

Public

CMP434 and CM095 Implementing Connections Reform

Workgroup Meeting 28,
09 October 2024
Online Meeting via Teams

WELCOME

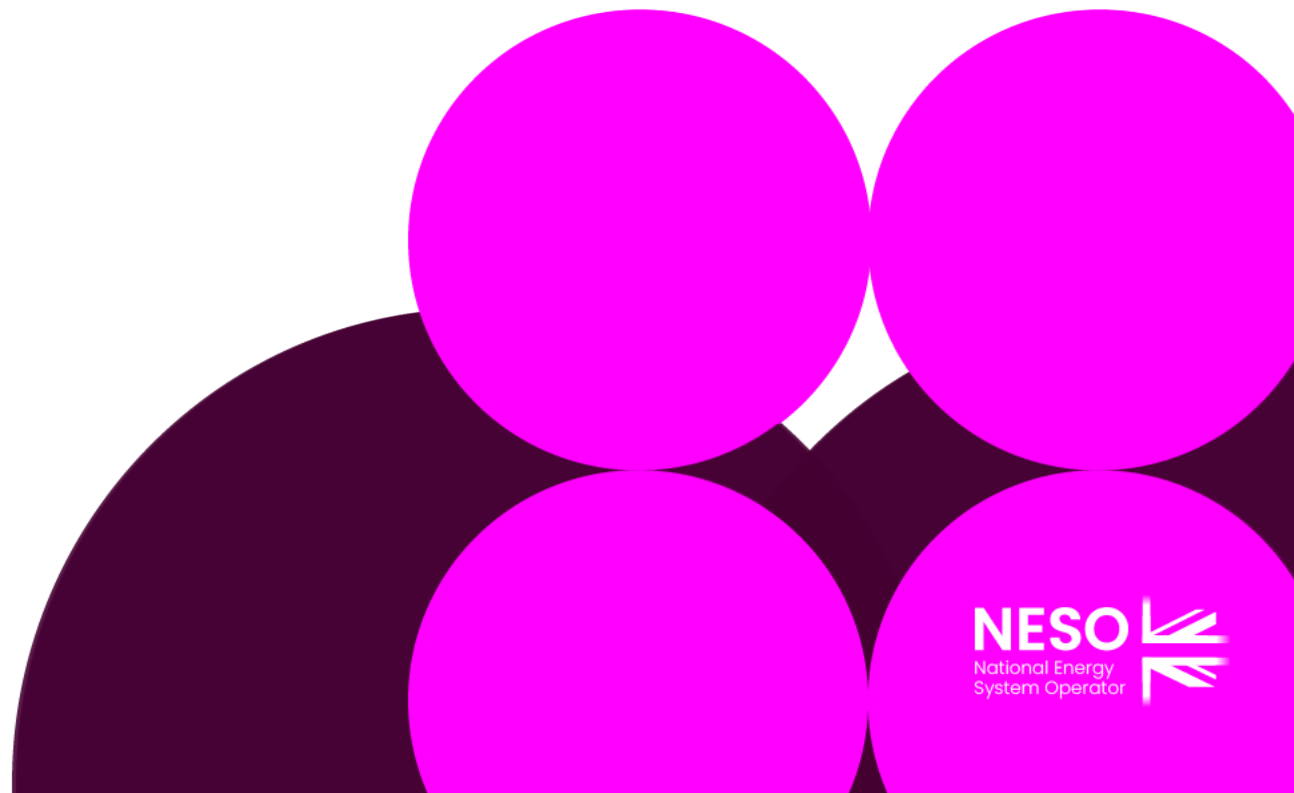


Agenda

1. Timeline
2. Scene Setting – Workgroup 28
3. CMP434 WACM Discussion
4. CM095 Workgroup Report Review
5. CM095 Terms of Reference Review
6. Actions Log Review
7. Any Other Business
8. Next Steps

