

CMP435 & CM096

Application of Gate 2 Criteria to existing contracted background

Workgroup Meeting 14, 14 August 2024

Online Meeting via Teams

WELCOME



Agenda

Topics to be discussed	Lead
Introductions	Chair
Timeline and Topics	Chair
Terms of Reference	Chair
Review CMP435 Draft Workgroup Consultation	All
Any Other Business – raising Alternative Requests	Chair
Next Steps	Chair

Timeline and Topics

Catia Gomes – ESO Code Administrator

CMP435 Application of Gate 2 Criteria to existing contracted background

Post Workgroup Consultation		
CMP435 Workgroup 14	14/08/24	Consultation review of responses
CMP435 Workgroup 15	22/08/24	Workgroup for Alternatives discussion - TBC
CMP435 Workgroup 16	29/08/24	Finalise solution
CMP435 Workgroup 17	30/08/24	Finalise solution + Alternative Vote
CMP435 Workgroup 18	04/09/24	Original legal text
CMP435 Workgroup 19	12/09/24	WACM legal text
CMP435 Workgroup 20	18/09/24	Finalise WG Report & ToR, WG vote
CMP435 Workgroup Report to Panel	20/09/24	
CMP435 Panel to agree whether ToR have been met	25/09/24	Special Panel
Post Workgroups		
CMP435 Code Administrator Consultation	26/09/24 – 10/10/24	
CMP435 Draft Final Modification Report to Panel	16/10/24	
CMP434 Final Modification Report Panel Recommendation Vote	22/10/24	Special Panel
CMP435 Final Modification to Ofgem	22/10/24	
CMP435 Decision Date	13/12/24	
CMP435 Implementation Date	01/01/25	

Terms of Reference

Catia Gomes – ESO Code Administrator

Terms of reference – CMP435 (agreed by May Panel)

Workgroup Term of Reference

- a) Consider Electricity Balancing Regulation implications.
- b) Consider the scope of work identified and whether this is achievable within the timeframe outlined in the Ofgem Urgency decision letter.
- c) Consider what types of existing contracts that CMP435 should apply to, and what exemptions are required (if any).
- d) Consider changes to the contractual arrangements for those existing contracted parties that have not met the Gate 2 criteria by the Go-Live Date of 1 January 2025.
- e) Review the transitional arrangements in relation to changes to the contractual arrangements and any associated costs.
- f) Consider the application of the User Commitment methodology to projects in Gate 1 and Gate 2 and the transitional arrangements that may be required for existing connections contracts.
- g) Consider how any new financial instruments associated with connections are cost reflective and predictable.
- h) Consider how the solution(s) conforms with the statutory rights in respect of terms and conditions for connection.
- i) Consider the impact of NESO designation of Gate 2 status, and ways to make this non-discriminatory.
- j) The cross Code impacts this modification has, in particular the STC and distribution arrangements (e.g. DCUSA)
- k) Consider the relevant content of Annex B of the Ofgem [Open letter on connections reform publication](#).

Terms of reference – CM096 (agreed by May Panel)

Workgroup Term of Reference

a) Consider Electricity Balancing Regulation implications.

b) Consider the scope of work identified and whether this is achievable within the timeframe outlined in the Ofgem Urgency decision letter.

c) Consider what types of existing contracts that CM096 should apply to, and what exemptions are required (if any).

d) Consider changes to the contractual arrangements for those existing contracted parties that have not met the Gate 2 criteria by the Go-Live Date of 1 January 2025.

e) Review the transitional arrangements in relation to changes to the contractual arrangements and any associated costs.

f) Consider the application of the User Commitment methodology to projects in Gate 1 and Gate 2 and the transitional arrangements that may be required for existing connections contracts.

g) Consider how any new financial instruments associated with connections are cost reflective and predictable.

h) Consider how the solution(s) conform(s) with the statutory rights in respect of terms and conditions for connection.

i) Consider the impact of NESO designation of Gate 2 status, and ways to make this non-discriminatory.

j) The cross Code impacts this modification has, in particular the CUSC and distribution arrangements (e.g. DCUSA).

k) Consider the relevant content of Annex B of the Ofgem [Open letter on connections reform publication](#).

WG14 Scene Setting

Catia Gomes – ESO Code Administrator

Meeting Objectives

What is the focus of the meeting?

- To review the CMP435 Workgroup consultation responses
- To review the CM096 Workgroup consultation responses

What is the ask of the workgroup?

- To ensure the main points and themes have been pulled out of the responses
- Identify any key concerns which require addressing

What is the desired output of the meeting?

- To finalise the CMP435 and CM096 Workgroup response summary to include in the Workgroup report

What should not be discussed?

