

Public

CMP434 and CM095 Implementing Connections Reform

Workgroup Meeting 30,
15 October 2024
Online Meeting via Teams

WELCOME

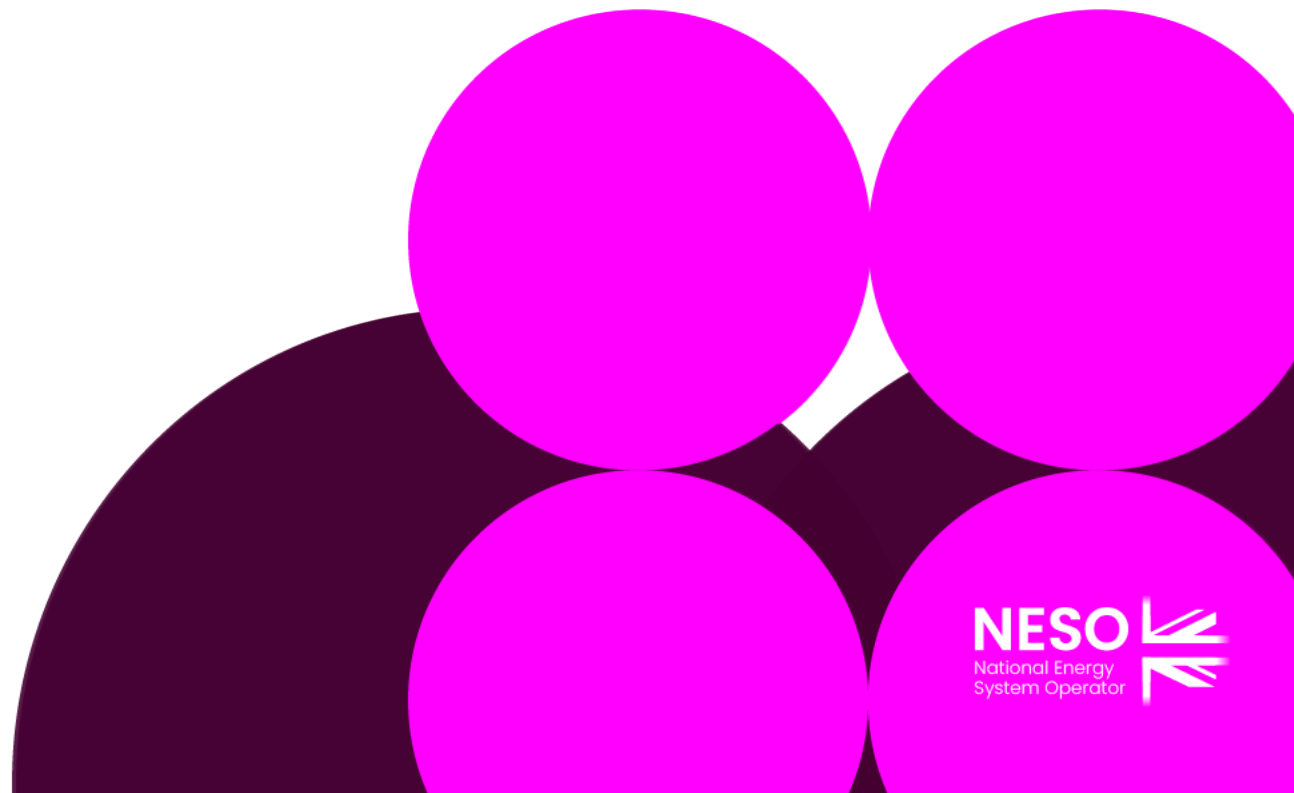


Agenda

1. Timeline
2. Scene Setting – Workgroup 30
3. CM095 Legal Text Discussion continued
4. CMP434 Legal Update
5. CM095 Terms of Reference Discussion
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
Workgroup 29	14/10/2024	CM095 Draft Legal Text Discussion, WASTMs and STCPs/ Potential STCPs/CM095 Terms of Reference Review CMP434 WACM Discussion continued
Workgroup 30	15/10/2024	CM095 Legal Text Discussion continued/ CMP434 Draft Legal Text Discussion/CM095 ToR discussion
Workgroup 31	21/10/2024	CMP434/CM095 Workgroup Report Discussion/CMP434 WACM Legal Text/ CMP434/CM095 ToRs
Workgroup 32	22/10/2024	Finalise Workgroup Reports CMP434/CM095 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