Timeline

Claire Goult – NESO Code Administrator



CMP434 Timeline

Pre-Workgroup	
Proposal raised	19/04/2024
Proposal submitted to Panel	26/04/2024
Workgroup Nominations	26/04/2024 - 02/05/2024
Urgency Decision	01/05/2024
Workgroups	
Workgroup 1	07/05/2024
Workgroup 2	14/05/2024
Workgroup 3	16/05/2024
Workgroup 4	22/05/2024
Workgroup 5	28/05/2024
Workgroup 6	05/06/2024
Workgroup 7	11/06/2024
Workgroup 8	13/06/2024
Workgroup 9	18/06/2024
Workgroup 10	20/06/2024
Workgroup 11	25/06/2024
Workgroup 12	01/07/2024
Workgroup 13	04/07/2024
Workgroup 14	11/07/2024
Workgroup 15	16/07/2024
Workgroup 16	18/07/2024
Workgroup Consultation	25/07/2024 - 06/08/2024
Workgroup 17	13/08/2024
Workgroup 18	19/08/2024
Workgroup 19	20/08/2024
Workgroup 20	27/08/2024
Workgroup 21	03/09/2024

Workgroup Continuation		Key Objectives*
Workgroup 22	11/09/2024	CMP434 Alternative Request Review and update/RFI/ CMP434 and CM095 Terms of Reference Review
Workgroup 23	17/09/2024	CMP434 Draft legal Text discussion/Alternative Request Update/Query Log Update/Action Log Review
Workgroup 24	23/09/2024	CMP434 Draft Legal Text discussion /Alternative Requests finalised and Action Log Review
Workgroup 25	25/09/2024**	CMP434 Alternative Request Update and Vote
Workgroup 26	30/09/2024	CMP434 Draft legal Text Discussion / CM095 Solution Discussion
Workgroup 27	08/10/2024	TMO4+ and DNO/ENA Update CMP434 Workgroup Report Discussion/ToR
Workgroup 28	09/10/2024	CMP434 WACM Discussion/ STC CM095 Draft Workgroup Report Discussion/CMP095 ToR
Workgroup 29	14/10/2024	CM095 Draft Legal Text, WASTMs and STCPs/ Potential STCPs/CMP434/CM095 Draft Legal Text Discussion
Workgroup 30	15/10/2024	Finalise Workgroup Report Discussion CMP434/CM095 Draft Legal Text, WASTMs and STCPs/ Potential STCPs
Workgroup 31	21/10/2024	Finalise Workgroup Report Discussion CMP434/CM095
Workgroup 32	22/10/2024	Complete sign of ToR and Workgroup Vote CMP434 (Part 1)
Workgroup 33	23/10/2024	Complete sign of ToR and Workgroup Vote CMP434/CM095 (Part 2)
Workgroup 34	28/10/2024	Final Review of Workgroup Reports

Post Workgroups		Key info
Workgroup Report submitted to Panel	05/11/2024	
Panel to agree whether ToR have been met	08/11/2024	Special Panel to be arranged
Code Administrator Consultation	11/11/2024 - 22/11/2024	9 Business Days
Code Administrator Consultation Analysis and DFMR generation	25/11/2024 - 12/12/2024	13 Business Days
Draft Final Modification Report to Panel	13/12/2024	
Panel Recommendation Vote	20/12/2024	Special Panel to be arranged
Final Modification to Ofgem	20/12/2024	
Decision Date	Q1 2025	
Implementation Date	Q2 2025	

CM095 Timeline

Pre-Workgroup	
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Implementation Date	Q2 2025	

Workgroup 28 Scene Setting

Ruby Pelling – Proposer

Meeting Objectives

What is the focus of the meeting?

- Discuss requirements for WACM development
- Discuss CM095 draft Workgroup Report
- Discuss CM095 Terms of Reference

What is the ask of the Workgroup?

- Consider the WACMs and what is required to progress
- Clarification questions and feedback on the Workgroup Report
- Feedback and agree progress on CM095 Terms of Reference

What is the desired meeting output?