- Whether you agree/disagree with the Proposers solution
- Alternative requests

Review the CM096 Workgroup Consultation Responses

All

Number of Responses/Alternatives	
Confidential Responses	1
Non-Confidential Responses	10
Alternative Requests	0

Industry Sector Representation*	
Consumer body	0
Demand	0
Distribution Network Operator	0
Generator	5
Industry body	1
Interconnector	1
Storage	1
Supplier	1
System Operator	1
Transmission Owner	3
Virtual Lead Party	0
Other	0

*Please note some responses represent a number of industry sectors and this tally does not include confidential Respondents

CM096 Response Overview

Question	Number of Respondents			
	Objectives	Yes	No	N/A
Do you believe that the Original Proposal better facilitates the Applicable Objectives?	A	5		
	B	4		
	C	5		
	D	1		
	E	4		
	F	5		
	G	1		
				2
Do you support the proposed implementation approach?	8		2	
Is the proposed CM096 solution sufficient to facilitate the entirety of the related CMP435 proposed solution or do you believe there are/might be any other provisions required?	4		3	3
In relation to Q5, are there any changes to STCPs required for day 1 implementation (which are not already dealt with in the main STC legal text changes) needed to facilitate CMP435?	3		3	4
In your consideration of the CM096 proposal, are there any potential risks for implementation which might also impact the CMP435 or CMP434/CM095 proposals?	4		3	3

Implementation Approach

Several Respondents expressed concerns regarding the implementation approach main around the following topics:

- The need to have each methodology developed , assessed and consulted upon in a very short period.
- Insufficient time for the industry to properly assist in the development of the methodologies.
- Timescales are extremely compressed in the context of the significant changes proposed.
- Unrealistic 'go live' date of 1 January 2025.
- Interdependencies between modifications create a risk for implementation.
- New processes introduced by CM096 could lead to difficulties in coordinating the implementation of CMP435 and CMP434/CM095.

- One Respondent suggested that is imperative that the Gate 2 criteria is revisited prior to the implementation.
- One Respondent encourages the ESO to take a materially different approach to establishing its 'minimum viable product' approach to implementing TMO4+ via these modifications.
- One Respondent highlighted the importance of ensuring that all proposed methodologies and guidance documents are in place before the changes are implemented.
- One Respondent highlighted the need for STCPs to be developed prior to implementation as it cannot be allow/accepted a known divergence between the main body of the code and STCPs as a convenience to implementation.
- One Respondent suggested that STCPs 18-1 and 18-2 will need to be reviewed and updated as this is the provision for the ESO providing TOs with CPAs

Key concerns

- Dependencies on CUSC mods or alternatives
- Inability to have a fully formed view or assess the full impacts due to lack of detail in the Proposal.
- Advantaging certain types of projects over others
- Constant revision of transitional arrangements is creating uncertainty
- Reliance on guidance over codification in CUSC proposals
- Lack of Legal Text to help determine whether any changes to the STPCs are required for day 1
- Lack of detail in the obligations between the ESO and TOs
- How distribution projects can be actively involved in the connection reform.
- Need for a different approach to technology-specific solutions in queue management
- Proliferation of certain technologies in the connection queue at the expense of others

Key concerns

- One Respondent stated that needs evidence that sterilising available capacity for the exclusive access of some customers would not negatively impact facilitating effective competition in the generation and supply of electricity, and facilitating such competition in distribution.
- One Respondent questioned if the land rights will be sufficient as a determining factor in managing the connection queue ?
- One Respondent suggested that consideration must be given to any obligations specific to the Gate 2 to Whole Queue process.
- One Respondent questioned how TO final Sums related changes will work and about the Capital Contributions solution for customers who have not met Gate 2 criteria.
- One Respondent was supportive of the use of some financial commitments, e.g. Contracts for Difference (CfD) or Capacity Market (CM) contract, to show intention to connect but advised that it must not be used as a stand-in for securing land rights.
- One Respondent mentioned that the Proposal merely re-frames baseline inefficiency of the transmission connections arrangements via a gated process and that there isn't a Proposal to manage an ever-increasing and unconstrained contracted background.
- One Respondent highlights that the Indicative process timeline needs testing, including walkthroughs for each of the possible customer journeys/scenarios.
- The Respondent suggested that without building the necessary network infrastructure to physically connect customer projects, these proposals will not be effective in meeting energy policy aims.

Key Risks

- Considerable risk due to not codifying methodologies
- Timescales and 'go live date' are unrealistic
- Proposals are insufficient to ensure the objectives of Connections Reform are met and risks leaving a large and growing connections queue.
- Interdependencies of modifications
- Reliance on guidance over codifying
- Concerns regarding legitimate securities and liabilities for projects not able to meet Gate 2 by 31 January 2025 – is notable risks which could give rise to legal challenges.
- Failure to reach agreement with all TOs on the proposed approach.
- Detailed Methodology for the Connections Network Design Methodology (CNDM) is yet to be developed.
- Connection Point and Capacity reservation arrangements are yet to be developed in full.

Key Risks

- One Respondent highlighted projects having outstanding interactive offers at the point of implementation of Gate 2 to Whole Queue – would not have an existing signed contract or queue position, how would they be handled?
- One Respondent asked , how can distribution projects self-declare that they meet Gate 2 criteria once the Connection Reform process launches? Might create disadvantages for distribution.
- One Respondent highlighted the need to take further measures to speed up connection times after the ‘go live date’ given the sheer scale of projects willing and able to meet the Gate 2 criteria.
- One Respondent stated that connecting new projects also requires investor certainty and relying on guidance over codification dilutes this much needed confidence to invest in the UK’s low carbon energy sector at a time when other countries are also seeking to attract investment.
- One Respondent highlighted the recent commissioning by the Secretary of State of advice from the Electricity System Operator on the pathway towards the 2030 ambition, with expert analysis of the location and type of new investment and infrastructure needed to deliver it, and the potential to affect Connections Reform.