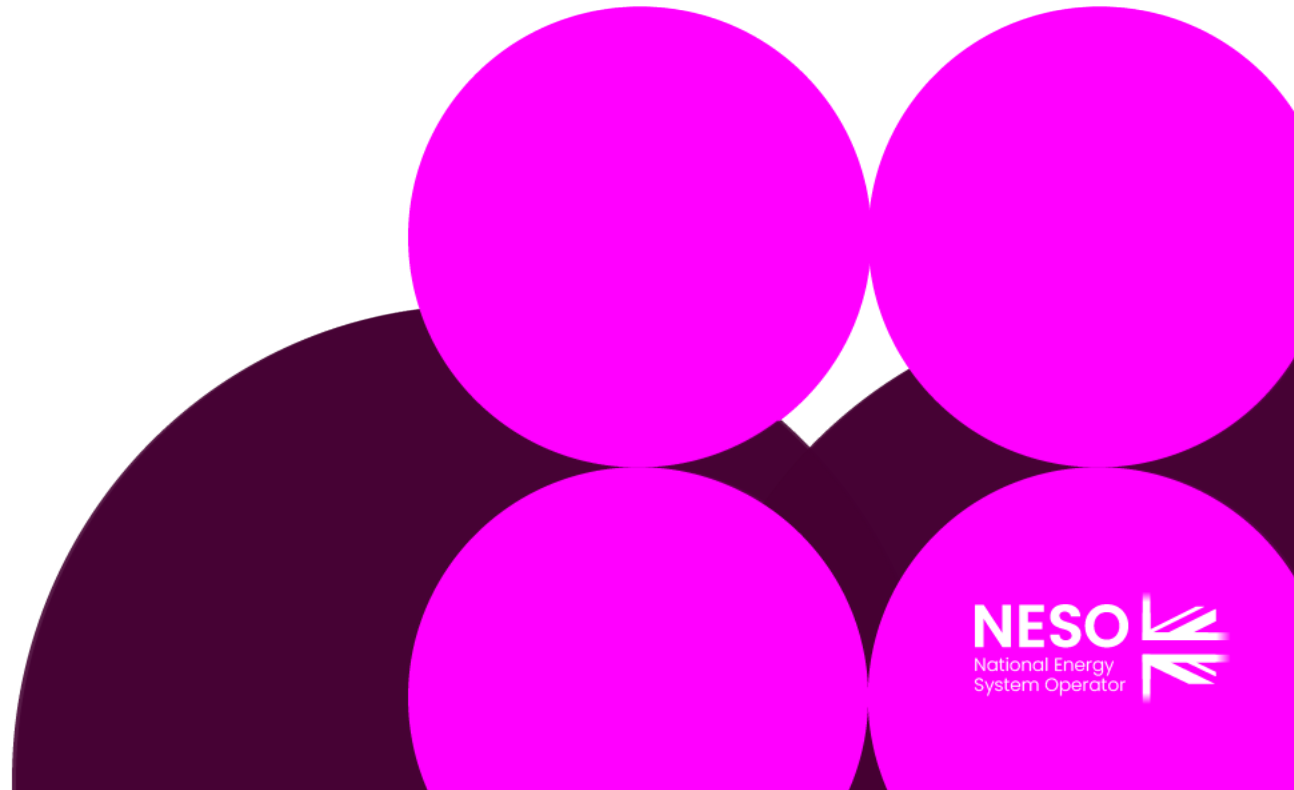
CM095 Timeline

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Proposal raised	19/04/2024
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Workgroup Nominations	26/04/2024 - 02/05/2024
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Decision Date	Q1 2025	
Implementation Date	Q2 2025	

Workgroup 30 Scene Setting

Ruby Pelling – Proposer



Meeting Objectives

What is the focus of the meeting?

- Discuss CM095 draft legal text continued from Workgroup 29
- Discuss CMP434 draft legal text update.
- Discuss CM095 Terms of Reference

What is the ask of the Workgroup?