- To identify what is required for development of WACMs
- To develop CM095 solution

What should not be discussed?

- Discussion on CMP434 Workgroup Report
- Discussion on CMP434/CM095 Legal Text

CMP434 WACM Discussion

Claire Goult – NESO Code Administrator

CMP434 WACMs

WA CM (Alternative)	Proposer	What does the WACM propose?	WACM Development
1 (4)	Steffan Jones/Brian Hoy	Clarifying the definition of embedded schemes that will follow the Primary Process	
2 (8)	Helen Stack	Inclusion of wording within the proposal and subsequent CUSC legal text requiring DNOs to include all applicable Embedded Projects that provide a valid Gate 2 compliance application / submission of evidence within the Gate 2 application window as part of the DNOs fully completed Gate 2 application to the ESO. This would have to be within the codified period of time (currently 5 business days as per the Proposal) following closure of the given window.	Updated in line with NESO proposal within WG Report. The intent of this WACM however, has not changed.
3 (13)	Ed Birkett	This proposed alternative would codify a simple capacity reallocation mechanism, with terminated capacity being offered to the next project that has passed Gate 2 and can take advantage of that terminated capacity.	
4 (14)	Ed Birkett	This Alternative Request would codify the proposed restrictions on changes to project RLB post-Gate 2. The original solution does not propose to codify these new restrictions, instead proposing to house the restrictions in the proposed Gate 2 Criteria Methodology.	

