

Code Administrator Meeting Summary

Meeting name: Application of Gate 2 Criteria to existing contracted background (Workgroup 15)

Date: 22/08/2024

Contact Details

Chair: Elana Byrne, ESO Code Administrator

Proposer: Alice Taylor, ESO (CMP435), Steve Baker, ESO (CM096)

Key areas of discussion

Actions Update

All actions were reviewed, and Actions agreed by the Workgroup to be closed were:

20, 34, 44, 55, 61, 62, 65, 66, 77, 86, 87

Updates can be seen within the actions log below.

Timeline Update

The ESO's Head of Connections Change Delivery joined the meeting to share with the Workgroup that the modification timelines for CMP434, CMP435, CM095 and CM096 would be extended, with an Authority decision now planned for Quarter 1 2025 and implementation into the codes to take place in Quarter 2 (end of February/March) 2025. It was also stated that there is an intention to introduce another urgent modification possibly in September that contains a Financial Instrument. A Workgroup member queried whether Financial Instruments would be re-introduced into CMP434/CMP435 and if not, how the interactions between them would be managed. The ESO's response was that the Financial Instrument modification is currently expected to be separate, as possible impacts on Section 14 are being scoped out, but final management of modifications is still to be decided.

A Workgroup member stated CUSC modifications rely on Licence changes and queried what the timeline would be for that. The Authority representative responded they were aware of the changes and that an open letter would be published in September, and they are in continued conversations with the ESO about it.

A Workgroup member queried whether reassurance would be given after the Authority's move to a "First ready and needed, first connected" approach (versus "first ready, first connected"). They were concerned that developers may have put significant investment into projects which may now not be classified as 'needed', and asked if there was increased risk to projects which may require an investment hiatus. The ESO was not able to provide an answer to this as the change is driven by the Government's Clean Power 30 initiative.

Key Changes to CMP435

Before the Workgroup began the run through of the key changes Workgroup members suggested removing elements of CMP434 from the slides to enable a quicker run through. The ESO agreed to take the feedback on board for future presentations. It was also encouraged that CMP435/CM096 Workgroup members review the latest updates to CMP434/CM096 before Workgroups in order for them to have a better understanding and making better use of CMP435 Workgroup's time.

The proposer stated that the slides presented would include updates to the ICR workstream (CMP434 and CM095) in grey panels for context but the Workgroup would discuss proposed updates for CMP435 and CM096 (in orange panels). The slides can be viewed [here](#).

Implementation Approach –an SME did not expand further on this as this was already discussed under the timeline update.

Element 1 – The ESO considered the feedback from the Workgroup Consultation, however did not think that a change was necessary to their Proposal. Nevertheless, feedback would be used to develop the methodology, and the Workgroup will have an opportunity to see the draft. Workgroup members did not provide any comments.

Element 3 – The ESO considered the feedback from the Workgroup Consultation and noted that they had decided to leave Element 3 unchanged. A Workgroup member required clarification that large embedded demand was not in scope. The SME confirmed there would be no changes to the existing contracts and therefore will not impact small, medium or large embedded demand (which are all out of scope). A Workgroup member suggested that embedded demand projects such as data centres could attempt to use a DNO/IDNO route and possibly hold up other projects, to which the SME suggested an alternative could be raised under CMP434 for that. A Workgroup member questioned whether Element 3 would need reviewing based on whether different projects are classified as 'needed'.

Element 5 – The ESO noted that it had considered feedback from Interconnector/Offshore Hybrid Asset developers, and other developers of Direct Consent Order projects, and made changes which impact relevant to those developers across other Elements (e.g., the longstop date, Gate 2 criteria). The Workgroup made no further comments.

Element 7 – There was no change proposed to this element from the position in the Workgroup Consultation.

Element 8 – The ESO considered the Workgroup Consultation feedback on Element 8 and advised that they have removed the Longstop Date from their Proposal. Workgroup members voiced concerns that the removal of the longstop date would create a pool of projects not moving in Gate 1 and thus, create an administrative burden on the ESO. The SME responded that other mechanisms are being considered which would hopefully address any such 'zombie' projects (e.g. the financial instrument modification). A Workgroup member requested an action be placed on the ESO to liaise with the CNDM team how existing projects not meeting Gate 2 will be factored into the CNDM (in case of any consequential issues for removing the Gate 1 longstop).

