

Code Administrator Meeting Summary

Meeting name: Application of Gate 2 Criteria to existing contracted background (Workgroup 18)

Date: 12/09/2024

Contact Details

Chair: Catia Gomes, ESO Code Administrator

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

Key areas of discussion

The key areas for discussion in Workgroup 18 were to: Review the proposed updated timeline, review the Terms of Reference, and get feedback from Workgroup members on these, and review the Action Log. It was also stated by ESO in the meetings objectives to provide additional clarification of Cut Over arrangements vs Transitional arrangements.

Timeline

The Chair stated that Panel agreed to the proposed timeline, and that they are now waiting for Ofgem approval on this. The timeline was shared with the Workgroup members in the slides.

A Workgroup member asked if there is an update on when they would be receiving the Ofgem letter, and the Authority representative stated that it would be published soon, and that it would probably be expected for next week.

Another Workgroup member raised the question around the implementation and decision dates, that they would like to know when these dates will be as they are critical for ongoing projects. They are aware that they could change but they would like an idea of when they could possibly be to start working towards these. The Authority representative noted this and stated that they are working on the dates, explaining that there isn't an established date yet, but an update will be provided soon. Another Workgroup member highlighted that it would be good to have a deadline to work towards.

Cut Over vs Transitional Arrangements

The differences between Cut Over and Transitional Arrangements were discussed. One Workgroup members asked for clarity on the wording of the slides, as it said derogation rather than direction in relation to Phase 1 and it was realised that this was a typo in the slides, and this was fixed.

It was stated by ESO that the transitional timescales for the second phase are being worked on. The letter to Ofgem will likely be in October and then current thinking is that it will be rolled out in November. It is still subject to agreement with TOs, DNOs and Ofgem. But if and when it is agreed, it will be shared with the Workgroup members.

A Workgroup member asked how robust the direction is as they have had clients asking them about it and raising concerns over it. ESO stated that they have had legal advice on this, and that the legal advice indicated that it would be robust enough if it were to be challenged.

Another Workgroup member asked about the date for Phase 2, as Phase 1 was the 2nd of September, and the dates for the decisions could change. It was stated by ESO that the date for Phase 2 would likely be in November.

CMP435 ToR Review

In the Terms of Reference (ToR) review, the Proposer outlined a RAG (red, amber, green) approach to be taken for each ToR. The Workgroup members would then be able to give feedback on each of the ToRs, and come to an agreement of the RAG status for each. After discussing each of the below, it was decided that all the ToR's were to be kept as amber as further discussion would be needed on each.

- a) This ToR is linked to Section 4 of the CUSC, with current thinking that Section 4 will not be impacted however it will be reviewed further as part of the legal text. It was proposed as amber, and the Workgroup members agreed.
- b) This ToR is linked to Element 3 for defining what is in and out of scope. Elements 19 and 20 were also noted as having had initial discussions on timings. It was highlighted that more discussions were needed, and it was proposed as amber. The Workgroup members agreed.
- c) It was stated that the Go Live Date is not 1 Jan 2025 and that we are still awaiting confirmation of the new Go Live Date. This ToR was discussed as part of Element 19, and in WG17 on legal text. It was also stated that further updates on contractual arrangements were needed and so it was proposed as amber. A Workgroup member asked for clarity on contracted parties which are connected through DNOs and the proposer stated that it relates to all parties defined as within the scope of CMP435.

It was noted that ToRs d) and e) were agreed before the Transition vs Cut Over Arrangements discussion but were still discussed in the Workgroup:

- d) This ToR is partly related to cut over and was discussed in Element 20. It was highlighted by the proposer that dates are still needed and so it would need to be brought back to the Workgroup to be further discussed. It was proposed as amber, and this was not debated.
- e) This ToR was discussed in Element 19 and in WG17 on legal text. There were initial conversations on the consequences of User Commitments, but it was highlighted by a Workgroup member in WG17 on legal text that more clarity is needed. This ToR is to stay on amber.
- f) This ToR was fully considered and was descoped from the proposed solution with a modification being raised to address this separately. It was proposed to be changed to green. One Workgroup member was not sure about changing this to green as an alternative can still be raised on the financial instrument and so it does not mean that the modification or Workgroup has taken it out, the proposer has, and it still forms part of the Workgroup. If the parties chose to, it could be included in an alternative. ESO stated that it would be reworded as per the CMP434 description. This ToR is to stay on amber.
- g) This ToR was raised in multiple Workgroups and is still to be discussed in the legal text. It was proposed to stay as amber, and no Workgroup members debated this.
- h) Discussions on this ToR have taken place, and it was proposed to change this to green. One of the Workgroup members noted that this was incomplete, and alternatives to possible feature this ToR so it was agreed that the ToR would stay on amber.
- i) This ToR considered legal risk under Element 19. It was proposed to stay on amber. When questioned about this ToR the Authority Representative stated that analysis was needed from ESO and TOs for how this will look in the new world and the impact it will have on network builds. A Workgroup member highlighted that if that is the case, this needs to be brought to the Workgroup and be discussed in the FMR. ESO representative stated that they need to have a conversation with the Authority on this as it is not what the expectation has been to this point.

One of the Workgroup members requested that the outcome of that conversation between ESO and the Authority is brought back to the Workgroup to aid the development of Alternative Requests and for people needing data to be requested from ESO to support alternatives.

CM096 ToR Review

In the Terms of Reference (ToR) review, the Proposer outlined a RAG (red, amber, green) approach to be taken for each ToR. The Workgroup members would then be able to give feedback on each of the ToRs, and come to an agreement of the RAG status for each. After discussing each of the below, it was decided that all the ToR's were to be kept as amber as further discussion would be needed on each.

- a) This ToR requires further delineation for the STC. There is a question as to whether it is in scope for CM096. It was proposed as amber, and there were no Workgroup comments on this.
- b) This ToR was discussed in the context of CMP435 and there is little STC impacts yet, but this will come from the CUSC. It was proposed as amber, and there were no Workgroup comments on this.
- c) This ToR discussed the types of contracts, and it requires legal text discussion. It has been touched on before in Connection Point and Capacity Reservations. It was proposed as amber, and there were no Workgroup comments on this.
- d) This ToR discussed contractual agreements, and it requires legal text discussion. It was proposed as amber, and there were no Workgroup comments on this.
- e) This ToR discussed transitional arrangements, and it requires further delineation from CMP435. It was proposed as amber, and there were no Workgroup comments on this.
- f) This ToR discussed the application of User commitment. It has been touched on before in Connection Point and Capacity Reservation discussions. It requires further delineation. It was proposed as amber, and there were no Workgroup comments on this.
- g) This ToR discussed new financial instruments. This was proposed as green. It was then decided to change this to amber, and to re-consider after WACMs consideration and when there is updated wording to CMP435.

h) - k):

There was a question as to whether these apply to the STC modification or are they specific to the CUSC because they are User related. These are all to be kept as amber. One Workgroup member highlighted that (h) is still required as it is a statutory requirement. Another Workgroup member highlighted that (j) is still to be looked at as it has a cross-code impact and has not been developed by the Workgroup.

Next Steps

The Chair highlighted that WACMs will be discussed in the next meeting, so that members are aware of this.

AOB

A Workgroup member asked if they could be told the agenda for future meetings in advance of the meeting so that members can make use of their time efficiently and be prepared if the meeting will not run for as long as it is scheduled.