- Clarification questions and feedback on the CM095 and CMP434 draft legal text
- Consider Terms of Reference points

What is the desired meeting output?

- To understand the legal text and support in development
- To upgrade the RAG status of the CM095 Terms of Reference

What should not be discussed?

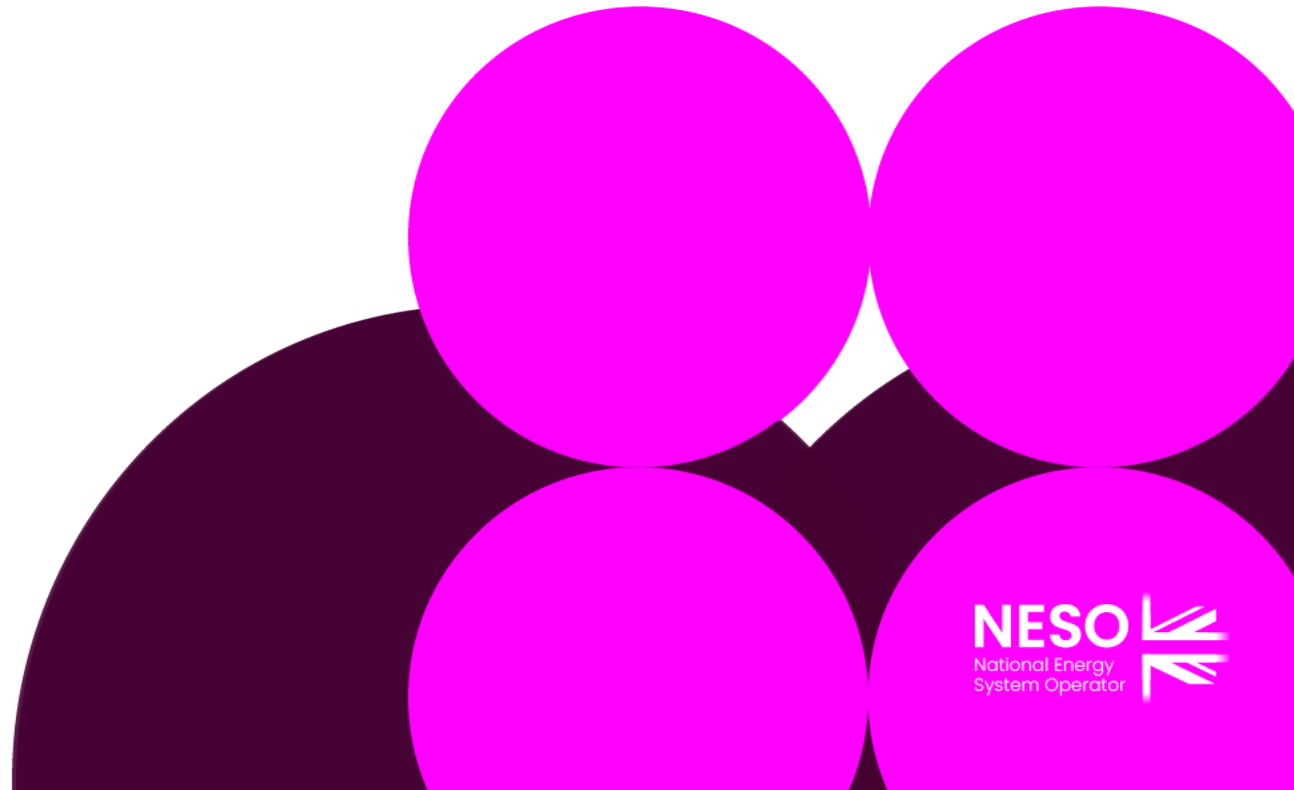
- Discussion on CMP434/CM095 Workgroup Reports
- Discussion on Clean Power 2030, Financial Instruments, Methodologies outside of any TMO4+ update