Element 9 – The ESO advised that they believe Project Designation should still be part of the Proposal despite the Workgroup Consultation feedback, so there is no change to the Original solution for CMP435 in this regard. It was reiterated that designated projects would need to go through Gate 2. It was also noted that for CMP434 it will no longer be applicable in respect of Gate 1, due to the optionality introduced there. A Workgroup member enquired as to whether the power to do this was necessary if ESO was maintaining the position for a right to reserve capacity elsewhere in the solution (Element 10) – with this being a question to be raised in CMP434.

Element 10 – The ESO considered the Workgroup Consultation feedback on Element 10 and would not be making any changes for CMP435 (a bilaterally agreed reservation period with enduring

assessments on a case-by-case basis). A Workgroup member suggested that transparency for this would be important for industry. When asked if there would be defined limits to capacity bay reservation in methodologies, the ESO SME responded that limits were not expected to be set, but criteria would be set. A (interconnector) Workgroup member noted that CMP376 Queue Management milestones could be factored in when considering reservation periods or review points (for projects with them).

Element 11 – The ESO SME briefly outlined the proposed changes to Element 11 in relation to CMP434 in order to clarify the position to not change CMP435 in this area. It was highlighted that evidence of land rights was still needed, just that the option didn't need a minimum length if entered into before the Authority decision on CMP435. A Workgroup member suggested that the criteria for milestone adjustments be made clear as it was felt that a lot was being left to the ESO's discretion, for example, where a project has a node for a sub-station, but not a location, issues are being expected so these criteria will be useful. A Workgroup member highlighted proposed changes to the National Planning Policy Framework and thresholds for projects that are nationally significant, suggesting ESO review this in relation to the CMP434 planning compliance timescales.

Element 13 – the ESO SME outlined the intention for 100% checks for land rights (CMP434) and a Workgroup member recommended transparency for what percentage is achieved for the ESO and DNOs. The changes for CMP435 will not be to use the self-declaration letter to create a staged connection but allow a request of TEC reduction as well as a request for advancement. The ESO SME agreed to ask the CNDM team whether knowing what stage a project is at (via the self-declaration letter) will be useful for queue considerations.

A Workgroup member ask whether TEC reductions would mean projects are open to liabilities which the ESO SME agreed to check. A Workgroup member asked if removing/reducing technology that doesn't impact TEC has been considered. The ESO SME noted that this would be more dependent on how that particular contract has been structured.

A Workgroup member supplied wording for the self-declaration letter for people to amend a connection location point and state a preferred point if they wished. Another Workgroup member suggested that it's asked on the letter what Queue Management milestones have been met to help assessment of which projects may be ready first.

A Workgroup member asked if the process to request connection date advancement would allow for optionality if connection dates are known for different TEC. The ESO SME notes that the goal was not to hamper progression if TEC can't be met.

A Workgroup member noted that if there are regional technology caps per year and projects will be assessed as to whether they are 'needed', and asked if the ESO could give any assurances on connection points as a result, or will there be any code changes to allow for connection point changes?

Element 14 – it was confirmed that this would be removed. A Workgroup member suggested that the CNDM process would be of interest to see in regard to moving site locations.

Element 16 – while there is no change to this for the Original solution put forward, the ESO expect the CNDM to be needed prior to implementation of CMP435.

Element 19 – an ESO SME explained that proposed changes to timescales for the implementation approach will be shared when revised programme dates are agreed and referenced ongoing discussions with Ofgem on this. It was confirmed that a swim lane diagram for CMP434 and CMP435 would be shared when possible. Timings for updates on this Element were requested by the Workgroup.

Element 20 – as per Element 19, this is dependent on the new programme timescales, including how offer submission deadlines will change. Workgroup members noted the importance of this for legal text.

CM096 Implementation Approach

The ESO SME reflected that this will also be dependent on the revised programme timings. A Workgroup member (also a TO party) stressed the need for more content to be drafted as soon as possible to allow for assessment and review (also raised for CM095).

AOB

The Chair displayed the slide showing Workgroup members current eligibility to vote stating any percentages highlighted red have currently not met the threshold.