Review CMP435 Workgroup Consultation Responses

All

Number of Responses/Alternatives	
Confidential Responses	7
Non-Confidential Responses	69
Alternative Requests	5

Industry Sector Representation*	
Consumer body	1
Demand	5
Distribution Network Operator	8
Generator	38
Industry body	3
Interconnector	4
Storage	12
Supplier	5
System Operator	1
Transmission Owner	2
Virtual Lead Party	11
Other	3

*Please note some responses represent a number of industry sectors and this tally does not include confidential Respondents

CMP435 Response Overview

Questions		Response	
		Yes	No
Q1	Do you believe the Original better facilitates the objectives?	48	11
Q2	Do you support the implementation approach?	38	24
Q3	Do you have any other comments?	34	25
Q4	Do you wish to raise a Workgroup Consultation Alternative Request?	12	47
Do you agree with the elements of the proposed solution for CMP435?			
E1	Proposed Authority approved methodologies and ESO guidance	28	27
E3	Clarifying which projects go through the primary process	42	12
E5	Clarifying and Primary Process differences for customer groups	37	15
E8	Longstop Date for Gate 1	43	13
E9	Project Designation	31	26
E11	Criteria for demonstrating Gate 2 has been achieved and obligations imposed	32	28
E13	Gate 2 Criteria Evidence Assessment	35	19
E14	Gate 2 Offer and Project Site Location	32	22
E16	Introducing the proposed Connections Network Design Methodology (CNDM)	35	16
E19	Contractual changes	39	12
E20	Cut Over arrangements	38	8

Questions		Responses	
		Yes	No
Q6	Any elements you believe are not appropriate to implement TMO4+ for existing projects?	24	28
Q7	Are there any features you believe are missing in CMP435?	28	27
Q8	Any groups of projects you feel should be exempt from CMP435 (or elements of it)?	14	38
Q9	Do you feel the proposed solution could duly/unduly discriminate against particular types of projects?	31	24

Question		Number of Respondents		
		Yes	No	N/A
Q1. Do you believe that the Original Proposal better facilitates the Applicable Objectives?	A	41		
	B	37		
	C	14		
	D	32		
	Overall			10

- One Respondent said there was the potential to better facilitate Objectives A, B & D
- On Respondent expressed a negative impact on Objective B

Implementation Approach

- There was greater support expressed for the implementation approach than expressed against the approach (which in one case referenced consideration being needed of risks via vigorous assessment)
- Support was expressed for the ‘first ready, first connected’ approach, including suggestions of how that’s defined, e.g. using a developer’s first choice sub-station vs connection notes/alternative sub-stations
- There was support expressed for the use of Queue Management milestones and whether compliance to those (if in a bilateral agreement) should allow exemption from CMP435
- Significant numbers of Respondents noted concerns with the timeline for implementation:
 - Needing to be more realistic
 - 01 January 2025 not allowing enough time for developers with existing connection agreements to implement Gate 2 criteria
 - Urging ESO to not rush the solution and be forthright with communications
 - Suggesting the proposal is in rudimentary stages and not yet workable
 - Suggesting a longer implementation period (for example, a recommendation for 6 month transition period to allow developers to respond to the changes, and Interconnectors being assessed in Cap and Floor having additional 6 months to meet criteria
 - It was noted that deadlines may overwhelm land agents and legal communities
- Other suggestions were for:
 - Flexibility required in the implementation (as certain edge cases have not been fully considered by the current consultation)
 - Staggered implementation approach should be considered
 - Close observation of mods as they go live with clear, timely comms for issues/unforeseen defects needing refinement

Key concerns & risks

- More detail was requested in several instances across the Elements.
- More clarity is needed on primary process and interactions with the BEGA/BELLA process to avoid IDNOs being exploited as a back door. There were several comments made referencing embedded generation, and the impact of the solution on small/medium embedded generators (and several concerns about the exclusion of embedded demand in the solution).
- ESO designation and concerns that, for example, powers may hinder true competition and ESO can decide the process without 'proper' consultation
- Multiple Respondents expressed the need to see accompanying methodologies and relevant guidance as soon as possible, with regulatory framework/open governance to support them (including obligations for ESO to engage with industry prior to formal consultations. Concern was expressed that methodologies could create bias as they have different objectives and reduce competition. A Respondent suggested network design methodologies should be codified versus relying on guidance.
- Multiple Respondents supported more visibility of the work of the ENA SCG group to assess if re-ordering for distribution and transmission will be aligned, and others suggested codification of DNO behaviour/statutory obligations to ensure standardised behaviour and no unfair/disadvantaged treatment between distribution-connected and transmission-connected projects.
- A request was made to see Derogations regarding the transitional arrangements for Mod Apps.
- A suggestion was made for the full scope of Connections Reform being needed to be shared for parties to make fully informed decisions.
- Concerns were raised that the solution will not reduce the size of the queue in time to meet targets, with one Respondent warning that 'a queue within a queue' could be created delaying implementation further.
- Some Respondents were not clear how this will deliver Authority or Government policy including Clean Power Plan for 2030.
- Concerns were raised on how this proposal will better facilitate Applicable Objectives
- Several Respondents noted a lack of evidence to support the proposal/impact assessment and one Respondent noted interdependency risks with Licence conditions, other mods and risk of legal challenge.