CM095 Legal Text Discussion Continued

Claire Goult – NESO Code Administrator

CMP434 Legal Text Update

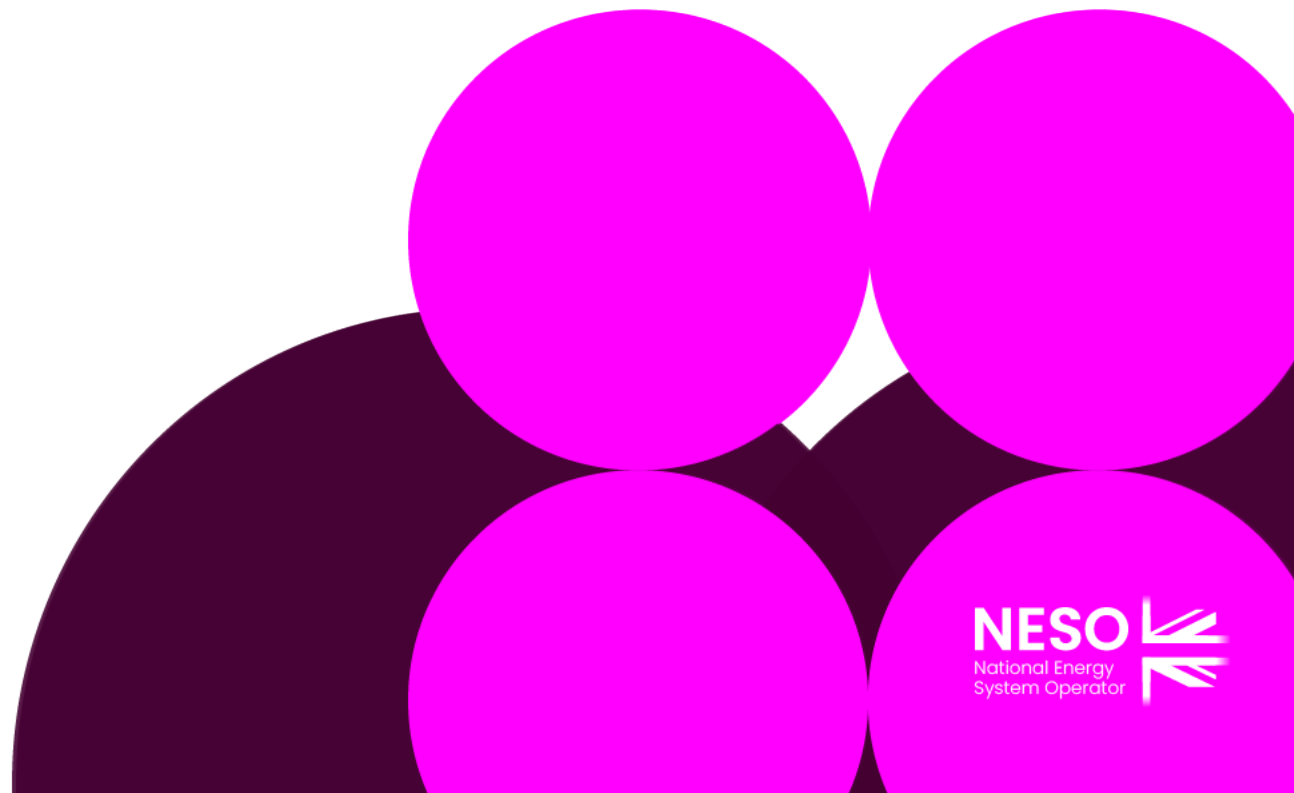
Claire Goult – NESO Code Administrator



CM095 Terms of Reference Review- Updated 14 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