Actions

| Action number | Workgroup Raised | Owner | Action | Comment | Due by | Status |
|---------------|------------------|----------------------|--|--|---------|--------|
| 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 |
| 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) | Agreed to await further legal text review on this before closing | Ongoing | Open |
| 42 | WG6 | AC/FP | 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?) | Clarity on this should be provided by the legal text | Ongoing | Open |
| 56 | WG8 | MO | Clarification with legal regarding guidance and introduction of any new obligations. | Clarity on this should be provided by the legal text | Ongoing | Open |
| 57 | WG8 | MO | ESO set out the processes and timing for determining liability and security for April 2025 and October 2025. | This action has been changed by the TBC change to implementation and go-live timescales and so we will need to newly answer this once we have clarified the revised dates. | 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. | Awaiting methodology content and timescales before the ESO can update on this | 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. No further updates as of 12/09 | Ongoing | Open |
| 79 | WG10 | MO | Develop a diagram for consultation for alignment of | Post Workgroup Consultation | | Open |

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| | | | methodologies' timings vs the modifications | | | |
| 80 | WG10 | MO | Provide further clarity on the nature of the projects designated in 2025, and separately those projects would have reserved capacity. | Further clarity will be provided on designation once draft methodology is available. No further clarity available at this stage in relation to capacity reservation. | | Open |
| 83 | WG11 | CD/RP | To update WG on securities for offers (re: small/med embedded generators) | Action generated in relation to disapplication of securities for iDNO scenario. Follow up meetings held. The scenario described is a current issue and remains the same under CMP435. A separate Code Mod CMP417 is working on the issue which is connected to Final Sums. AC - issues with specific GSP and flow of securities can be picked up with the CAM | Ongoing | Closed |
| 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 HS | Ongoing | Open |
| 85 | WG11 | AC/DD | Comeback to WG with Justification on proposals on exempting mod apps from implementation date | AC/DD to input | Ongoing | Open |
| 88 | WG14 | EB | Email to be shared with Workgroup from CMP434/CM096 compiling emails received about timelines. | | w.c. 19 Aug | Closed |
| 89 | WG14 | MO | STC solution to expand on intended process and contract changes (particular importance for TOs) | Meeting arranged with TOs for Monday 2nd Sept with outcome to be fed back to the workgroup | Ongoing | Open |
| 90 | WG14 | EB | Summary slides for the Workgroup Consultation responses are to be updated | | w.c. 19 Aug | Closed |
| 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 | Ongoing | Open |

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| | | | | updates to be shared with the Workgroup | | |
| 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). | ESO session arranged for 16th September "Potential to apply a technology lens to Connections Reform event" | Ongoing | Open |
| 95 | WG15 | RP | Will demand connection dates be reviewed as part of queue re-organization | T connected Demand - in scope of TM04+ so working assumption will be reviewed as part of CNDM D connected demand - currently not expecting to actively review as out of scope of TM04+ so not part of CNDM and will continue to be captured in existing planning process in place. However, potentially could be a consequential impact. After checking with CNDM team not intending to actively look at at embedded demand connections as part of the queue reorganisation | 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 |
| 98 | WG15 | PM | To check if TEC reduction will still mean projects are open to liabilities | This is part of the CNDM debate with ongoing discussions | 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 |

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| 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 |
| 105 | WG16 | AT/SB | Request for ESO to provide comment on how options will be created for Govt decisions on capacity mix (and the legal basis for decisions) | ESO session arranged for 16th September "Potential to apply a technology lens to Connections Reform event" | TBC | Open |
| 107 | WG17 | AC | Clarify the process for transitional accepted offers in relation to 434 and/or 435 processes | Discussions are ongoing | TBC | Open |
| 108 | WG17 | AQ | Come back with a clarificatory position on application routes where GSPs are involved | | TBC | Open |
| 109 | WG17 | RM | Updates to the RFI analysis slides to be made and re-shared with the Workgroup | | TBC | Closed |
| 110 | WG17 | AQ | Provide the document outlining the CMP435 legal text approach for sharing with the Workgroup | | TBC | Open |
| 111 | WG18 | MO | ESO and Ofgem to discuss expectations re: TOR i) and feedback to Workgroup. | | TBC | Open |
| 112 | WG18 | RM | Underlying RFI data to be supplied in Excel format as per WG17 | | TBC | Open |

