

Workgroup Consultation Response Proforma

CMP434: Implementing Connections Reform

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm on 06 August 2024**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Eibhlin Norquoy	
Company name:	Community Energy Scotland on behalf its Member Point and Sandwick Power Limited (see email confirmation)	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:

(Please mark the relevant box)

☒ **Non-Confidential** (*this will be shared with industry and the Panel for further consideration*)

☐ **Confidential** (*this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration*)

For reference the Applicable CUSC (non-charging) Objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- 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;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*

d) *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

*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.

Please express your views in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the Original Proposal better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input checked="" type="checkbox"/>D</p> <p>Click or tap here to enter text.</p>
2	Do you support the proposed implementation approach? (see pages 59-61)	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>This will impact nearly all Small, Medium, and Large Embedded Generation in Scotland in the short to medium term because nearly every GSP in Scotland has a constraint. It is unreasonable to expect all of these stakeholders to be able to review the ESO supporting guidance and the associated engagement in such a short space of time before / during / after the festive period.</p>
3	Do you have any other comments?	Click or tap here to enter text.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input checked="" type="checkbox"/>Yes (the request form can be found in the Workgroup Consultation Section) <input type="checkbox"/>No</p> <p>We are submitting three Alternative requests for the Workgroup to consider: a) Project Designation for Community Generators, b) Ringfence capacity for Community Generators, and c) Indication of costs in Gate 1 offers.</p>

Specific Workgroup Consultation questions	
5	<p>Do you agree with the elements of the proposed solution?</p> <p>Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification CM095.</p> <p>Please provide rationale for your answer and any suggestions for improvement to each element?</p>

Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
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) (see pages 11, 35-36)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Yes, but it should be clear when the window will open every year in a regular manner, not just the first year. A Gate 1 offer should also include an indication of likely cost. An indication of costs ahead of application to Gate 2 would enable Generators 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.</p>	
Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>It should be recognised that this proposal requires disproportionately more administration effort on Large Embedded Generators (LEG) particularly in Scotland. While the BEGA/BELLA application has always been a requirement, this proposal also requires LEG to submit Gate 1 and Gate 2 applications to the ESO whereas the DNO would undertake this for Small and Medium Embedded Generators. This becomes disproportionate in Scotland where generators as small as 10MW in the North of Scotland and 30MW in the South of Scotland would be expected to undertake this additional administration. This actively reduces competition in the generation and supply of electricity for generators of similar sizes.</p>	
Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>The main text should make it clear whether the Large Embedded Generators are expected to apply to the ESO for a connection and apply to the DNO as well as apply to the ESO for a BEGA/BELLA.</p>	
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 (see pages 15-16, 39-40)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>In Gate 1, there will be no indication of likely cost for transmission works. Indication of costs ahead of application to Gate 2 would enable Generators to plan for costs,</p>	

<p>securities, and liabilities and potentially reduce the volume of Gate 2 applications that are not progressed.</p> <p>The contract offered in Gate 1 would be legally binding on both the developer and the ESO regarding any included rights and obligations. This is a big unknown and risk for Generators, especially Community Generators, because until a Gate 2 offer is provided, it is unknown what scale of finances will be required.</p> <p>There are only three months to accept the Gate 2 offer, and once accepted, Generators must demonstrate that they are liable for the Final Sums and provide security from the point of acceptance of their Gate 2 offer. Community Generators are at a disadvantage as they are typically smaller enterprises. An indication of likely cost at Gate 1 would enable Community Generators to plan and be in a better financial position to accept a Gate 2 offer.</p> <p>It should be clear when the annual Gate 1 application window will occur yearly. Still, the fact that the frequency and duration of these application windows will be subject to regular review gives uncertainty, as it is not possible to know when the following window will open after the first of January of 2025.</p> <p>The way the Gate 1 process is set could cause speculation from developers who want to know which connection point will be faster to connect to, wanting to gather more information and assess where it is most favourable to secure capacity. As a result, it won't give a realistic idea of future developments for network planning.</p>	
Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The Longstop date from Gate 1 offer acceptance to Gate 2 offer acceptance could be challenging for Community Generators, especially those that need a BEGA/BELLA application to be submitted and responded to by the ESO. Community groups would need an extended longstop period over the (effectively) two years proposed.</p>	
Element 9: Project Designation (see pages 17-18, 48-49)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>An additional project designation for community generators should be introduced, considering the benefits to society that these Generators bring and the disadvantages they face in competing with corporations.</p>	
Element 10: Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification CM095 – see pages 18-20 and the CM095 Workgroup Consultation , pages 6-10 https://www.nationalgrideso.com/document/322801/download)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	

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 (see pages 20-24, 42-46)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>At 11.4, the timescales given are too short for securing planning consent.</p> <p>It is unclear how the queue management and milestones will apply for Large Embedded Generators that go through BEGA/BELLA. Similar distribution milestones will be requested after Gate 1 with the distribution connection offer. Once they accept Gate 2, they will have other time references for the same milestones for the Transmission connection. This makes it very complex and difficult.</p>	
Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>It is difficult for Community Generators to become liable and provide security within 3 months of accepting the offer without having a reference or indication for the transmission work cost in advance.</p>	
Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>If sample checks being undertaken by the DNO or ESO take longer than expected, the application should not be withheld from the Gate 2 design process. Late notification by the DNO to the ESO of a Gate 2 application should not result in the Small or Medium Embedded Generators application being pushed to future Gate 2 design processes (as long as the application by the Small or Medium Embedded Generator was within the application window)</p>	
Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>It is unclear why the offered connection point would differ to the requested connection point at a Gate 2 application. If the requested connection point is the same as that in the Gate 1 offer, then compensation related to securing land rights should be made by the ESO. 12 months to rearrange land rights seems optimistic especially if the landowner is different.</p>	
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) (see pages 29, 42-46)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>It is recognised that the proposal results in an expectation of a higher volume of applications to be assessed at the same time and therefore will take longer than at present. However, this will result in a significantly longer time for Generators to secure connection offers. In theory this could increase from 3 months to 9 months after a Gate 1 application is made (based on the worst case in the Indicative Process Timeline) but also an unknown amount of time between the Generator meeting Gate 1 criteria and being ready to apply and the Gate 1 window opening.</p>	