- Examples of some other concerns raised are:
 - Unintended consequences from restricting original boundary submissions.
 - Concerns about short length of the consultation and impact on industry responses.

Competition & Discrimination:

- Examples of concerns raised for:
 - Due/undue discrimination against projects with milestone compliance already in bilateral connection agreements.
 - Discrimination against anyone applying between now and go-live.
 - Getting more renewable projects connected to reduce the queue being de-prioritised (but adjustments can be made to achieve that).
 - Projects near to securing a route to market which could otherwise Mod App.
 - Where projects have multiple landowners.
 - Onshore wind or projects with long environmental studies.
 - TMO4+ favouring less complex projects.
 - Unknown competition impacts from Project Designation and Capacity Reallocation with impacts unknown as being developed outside of CUSC (bay allocation needing to be fair).
 - Offshore and interconnectors getting an advantage in the proposed process.
 - Disadvantages to new applications from the Cut Over arrangements.
 - The potential to hinder competition if there's clear preferential treatment for some projects/developers without justification.
- Other views were expressed that there was no due/undue discrimination foreseen against any technology type and the first ready, first connected principle would facilitate effective competition

In support of:

- Support was expressed by multiple Respondents for the overall solution, for example to offer a structured process to be more efficient, but as one Respondent noted, this was subject to availability and content of methodologies and guidance.
- A smaller number of Respondents expressed support for parts of the solution only.
- A Respondent did support Project designation, but not if by the ESO/TOs.
- More than one Respondent supported no exemptions from necessary land requirements.
- Other expressions of support were for:
 - A sufficient transitional period to allow equal treatment for those unaware with the Reform process and current in-flight projects.
 - Interim milestones to reduce the queue while focussing on renewable energy targets.
 - Supplying more data to reduce uncertainty and increase understanding of the process.

Examples of comments received about specific elements

Element 3

- Concerns regarding fairness & discriminatory effects on small/med embedded generators.

Element 5

- Effect of this on offshore users/interconnectors needs to be better understood, and needs more WG discussion with concerns for embedded projects being disadvantaged.
- A Respondent was not supportive of this, especially retention of Statement of Works, Project Progression and Mod App processes for notification via a DNO (disadvantaging DNO users while Transmission-users get to self-certify).

Element 9

- Multiple Respondents had a need more information and clarity of this, with one Respondent requesting codification and justification as it's currently too broad currently.
- A Respondent expressed concern that Project Designation has been included for ESO to protect itself against unforeseen system operational risk and it bestows a commercial advantage on certain applicants. Plus they noted that there's no detail on oversight/how it will be used so it undermines the rest of the Proposal.
- A Respondent noted that it would create discriminatory terms, suggesting legal advice be sought to check Electricity Regulation.

Element 11

- Opposing views were expressed that Gate 2 criteria are not strong enough and Gate 2 criteria are too laborious to meet the objective.
- A Respondent had strong reservations for being subjected to Gate 1 or 2 if a project has applied for planning consent.
- A Respondent suggested significant changes such as a buffer period or waiver of obligations if within 5yrs of connection (to avoid developing projects being disadvantaged).

Element 13

- Concerns were expressed about duplication checks.

Element 14

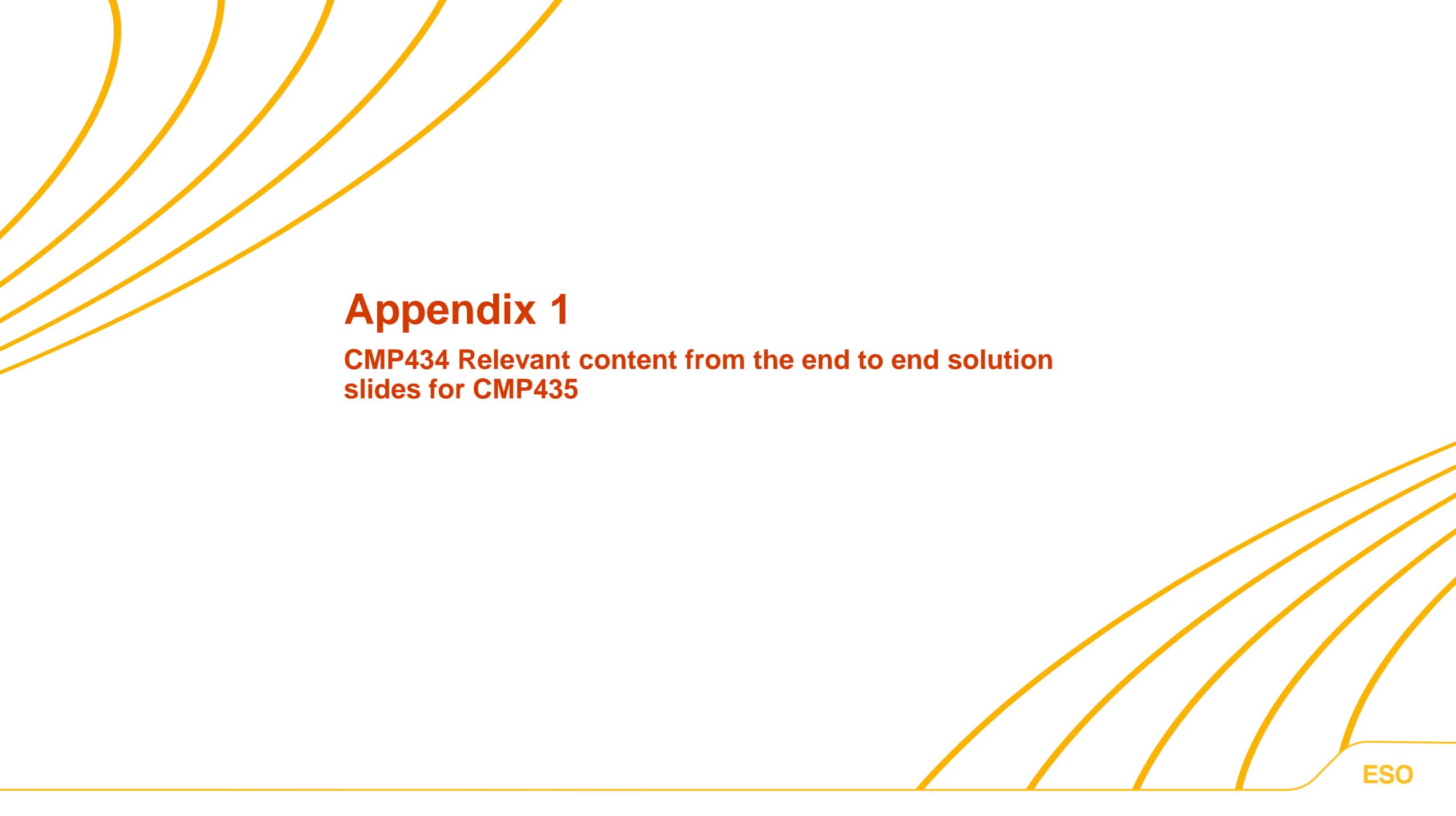
- A Respondent found this to not be workable and contradicting the purpose of Gate 2 – suggesting to publish queue data and POC availability for likelihood of getting Gate 2 offer before securing land rights.
- There was a concern was as to its fairness.