Attendees (excluding Observers)

| Name | Initial | Company | Role |
|---------------|---------|-------------------------|---------------------|
| Catia Gomez | CG | Code Administrator, ESO | Chair |
| Elana Byrne | EB | Code Administrator, ESO | Technical Secretary |
| Alice Taylor | AT | ESO | Proposer CMP435 |
| Stephen Baker | SB | ESO | Proposer CM096 |

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| Paul Mullen | PM | ESO | Subject Matter Expert |
| Michael Oxenham | MO | ESO | Subject Matter Expert |
| Richard Paterson | RP | ESO | Subject Matter Expert |
| Ruth Mathews | RM | ESO | Subject Matter Expert |
| Alex Curtis | AC | ESO | Subject Matter Expert |
| Amy-Isabella Wells | AIW | NGET | Workgroup Member Alternate CMP435 |
| Andrew Yates | AY | Statkraft | Workgroup Member Alternate CMP435 |
| Andy Dekany | AD | National Grid | Workgroup Member CMP435 |
| Axel Wikner | AW | Orrön Energy | Workgroup Member Alternate CMP435 |
| Barney Cowin | BC | Starkraft | Workgroup Member Alternate CMP435 |
| Charles Deacon | CD | Eclipse Power | Workgroup Member CMP435 |
| Charles Yates | CY | Fred Olsen Seawind | Workgroup Member Alternate CMP435 |
| Ciaran Fitzgerald | CF | Scottish Power | Workgroup Member Alternate CMP435 |
| Clare Evans | SE | Scottish Power Energy Networks | Workgroup Member CMP435 |
| Darcy Kiernan | DK | NGV | Workgroup Member Alternate CMP435 |
| Donald Fu | DF | Nat Power Marine | Workgroup Member CMP435 |
| Ed Birkett | EB | Low Carbon | Workgroup Member CMP435 |
| Garth Graham | GG | SSE Generation | Workgroup Member CMP435 & CM096 |
| Gareth Williams | SW | Scottish Power Transmission | Workgroup Member CMP435 |
| Greg Stevenson | GS | SSEN Transmission | Workgroup Member CMP435 |
| Hooman Andami | HA | Elmya Energy | Workgroup Member CMP435 |
| Jack Purchase | JP | NGED | Workgroup Member CMP435 |
| Jeffrey Regha | JR | Nat Power Marine | Workgroup Member Alternate CMP435 |
| Joe Colebrook | JC | Innova Renewables | Workgroup Member CMP435 |
| Jonathan Whitaker | JW | SSEN Transmission | Workgroup Member Alternate CMP435 & CM096 |

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|-----------------------------|-----|---|-----------------------------------|
| Kyran Hanks | KH | WWA Ltd | Workgroup Member CMP435 |
| Mark Field | MF | Sembcorp Energy (UK) Limited | Workgroup Member CMP435 |
| Michelle Macdonald Sandison | MMS | SSEN | Workgroup Member CMP435 |
| Mireia Barenys | MB | Lightsourcebp | Workgroup Member Alternate CMP435 |
| Niall Stuart | NS | Buchan Offshore Wind | Workgroup Member CMP435 |
| Nina Sharma | NiS | Drax | Workgroup Member Alternate CMP435 |
| 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 |
| Rob Smith | RS | Enso Energy | Workgroup Member CMP435 |
| Ross O'hare | RO | SSEN | Workgroup Member Alternate CMP435 |
| Ross Thompson | RT | UK Power Networks | Workgroup Member CMP435 |
| Salvatore Zingale | SZ | Ofgem | Authority Representative |
| Sam Aitchison | SA | Island Green Power | Workgroup Member CMP435 |
| Samuel Railton | SR | Centrica | Workgroup Member CMP435 |
| Sean Gauton | SG | Uniper | Workgroup Member Alternate CMP435 |
| Steffan Jones | SJ | Electricity North West Limited (ENWL) | Workgroup Member CMP435 |
| Tim Ellingham | TE | Scottish Power Renewables | Workgroup Member Alternate CMP435 |
| Tony Cotton | TC | Energy Technical & Renewable Services Ltd | Workgroup Member CMP435 |