The Chair further queried whether the Workgroup had any AOB.

A Workgroup member requested a timeline similar to that of CMP434 displaying processing of Grid Offers (swim lane diagram). The SME responded that this would be provided. A Workgroup Member added that it would be helpful to understand and see both CMP434 and CMP435 'swim lanes' together.

A Workgroup member requested any updates to the timeline for CMP435 be shared immediately in order for industry to time manage workload. The Chair agreed.

Next Steps

- ESO to work on Actions
- Provide summaries ASAP

Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
20	WG3	RW, AT	TOs and ESO meeting needed to discuss data available to review capital contributions for 2024	Position on capital contribution was shared and then set out in WG Consultation. (Further discussion may be required in future.)	Ongoing	Closed
21	WG3	ESO Connections Team	When considering transitional arrangements, include guidance for staged projects	To be covered in more detail under Phase 2	WG6	Open
34	WG5	Code Gov, Proposers, SME	Assess the agenda for 16 July (considering time needed to review consultation responses)		Ongoing	Closed
36	WG5	Angie	Statement from ESO as to the CAP150 powers and how they are applied /can be applied re: ongoing compliance (include link to CAP150 info on ESO website)	Any necessary amends to the CAP150 provisions (as a result of ongoing RLB compliance proposals) will be set	Ongoing	Open

				out in legal text for future discussion.		
42	WG6	LH	Check with legal as to the clock start dates for new applications considering the point of implementation after an Authority decision (is 15th of November date is legally acceptable as the Gate 1 process only comes to existence 10 Working days after Authority decision?)		Ongoing	Open
44	WG6	RM	Confirmation about whether NESO designation applications, decisions and decision rationales would be published.	Obligations to publish are TBC and would need to be set out in future within licence and/or methodology.	Ongoing	Closed
55	WG8	PM	Forward looking milestones illustrative examples for staged offers (same and different technologies).	Worked examples annexed to CMP434 Workgroup Consultation	5 th July	Closed
56	WG8	MO	Clarification with legal regarding guidance and introduction of any new obligations.		Ongoing	Open
57	WG8	MO	ESO set out the processes and timing for determining liability and security for April 2025 and October 2025.	The position was clarified in the Workgroup and set out in Workgroup Consultation (check needed as to whether CMP434/435 consultation)	Ongoing	Open
59	WG8	MO	Provide WG with the list of documents outside the mod, the principles for guidance docs and timelines for the development of methodology documents.		Ongoing	Open
60	WG8	RP	(Replacement for action 35) Provide relevant updates from SCG	Kyle Smith to provide verbal update on TM04+ Impact Group emerging thinking	Ongoing	Open
61	WG8	PM	(Amendments to action 52) ESO to confirm intention for % evidence checks vs 100% checks for CMP376.	Introducing right to do 100% checks. Close and WG to raise in CMP434	WG10	Closed
62	WG8	PM	ESO to enquire with Ofgem about them setting % evidence check level.	Introducing right to do 100% checks. WG to raise in CMP434	Ongoing	Closed
65	WG9	FS	ESO to look into the data checks between D + T by	100% duplication checks; format on how	Ongoing	Closed

			ESO (data transfer) for criteria/duplication	D tell T to be confirmed but not part of 435 Mod		
66	WG9	PM	Self cert letter to ask for explicit declaration if applying for Gate 2 via Distribution and Transmission routes (re duplication checks)	Provided an updated list of what is intended to be included in the self-certification letter in WG15	Ongoing	Closed
72	WG9	RM/JH	Workgroup request appendix/annex re: transmission connection queue – how many projects impacts re diff tech and dates + information on the RFI for the consultation (majority/minority party)	Ongoing and being considered	Ongoing	Open
74	WG10	PM/GG/ RW	To consider wider context of projects for Gate 2 criteria and implementation aspects to map project types and considerations for 'minimum options' suggestions/proposal	Note that GG was to share the example in (a diagrammatical form) that he was referring to in WG10 as difficult to visualise the scenario - this action is a post WG Consultation action.		Open
77	WG10	MO	Consider how to treat requests to reduce capacity for existing contract projects	Position updated in WG15.		Closed
78	WG10	AC	Explore difference between treatment of mod app fees vs expression of interest from 5 point plan	The TWR / CPA was a one off project as part of the 5 point plan. This is an on going process and as such when a customer makes a request for a change to their agreement such as a change of date then a mod app fee is applied due to the studies required to see if the requested change can be facilitated, this is the same.		Open
79	WG10	MO	Develop a diagram for consultation for alignment of methodologies' timings vs the modifications	Post Workgroup Consultation		Open
80	WG10	MO	Provide further clarity on the nature of the projects	Further clarity will be provided on		Open