Element 19

- Concerns how this would reduce the queue for Gate 2 but a re-ordering process is suitable.
- Not fair to make applicants from now to go –live submit a Mod App.
- Thought needed for embedded generators being converted to Gate 1.

Element 20

- There was a concern was as to its fairness.



Appendix 1

**CMP434 Relevant content from the end to end solution
slides for CMP435**

Element	Same as CMP434	Differences to CMP434
Ofgem approved methodologies	X	

Ofgem approved methodologies

Ofgem Approved Methodologies	Process for Consultations and Approvals
<ul style="list-style-type: none"> - The associated concept (which is subject to the methodology) being lightly codified i.e. a broad definition of the concept and its purpose being set out within the licence (with reference to it in the code). - A licence obligation to develop, consult on, publish and comply with a methodology. - A requirement for Ofgem approval of a methodology, and any material amendments to a methodology in future. - Methodologies proposed for NESO Designation, Gate 2 Criteria and Connections Network Design. 	<ul style="list-style-type: none"> - A formal minimum of <u>28 calendar days</u> must be allowed for an external consultation on the methodology (and any proposed changes in future). - A formal consultation report must be issued to the Authority <u>within 14 calendar days</u> of the consultation close. - A formal period of <u>28 calendar days</u> for the Authority to review the methodology (and any proposed changes in future) and formal consultation report and during this time the Authority must approve or reject the methodology (or changes to it in future). - A review of the methodology must be done at least annually, but with the possibility of more frequent changes where required (process as above).

The above is subject to ongoing discussions with Ofgem and it would require changes to Licence Conditions.

Element	Same as CMP434	Differences to CMP434
NESO Designation	X*	

NESO Designation

We propose to create a concept and an associated methodology (to be approved by Ofgem) that would enable NESO to designate specific projects in line with specific criteria. It is proposed that the three criteria would be as follows:

- a) are critical to Security of Supply; and/or
- b) are critical to system operation; and/or
- c) materially reduce system / network constraints.

We are proposing that only the concept of NESO designation is included within the CUSC, with criteria and methodology to be published separately and approved by Ofgem (subject to Ofgem making relevant changes to the ESO licence, including any expectations Ofgem sets around consultation and/or periodic update, as further described in Element 1 above).

Element	Same as CMP434	Differences to CMP434
CNDM	X*	

Introducing a Connections Network Design Methodology

ESO propose the development of a new ESO/TO Connections Network Design Methodology, to set out how connections network design will be undertaken in relation to Gate 1 and Gate 2 processes.

New Connections Network Design Methodology (and so its contents) would not be codified (other than at a high-level to set out the relevance in the context of the process). This is on the basis/assumption that Ofgem introduce a licence obligation for ESO/TOs to have one in place, and that Ofgem also set out in licence the consultation, governance and approvals process(es) in relation to such methodology.

Element	Same as CMP434	Differences to CMP434
Connection Point and Capacity Reservation	X*	

Connection Point and Capacity Reservation

Proposal to extend existing STCP bay reservation process utilised by Network Services Procurement.

We propose to extend the concept to cover connection points (i.e. which may not necessarily be a bay) and capacity, and to extend the potential usage to include network competition (i.e. in relation to CATOs) and offshore projects in some circumstances.