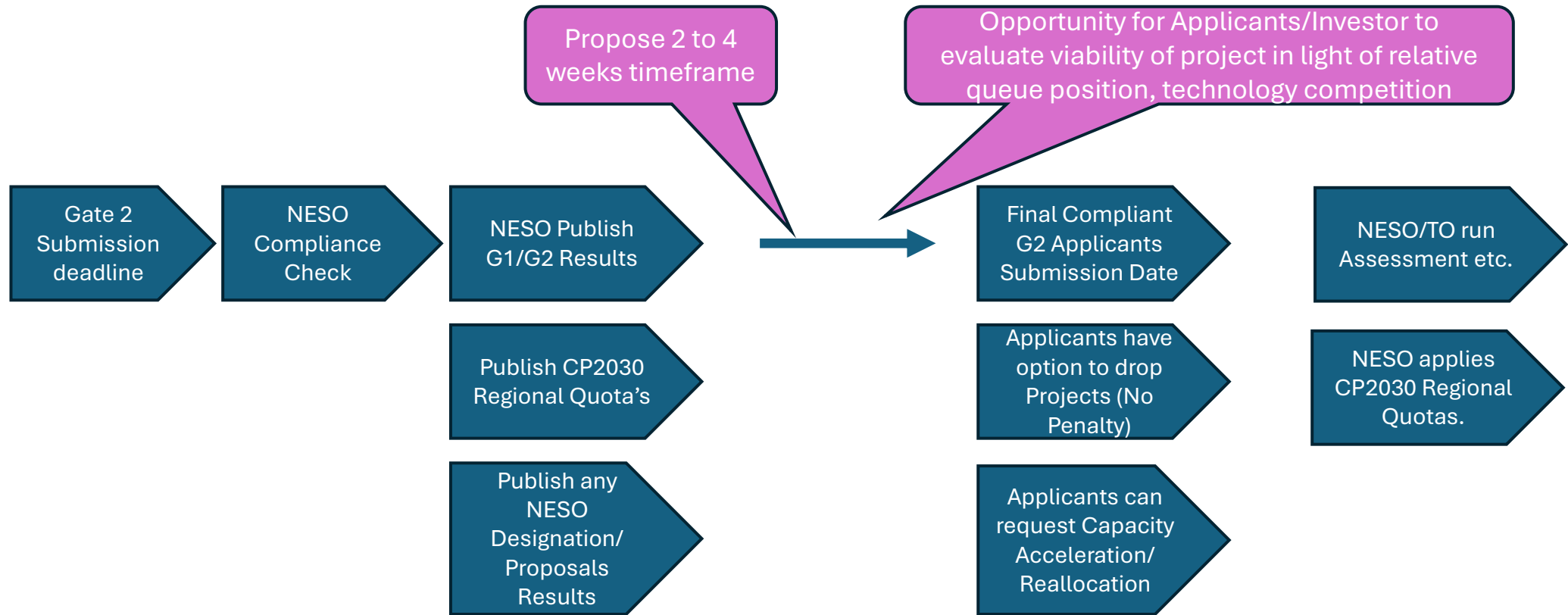
CMP434 WACMs

WACM (Alternative)	Proposer	What does the WACM propose?	WACM Development
5 (19)	Joe Colebrook	Remove Element 9: Project Designation from the Original proposal.	Ready to for legal text discussion?
6 (25)	Claire Hynes	Obligation to Codify the Methodologies and Guidance Documents under Connection Reform	
7 (28)	Rob Smith	<ul style="list-style-type: none"> • Introduction of a pause for market self-regulation before the ESO/TO undertake the network assessment • Wait until the pause has completed to submit application for advancement as opposed to the current proposal where applicants do this at the point of Gate 2 submission • Defined obligation for the ESO to publish certain information on the TEC queue by a proposed date. At present the level of detail and the timing of this publication is not specified in the current proposal 	

WACM 7 : Pause for Market Self-Regulation

- **Initial Thoughts**