			designated in 2025, and separately those projects would have reserved capacity.	designation once draft methodology is available. No further clarity available at this stage in relation to capacity reservation.		
82	WG11	MO	To update whether/when/what information from RFI will be published (update Tues from Mike or Ruth)	Further data requested WG14	Ongoing	Open
83	WG11	CD/RP	To update WG on securities for offers (re: small/med embedded generators)		Ongoing	Open
84	WG11	PM/HS	To discuss how to make Offshore projects holding offers in scope of the modification	Ongoing discussions between Connections and Offshore Coordination team and have spoken to Helen	Ongoing	Open
85	WG11	GS	Comeback to WG with Justification on proposals on exempting mod apps from implementation date	HS contacted in relation to the correct action owner for this	Ongoing	Open
86	WG11	MO	Check on use of specific provisional dates for the indicative timeline and add additional text for clarity on what action is needed from users and consequences	Completed for inclusion in the Workgroup Consultation	Ongoing	Closed
87	WG11	MO	Explore how offers referred to Ofgem are dealt with	Ofgem offer referrals process unchanged by Proposal - CNDM will need to account for any referred offers in relation to combined Gate 1 and Gate 2 process e.g. by assuming it is to be signed until the referral process outcome is known.	Ongoing	Closed
88	WG14	EB	Email to be shared with Workgroup from CMP434/CM096 compiling emails received about timelines.		w.c. 19 Aug	Open

89	WG14	MO	STC solution to expand on intended process and contract changes (particular importance for TOs)		Ongoing	Open
90	WG14	EB	Summary slides for the Workgroup Consultation responses are to be updated		w.c. 19 Aug	Open
91	WG14	EB	Timings for sharing Alternatives with the Workgroup to be clarified	ESO has been discussing certain submissions with potential Proposers which has impacted whether some progress. Latest submissions to be shared 21.08	w.c. 19 Aug	Open
92	WG14	EB	Code Governance to check the codified requirements for Workgroup attendance of voting Workgroup members	50%+ attendance does feature in the ToR for Workgroup Vote	w.c. 19 Aug	Open
93	WG14	ESO Connections Team	Update on the pathway of modifications in relation to the wider Reform package	ESO general update from Robyn Jenkins in WG15. Further updates to be shared with the Workgroup	Ongoing	Open
94	WG15	ESO Connections Team	Clarification sought on whether the change to assess whether projects are needed introduces any risk to projects before the new arrangements go live (in context of an investment hiatus).		Ongoing	Open
95	WG15	RP	Will demand connection dates be reviewed as part of queue re-organization		Ongoing	Open
96	WG15	PM	CNDM team to be asked how existing projects not meeting Gate 2 will be factored into the CNDM (in case of any consequential issues for removing the Gate 1 longstop)		Ongoing	Open
97	WG15	PM	Ask CNDM team if it would help them to know what stage projects are at from the self-declaration letter		Ongoing	Open

98	WG15	PM	To check if TEC reduction will still mean projects are open to liabilities	Ongoing	Open
99	WG15	PM	ESO to consider the new proposed reforms to National Planning Framework for nationally significant solar projects and any impacts for the Planning Regime timescales for Town & Country Planning (TCP)	Ongoing	Open
100	WG15	RM	Will timescales for submitting offers change with changes in programme timelines	Ongoing	Open
101	WG15	RM	Workgroup require timings for the further updates on Element 19	Ongoing	Open
102	WG15	MO	Swim lane document to be produced for CMP434 and 435	Ongoing	Open

Attendees (excluding Observers)