For the avoidance of doubt, an offshore project in respect of co-ordinated network design, or a developer in respect of Network Services Procurement, will still need to follow the Gate 1 and Gate 2 processes once the outcome of a competition/lease is known.

In addition, in respect of the offshore process deviation for interconnectors and offshore hybrid assets described further above, this process would be used to reserve a connection point and capacity for such projects for a limited time.

Element	Same as CMP434	Differences to CMP434
Gate 2 Criteria: ongoing compliance (planning & land)	X	

Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (1)

Gate 2 – Ongoing Compliance

Once a project is within Gate 2 (i.e. once they have applied for / signed an accepted gate 2 offer):

- there will be ongoing land requirements; and
- there will be a requirement to submit the application for planning consent at the earliest of:
 - i. the Queue Management Milestone M1 (“M1”) calculated back from the connection date (as per current [CMP376](#) methodology); or
 - ii. M1 calculated forwards (based on a standard time period for each planning type) to move from acceptance of the Gate 2 Offer to M1.

Element	Same as CMP434	Differences to CMP434
Gate 2 Criteria: ongoing compliance (planning & land)	X	

Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (2)

Ongoing Compliance (Land):

- At each Queue Management Milestone, developers have sufficient acreage (calculated using the Energy Density Table as defined under [CMP427](#) and contained in [the ESO guidance document on Letter of Authority](#), as updated to include offshore projects) of land rights and/or consents for the full capacity of all technologies in the Connection Agreement and use existing rights under CUSC (introduced by CAP150, but which may need to be amended) to remove and/or reduce the capacity of those technologies; and
- Where a developer builds any capacity outside of their original red line boundary (i.e. the red line boundary submitted when certifying the project has met the Gate 2 criteria), there is the potential that this will impact on their total contracted capacity, depending on how much of the capacity remains within the original red line boundary. This will be calculated by reference to the capacity built within the original red line boundary. Our proposal is that for whatever 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 contracted capacity, the total contracted capacity will be reduced accordingly to a revised total contracted capacity.

Element	Same as CMP434	Differences to CMP434
Gate 2 Criteria: ongoing compliance (planning & land)	X	

Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (3)

Ongoing Compliance (Planning):

A requirement to submit the application for planning consent (M1) at the earliest of:

- i. the Queue Management Milestone M1 (“M1”) calculated back from the connection date (as per current CMP376 methodology); or
- ii. M1 calculated forwards (based on a standard time period for each planning type) to move from acceptance of the Gate 2 Offer to M1.

ESO proposals (and WG provided typical timescales):

Planning Type	Workgroup provided typical timescales	ESO proposals assuming some land and planning work done in parallel
Town and Country Planning (England, Scotland and Wales)	1.5 years	1 year
Section 36 (Scotland)	1.5 years	1 year (but 3 years for Offshore)
Development of National Significance (Wales - akin to NSIP)	2 years	1.5 years
NSIP (need Development Consent Order - England)	3 years (but 5 years for Offshore)	2 years (but 3 years for Offshore)

Element	Same as CMP434	Differences to CMP434
Gate 2 Offer Process for Relevant EG	X	

Gate 2 Offer Process (Relevant EG)

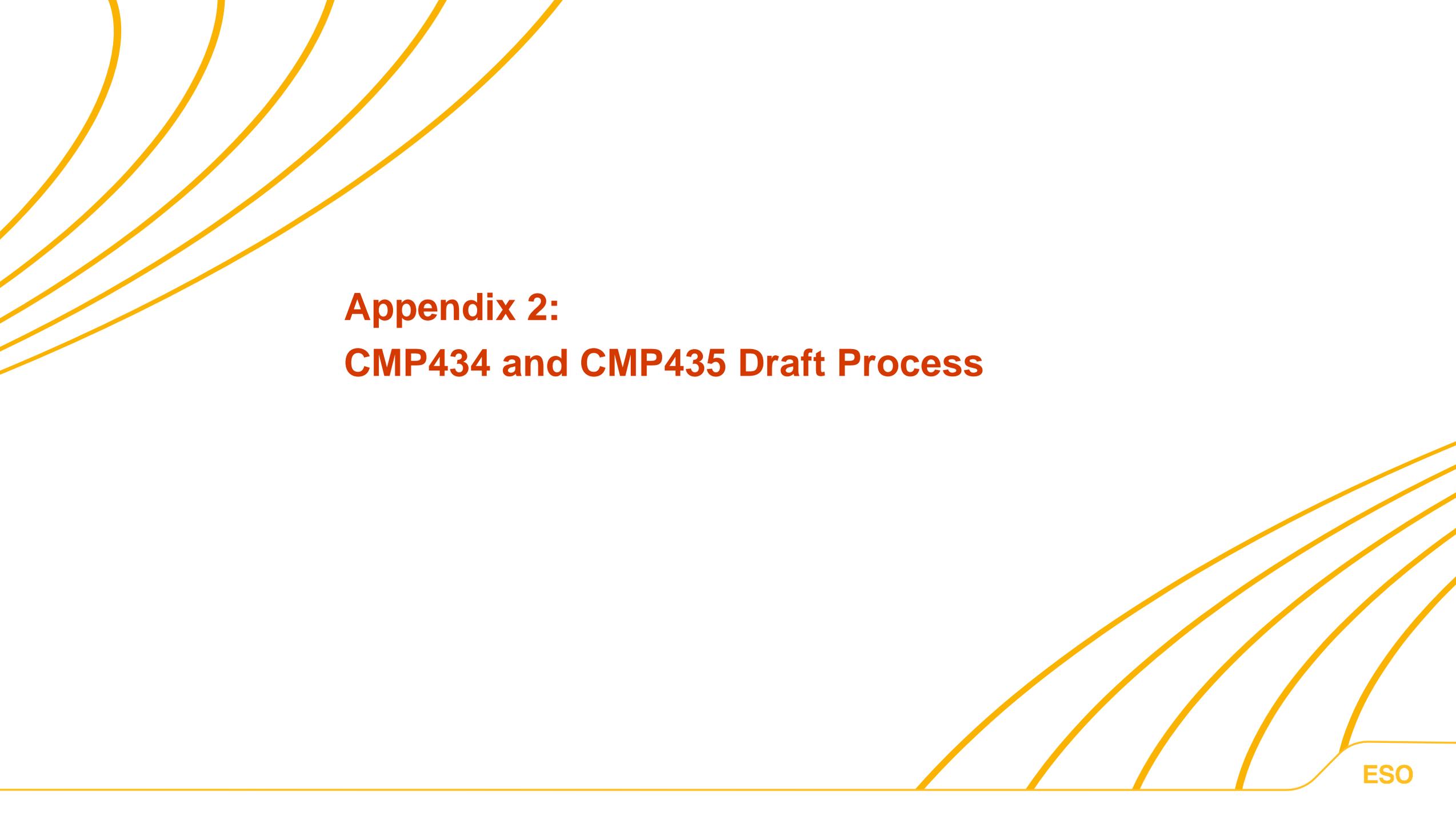
The Gate 2 offer process for DNOs will remain largely unchanged. In TMO4+ (CMP434), the Project Progression is equivalent to a Gate 2 application and TOs will produce a TOCO for the Project Progression received from the DNO, as they do now which is sent to the ESO. **It should be noted that for CMP435 a template will be used for DNO's to notify the ESO which projects meet Gate 2 criteria, not a Project Progression.**