- This modification is predominately aimed at CMP435 as it is only envisaged to be included in the initial run of the Gate 2 assessment process.
- However, if the initial CMP434 & CMP435 assessment process are run together then the proposal will have an impact on new applicants and therefore the CMP434 process.
- Should this proposal be developed here, or should this be developed at CMP435 working group (WACM1) and any consequential impact be introduced in CMP434 WACM 7 ?



Issue

- Currently applications suffer from lack of clarity on the viability of competitor projects in the queue
- This uncertainty leads to inefficient decision making as projects are taken forward based on risk appetite rather than strong economic fundamentals

Benefit

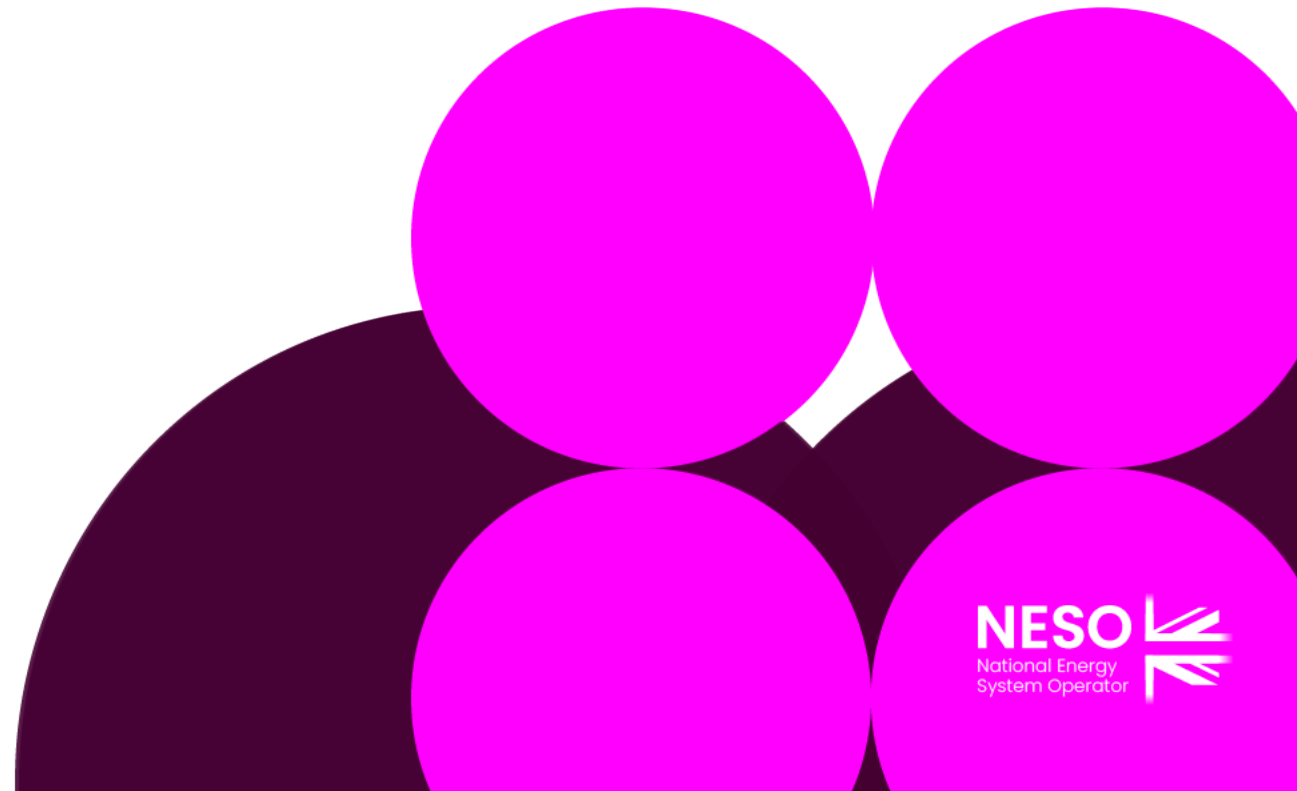
- Developers make more efficient decisions (based on market fundamentals)
- ESO/TO can undertake network assessment on smaller portfolio on credible projects