Name	Initial	Company	Role
Elana Byrne	EB	Code Administrator, ESO	Chair
Tammy Meek	TM	Code Administrator, ESO	Technical Secretary
Alice Taylor	AT	ESO	Proposer CMP435
Stephen Baker	SB	ESO	Proposer CM096
Angela Quinn	AQ	ESO	Subject Matter Expert
Dovydas Dyson	FD	ESO	Subject Matter Expert
Folashade Popoola	FP	ESO	Subject Matter Expert
Holli Moon	HM	ESO	Subject Matter Expert
Paul Mullen	PM	ESO	Subject Matter Expert
Richard Paterson	RP	ESO	Subject Matter Expert
Robyn Jenkins	RJ	ESO	Subject Matter Expert
Ruth Matthews	RM	ESO	Subject Matter Expert
Sabrina Gao	SG	ESO	Subject Matter Expert

Andrew Colley	AC	SSE Generation	Workgroup Member Alternate CMP435
Andrew Yates	AY	Statkraft	Workgroup Member Alternate CMP435
Andy Dekany	AD	National Grid	Workgroup Member CMP435
Axel Wikner	AW	Orron Energy	Workgroup Member Alternate CMP435
Barney Cowin	BC	Statkraft	Workgroup Member CMP435
Brian Hoy	BH	Electricity North West	Workgroup Member Alternate CMP435
Charles Deacon	CD	Eclipse Power	Workgroup Member CMP435
Charles Yates	CY	Vattenhall	Workgroup Member Alternate CMP435
Ciaran Fitzgerald	CF	Scottish Power	Workgroup Member Alternate CMP435
Claire Hynes	CH	RWE Renewables	Workgroup Member CMP435
Clare Evans	SE	Scottish Power Energy Networks	Workgroup Member CMP435
Darcy Kiernan	DK	NGV	Workgroup Member Alternate CMP435
Ed Birkett	EB	Low Carbon	Workgroup Member CMP435
Gareth Williams	SW	Scottish Power Transmission	Workgroup Member CMP435
Garth Graham	GG	SSE Generation	Workgroup Member CMP435 & CM096
Grant Rogers	GR	Qualitas Energy	Workgroup Member CMP435
Greg Stevenson	GS	SSEN Transmission	Workgroup Member CMP435 & CM096
Helen Stack	HS	Centrica	Workgroup Member Alternate CMP435
Hooman Andami	HA	Elmya Energy	Workgroup Member CMP435
Jack Purchase	JP	NGED	Workgroup Member CMP435
Joe Colebrook	JC	Innova Renewables	Workgroup Member CMP435
Jonathan Hoggarth	JH	EDF Renewables	Workgroup Member CMP435
Jonathan Whitaker	JW	SSE	Workgroup Member Alternate CMP435 & CM096
Luke Scott	LS	Northern Power Grid	Workgroup Member Alternate CMP435
Mark Field	MF	Sembcorp Energy	Workgroup Member CMP435
Michelle MacDonald Sandison	MM	SSEN	Workgroup Member CMP435

Muhammad Madni	MuM	National Grid	Workgroup Member Alternate CMP435
Niall Stuart	NS	Buchan Offshore Wind	Workgroup Member CMP435
Nina Sharma	NiS	Drax	Workgroup Member Alternate CMP435
Nirmalya Biswas	NB	Northern Powergrid	Workgroup Member CMP435
Paul Jones	PJ	Uniper	Workgroup Member CMP435 & CM096
Paul Youngman	PY	Drax	Workgroup Member CMP435
Philip John	PJ	Epsilon Generation	Workgroup Member CMP435
Ravinder Shan	RS	FRV TH Powertek Limited	Workgroup Member CMP435
Robin Prince	RP	Island Green Power	Workgroup Member Alternate CMP435
Richard Woodward	RW	NGET	Workgroup Member CMP435 &CM096
Rob Smith	RS	ENSO Energy	Workgroup Member CMP435
Robin Prince	RP	Island Green Power	Workgroup Member CMP435
Samuel Railton	SR	Centrica	Workgroup Member CMP435 & CM096
Salvatore Zingale	SZ	Ofgem	Authority Representative
Steve Halsey	SH	UK Power Networks	Workgroup Member Alternate CMP435
Tony Cotton	TC	Energy Technical & Renewable Services	Workgroup Member CMP435 & CM096