The ESO will update the necessary contract appendices (and the form of Appendix G will need to be updated to reflect TMO4+) and the ESO will prepare the offer which is issued to the DNO.

The DNO will still have three months to query the offer with the ESO and to sign their contract as they do now. The countersigning of documents between the DNO, TO and ESO will remain as they are now.

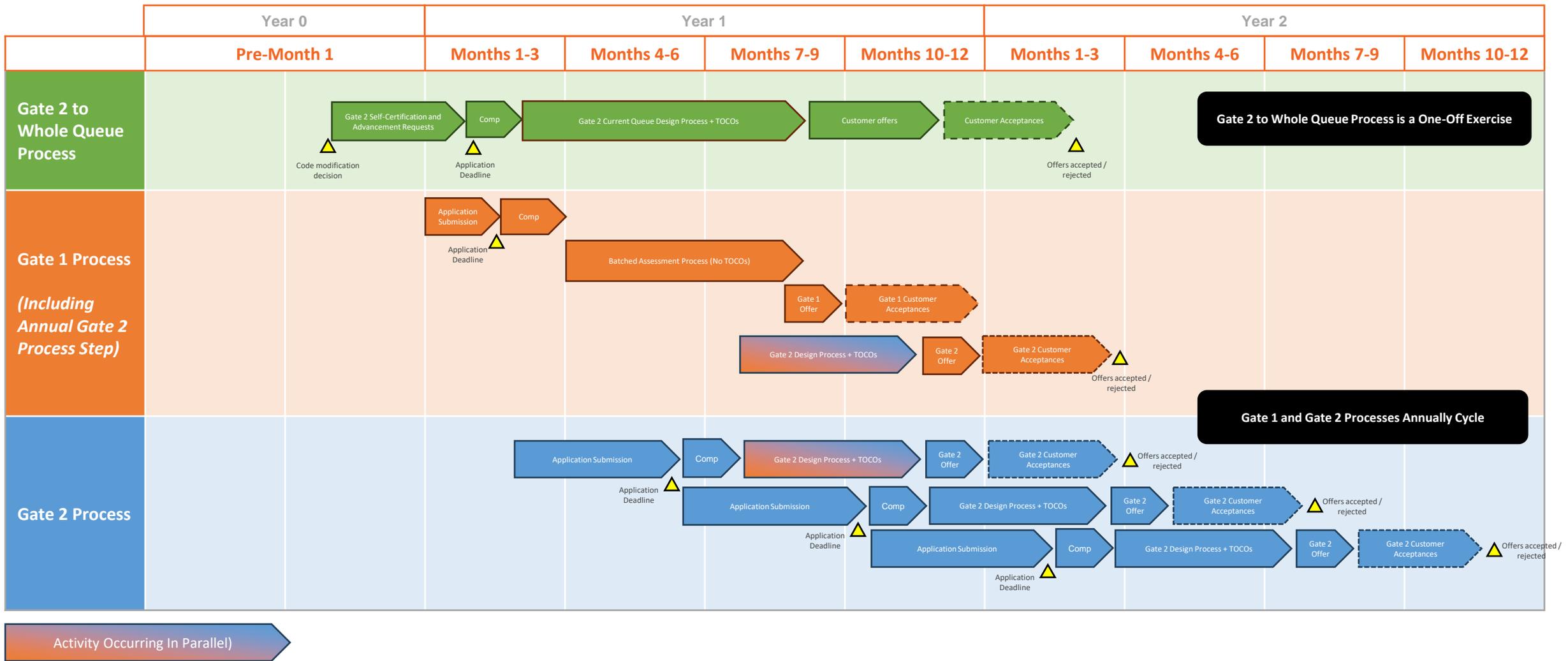
The Relevant Embedded Small/Medium Power station project can (via the DNO) be provided with a confirmed connection date (from a Transmission perspective), full works and costs as the outcome of the Gate 2 offer process. Relevant Embedded Small/Medium Power Stations will be liable for and secure as normal once they are contracted with the DNO and pass Gate 2.