Potential Questions

- **What is the appropriate timeframe for the pause?**
 - Initial thinking was that a decision to not proceed with a project would need to go through a level of investment committee governance/sign off in most organisations so would require a little bit of time.
 - Initial thoughts between 2 and 4 weeks
- **What information would a BCA holder need to evaluate in order to proceed/withdraw/apply for acceleration?... Straw Man...**
 - Projects that have passed G2 stage (initial assessment)
 - Connection Point & Date if existing project, proposed if new project (how will dates subject to in train ModdApp or A2V be treated?)
 - Clarity on installed capacity & technology splits (Co-located sites)
 - Which projects have expressed interest in being reserved in G1
 - Any projects that NESO have identified it wants to reserve/Designate
- **Now that detail around CP2030 has emerged is this still an effective alternative proposal?**

CM095 Workgroup Report Review

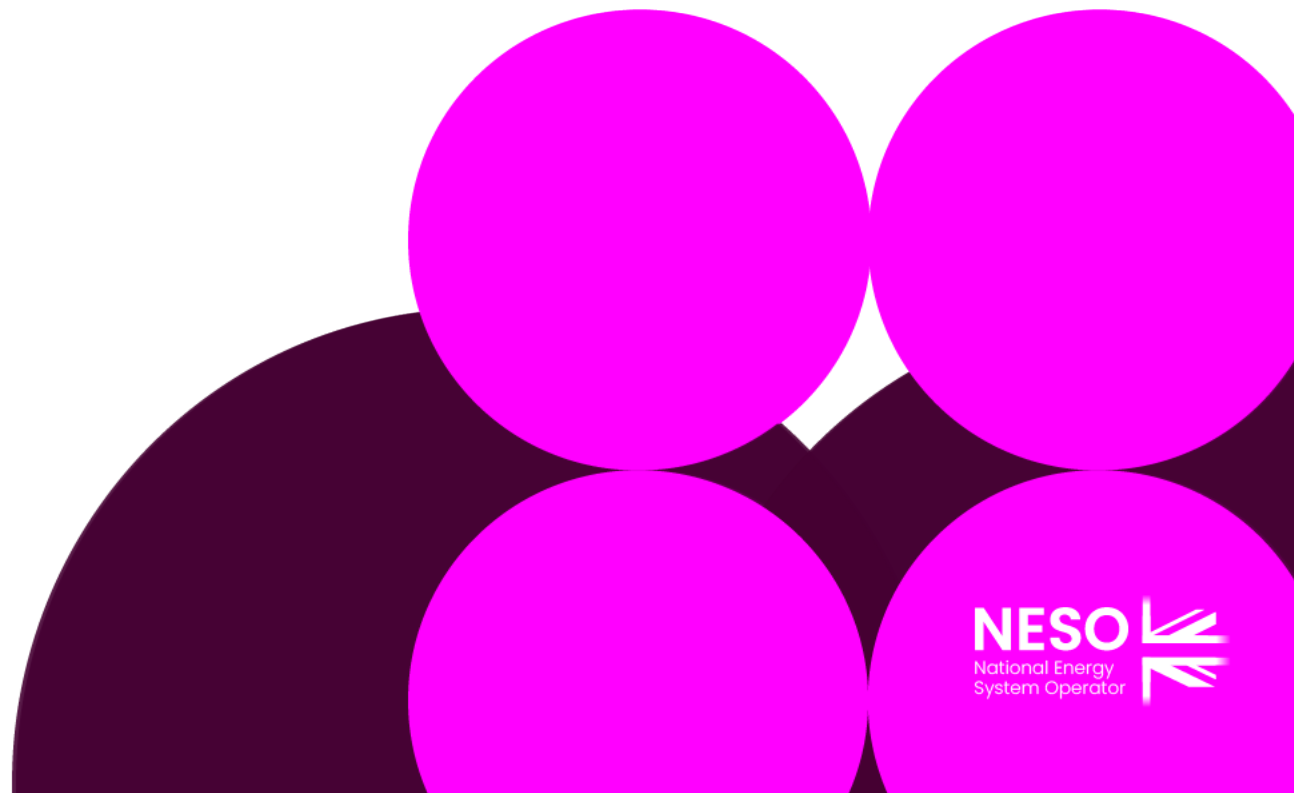
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CM095 Terms of Reference Review

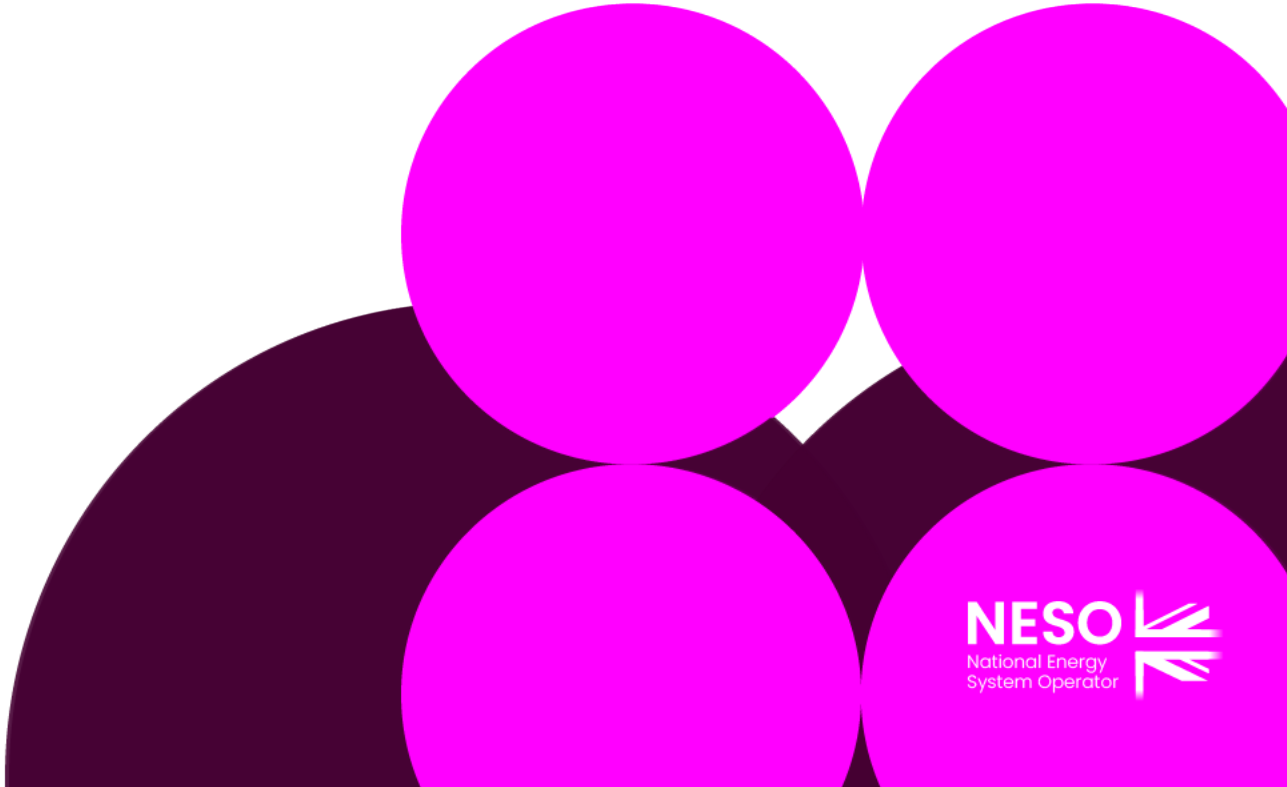
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RAG Status
ToR Completed
Discussions ongoing but on track to meet ToR by Workgroup Report
Not on track to meet ToR by Workgroup Report



