagram for BEGA/BELA		TBC	Open	

Actions Log

Action	Workgroup	Owner	Action	Update	Due by	Status
64	WG19	RPa	Element 17 - To produce prescribed timelines/timescales (Garths request as per slide 13) for both small and large		TBC	Open
65	WG19	PM	To update forward looking milestone examples (provided in Annex 1)		TBC	Open
66	WG19	MO	More information on timeline on CP30 plans/impacts to be shared once the are available (to compare to the code change programme, including voting timetable).		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