*DNO refers to DNO's and IDNO's connecting at T



**Appendix 2:
CMP434 and CMP435 Draft Process**

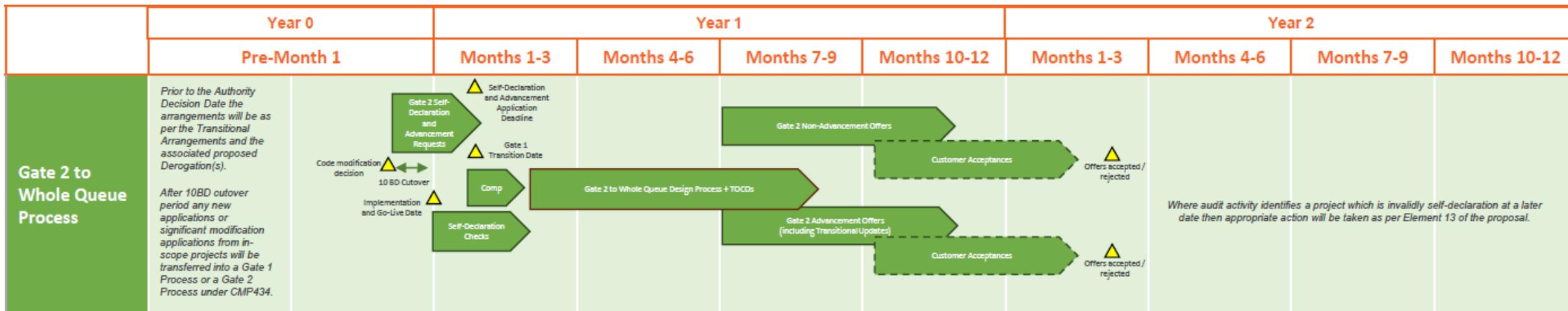
Indicative Process Timeline



Please note that this simplified chevron diagram remains subject to change through ongoing Workgroup and TO Discussions, and Wider Stakeholder Feedback.

Indicative (at the time of this consultation) process timeline

Gate 2 to Whole Queue Process is a One-Off Exercise



Gate 1 Transition Date

From the Authority approved code modification Implementation Date (i.e. anticipated to be 1st January 2025) to 31st January 2025 (at the time of this consultation) developers will be able to evidence the Gate 2 criteria via a self-declaration route.

(However, between the Authority Decision Date and the Implementation Date evidence could potentially be informally submitted pending the Implementation Date.)

On 1st February 2025 any developers/projects which have not self-declared that they have met the Gate 2 criteria will become Gate 1 projects via a CUSC change to have this effect.

Gate 2 Non-Advancement Offers

All developers/projects from the contracted background which have self-declared that they have met the Gate 2 criteria and do not request advancement will be provided with an offer to introduce ongoing Gate 2 compliance obligations based on their existing contracted connection date. Ongoing Gate 2 compliance will commence from contract acceptance. This will be done after the completion of the Gate 2 to Whole Queue Design Process to ensure that any reduction/change in transmission reinforcement works, securities, etc, can be included in the Offer. Projects not accepting their Gate 2 Offers will become Gate 1 projects.

Gate 2 Current Queue Design Process + TOCOs and Gate 2 Advancement Offers (including Transitional Updates)

Includes developers/projects from contracted background who have self-declared they have met the Gate 2 criteria by the deadline and requested advancement AND those with transitional contracts (subject to derogation approval) who have self-declared they have met the Gate 2 criteria by the deadline. For those who have requested advancement, an Offer will only be provided where such advancement is possible (after the network design process).

Ongoing Gate 2 compliance will commence from contract acceptance. Where advancement is not possible (or where not accepted) a Gate 2 Non-Advancement Offer will be provided.

Until a project becomes a Gate 1 project at the Gate 1 Transition Date, or a Gate 2 project upon acceptance of an Offer, as above, the existing contract remains in place. Therefore, User Commitment / Final Sums will continue to be requested / placed based on the contractual position at the time. As and when there is a change to the contractual position, as above, then liability and security will be adjusted accordingly to reflect the updated contractual position at the point it becomes effective. Any surplus security will be returned in a reasonable period of time after the change becomes effective.

Please note that for Distributed Embedded Generators the process principles will be the same. However, because the contractual interface is via the DNO or transmission connected iDNO there will be slight variations in the actual process design.

Please also note that this simplified chevron diagram remains subject to change through ongoing Work Group and TO Discussions, and Wider Stakeholder Feedback.



Appendix 3: Alternatives

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.

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