Next Steps

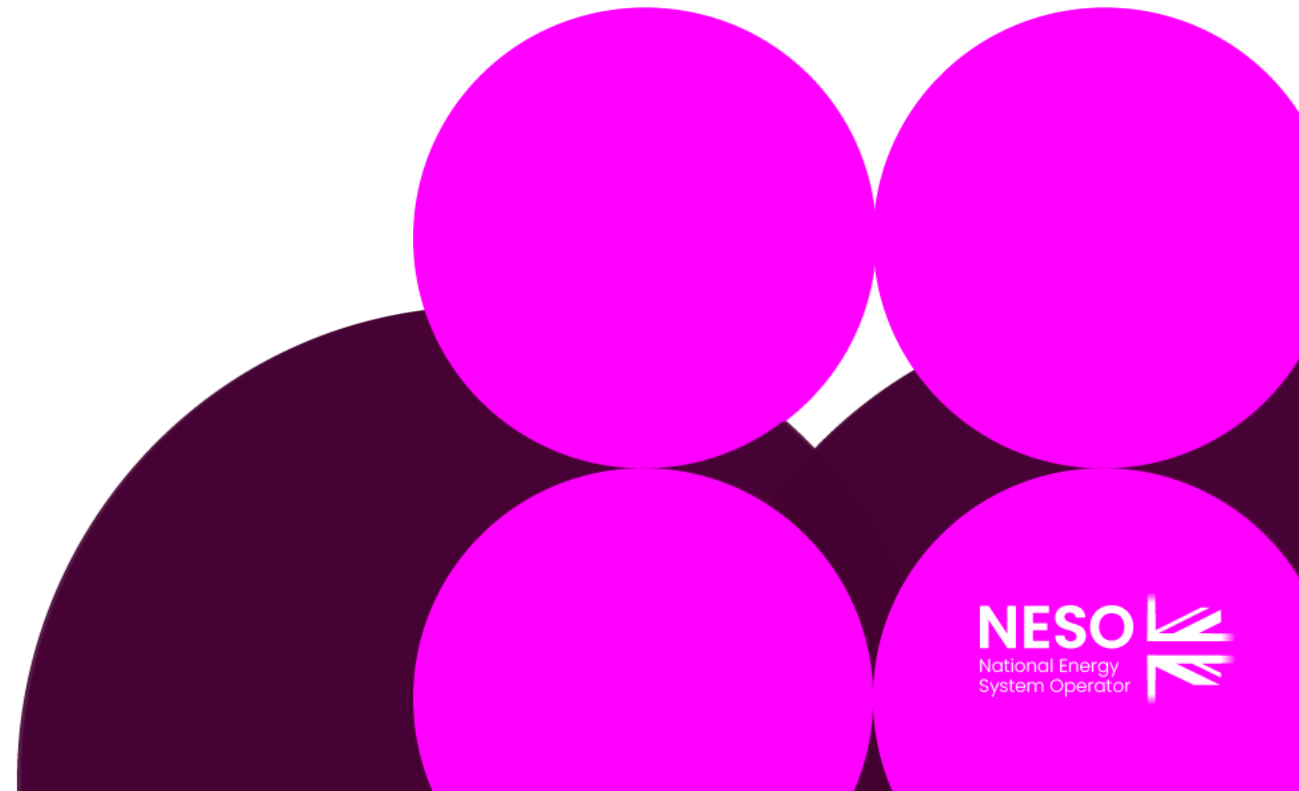
Claire Goult – NESO Code Administrator



CMP434 Terms of Reference Review Updated Tuesday 8 October

Claire Goult – NESO Code Administrator

RAG Status
ToR Completed
Discussions ongoing but on track to meet ToR by Workgroup Report
Not on track to meet ToR by Workgroup Report



Workgroup Terms of Reference	When has this been discussed?	RAG status
a) Consider the implementation and transitional arrangements	Implementation Approach Legal text discussion Alternatives implementation approach to be considered	Yellow
b) Review and support the legal text drafting	Legal Text Discussions Annex 9 – Legal Text	Yellow
c) Consider the cross Code impacts this modification has, in particular the STC and distribution arrangements (e.g. DCUSA)	Discussions on Element 10, 16, 17 Cross Code Impacts Alternatives discussion	Yellow
d) Consider any potential licence changes which may be required, liaising with the Authority as required to discuss them.	Discussions on Element 1, 9, 11, 15, 16 Legal text discussion	Red
e) Consider the scope of application for the proposed solution by technology/project type including changes to existing connected Users and any acceptable criteria for any exclusions or alternative approaches which may be needed.	Discussions on Element 2, 3, 4, 5, 11, 12 Legal text discussion	Yellow
f) Consider the interactions between the proposed solution(s) and distribution connection processes.	Discussions on Element 6, 11, 12, 13, 17 Legal text discussion	Yellow

Workgroup Terms of Reference	When has this been discussed?	RAG status
g) Consider the accessibility and transparency of new processes for Users as much as possible, particularly new entrants.	Implementation Approach Legal text discussion	Yellow
h) Briefly consider any future policy development which may be beneficial to enhance the proposed 'minimum viable product' solutions.	Consideration of options considered by the WG were de-scoped and removed from the solution – Gate 1 and 2 Financial Instruments Legal text discussion	Yellow
i) Consider Electricity Balancing Regulation implications.	Legal Text Discussions Annex 9 – Legal Text	Green
j) Consider mechanisms to ensure projects progress from Gate 1 to Gate 2 including financial instruments	Consideration of options no longer in scope of this modification – Gate 1 and 2 Financial Instruments, Element 8: Longstop Date for Gate 1 Agreements, Fast Track Disagreement Resolution Process, Gate 2 Offer and Project Site Location Change, DFTC Legal text discussion	Green
k) Consider the impact of NESO designation of Gate 2 status, and ways to make this non discriminatory.	Discussions on Element 9, 11 Legal text discussion	Yellow
l) Consider how the solution(s) conforms with the statutory rights with respect to terms and conditions for connection.	Discussions on Element 11, 16 Context of Article 37 [6A], Directive 2009/72/EC of the European Parliament and of the Council Legal text discussion	Yellow
m) Consider the relevant content of Annex B of the Open letter on connections reform publication.	RFI Analysis for CDB	Yellow