<p>Gate 2 applications have an even longer time between submission and offer (worst case) but 'windows' for Gate 2 look to be back-back and therefore reduce the unknown amount of time between meeting Gate 2 Criteria and being able to apply.</p> <p>Overall, it could be 1 year between making an application and getting a Gate 2 offer (if applying for Gate 2 immediately in the Gate 1 application window). For those receiving a Gate 1 offer and then applying for Gate 2 it is closer to 18 months. For Small and Medium Embedded Generation this could either be a much shorter duration (if the DNO has accurately estimated the DFTC) or an even longer duration while waiting for communication between the DNO and ESO.</p> <p>Effectively this is a move from a 3 month wait after a connection application to a minimum of 12 or 18 months.</p>	
<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Yes, subject to the Authority introducing a licence obligation for ESO/TOs to have this proposed Methodology in place, and that the Authority also set out in licence the consultation, governance and approvals process(es) in relation to such a proposed CNDM.</p>	
<p>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) to forecast capacity on an anticipatory basis for Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations aligned to the Gate 1 Application Window (see pages 30-33, 51-53)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>This will be crucial for Small and Medium Embedded Generators to reduce the administration and timeframes that this proposal would otherwise impose on them. DNO and transmission connected iDNO ability to accurately forecast this will result in some variability across GB to the effectiveness of a DFTC. Due to the existing varying definition of Small, Medium, and Large Generation across GB, Community Generators in England and Wales are more likely to benefit from this concept than Community Generators in the South and North of Scotland. We are now seeing Community Generators with plans for projects larger than 30MW in Scotland.</p> <p>The Gate 1 output should include an indication of cost so that the DNO or transmission connected iDNO can pass this information on to the Small and Medium Embedded Generators when making a distribution connection offer.</p>	
<p>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 (see pages 33-34, 51-53)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	Yes, but only if the Gate 1 output includes an indication of cost which is then passed onto Small and Medium Embedded Generators.	
6	Are there any elements of the proposal which you believe should not be included as part of this proposed solution, which the Proposer believes represents the 'Minimum Viable Product' reforms required to the connections process? If not, why not? (Please note the element number in each of your responses if applicable)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Click or tap here to enter text.		
7	As per question 6, are there any additional features which you believe should be included as part of Minimum Viable Product reform to the connections process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>A Project Designation for Community Generators should be included.</p> <p>In addition, Gate 1 offers should include an estimation of the transmission work cost, it could be an interval of cost just for reference so the developer can start getting the finance ready before getting the offer at Gate 2, as the time to accept the offer is not enough to have all finance ready if this cost, security, and liability is unknown.</p>		
8	Do you agree that the Gate 1 process should be a mandatory process step, or do you think Gate 1 should be an optional process step with projects being able to apply straight into the Gate 2 process if the project meets both the relevant Gate 2 and Gate 1 criteria?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>If Gate 1 is an optional step, then it is unclear how it would help ESO to plan the network. If Gate 2 can be applied to directly then this information won't support the network forecast, and the offer given in Gate 1 with the connection and date won't be very reliable. However, introducing Gate 1 results in a much longer time scale to receive a Gate 2 connection offer.</p>		
9	Do you believe that the proposed Gate 1 and Gate 2 process could duly or unduly discriminate against any types of projects? If so, do you believe this is justified?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Yes, the way it is currently written will discriminate against Community Generators because they lack the resources to compete with corporations in this 'first ready,</p>		

	<p>first-served' approach. It keeps the electricity market unfair and does not recognise the benefits these Community Generators bring to society.</p> <p>The proposed longstop date of 3 years (effectively 2) between a Gate 1 offer acceptance and Gate 2 offer acceptance is not sufficient for a Community Generator to be in a position to be able to accept a Gate 2 offer due to financial risks associated with planning permission, unknown connection costs, securities and liabilities, as well as non-financial challenges related to governance.</p>	
10	<p>Please provide your views on the proposed options ((a) to (e) on page 45) to mitigate the risk of requiring a developer to submit their application for planning consent earlier than they would in their development cycle (with the risk this consent could expire and any extension from the Planning Authority is not automatic).</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>		
11	<p>Do you agree that DFTC should be included as part of CMP434? If not, do you believe that the reformed connections process can function without DFTC? Please justify your answer. (see pages 30-34, 51-53)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>CMP434 would be disproportionate for Small and Medium Embedded Generators without the DFTC therefore it should be included. There is still risk of disproportionately impacting Small and Medium Embedded Generators due to the number of constrained GSP across GB with the DFTC but this is less than not having the DFTC in place.</p>		
12	<p>The Proposer intends to set out supporting arrangements for TMO4+ via a combination of guidance and methodologies (e.g. DFTC, CNDM, Project Designation, Gate 2 Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Not as long as the Authority includes requirements within licenses and there is a clear and accessible route to challenge these methodologies and guidance as well as meaningful stakeholder engagement and the same interpretation across DNOs.</p>		