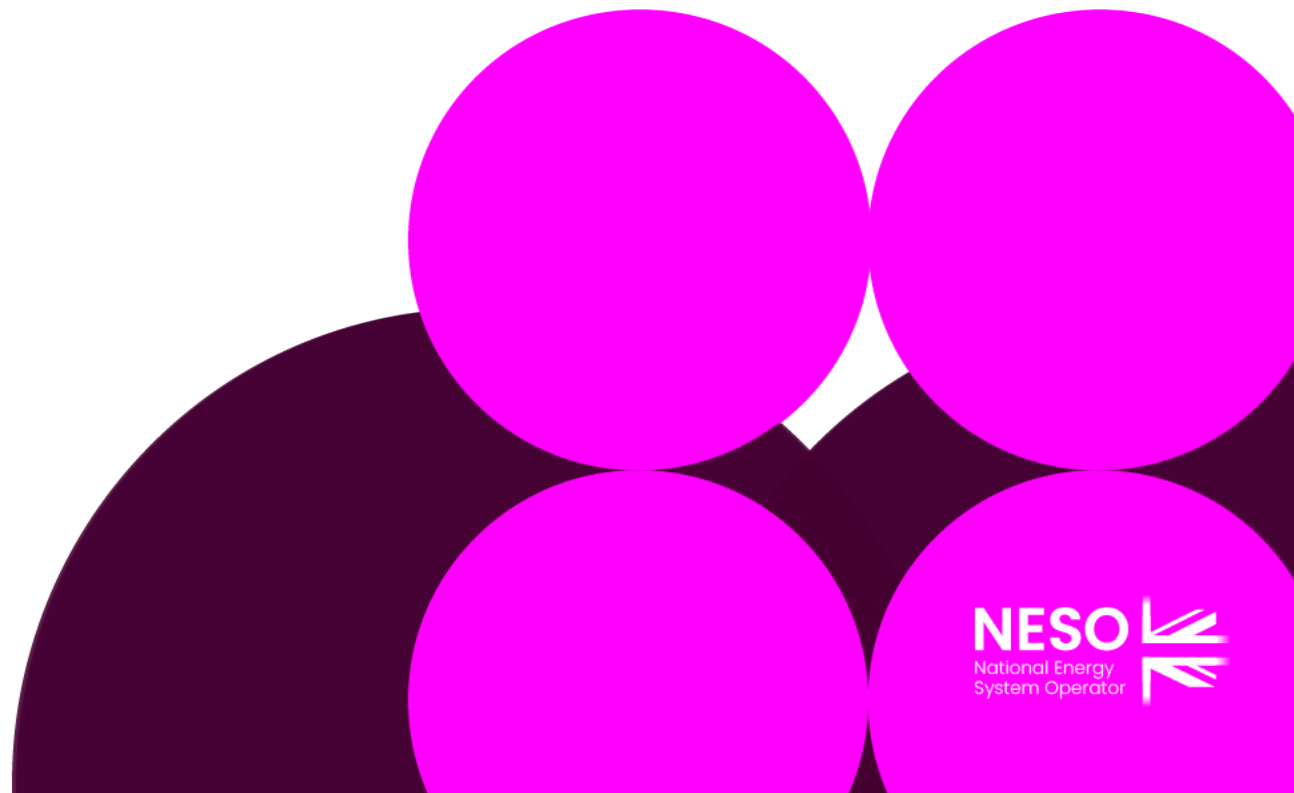


Workgroup Terms of Reference	When has this been discussed?	RAG status
a) Consider the implementation and transitional arrangements	Implementation Approach	Yellow
b) Review and support the legal text drafting	Legal Text Discussions	Red
c) Consider the cross Code impacts this modification has, in particular the CUSC and distribution arrangements (e.g. DCUSA)	Discussions on Component A, B, C Cross Code Impacts	Yellow
d) Consider any potential licence changes which may be required, liaising with the Authority as required to discuss them.	Discussions on Component A, B	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.	Considered under CMP434 – STC should not have implications on Users	Yellow
f) Consider the interactions between the proposed solution(s) and distribution connection processes.	Discussions on Component A	Red

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.	Not resolved under CMP434, but this will be discussed under CMP434 – STC should not have implications on Users	Yellow
h) Briefly consider any future policy development which may be beneficial to enhance the proposed 'minimum viable product' solutions.	Considered under CMP434	Yellow
i) Consider mechanisms to ensure projects progress from Gate 1 to Gate 2 including financial instruments	Considered under CMP434	Green
j) Consider the impact of NESO designation of Gate 2 status, and ways to make this non discriminatory.	Considered under CMP434	Yellow
k) Consider how the solution(s) conforms with the statutory rights with respect to terms and conditions for connection.	Considered under CMP434	Yellow
l) Consider the relevant content of Annex B of the Open letter on connections reform publication.		Yellow

Actions Log Review

Claire Goult – NESO Code Administrator

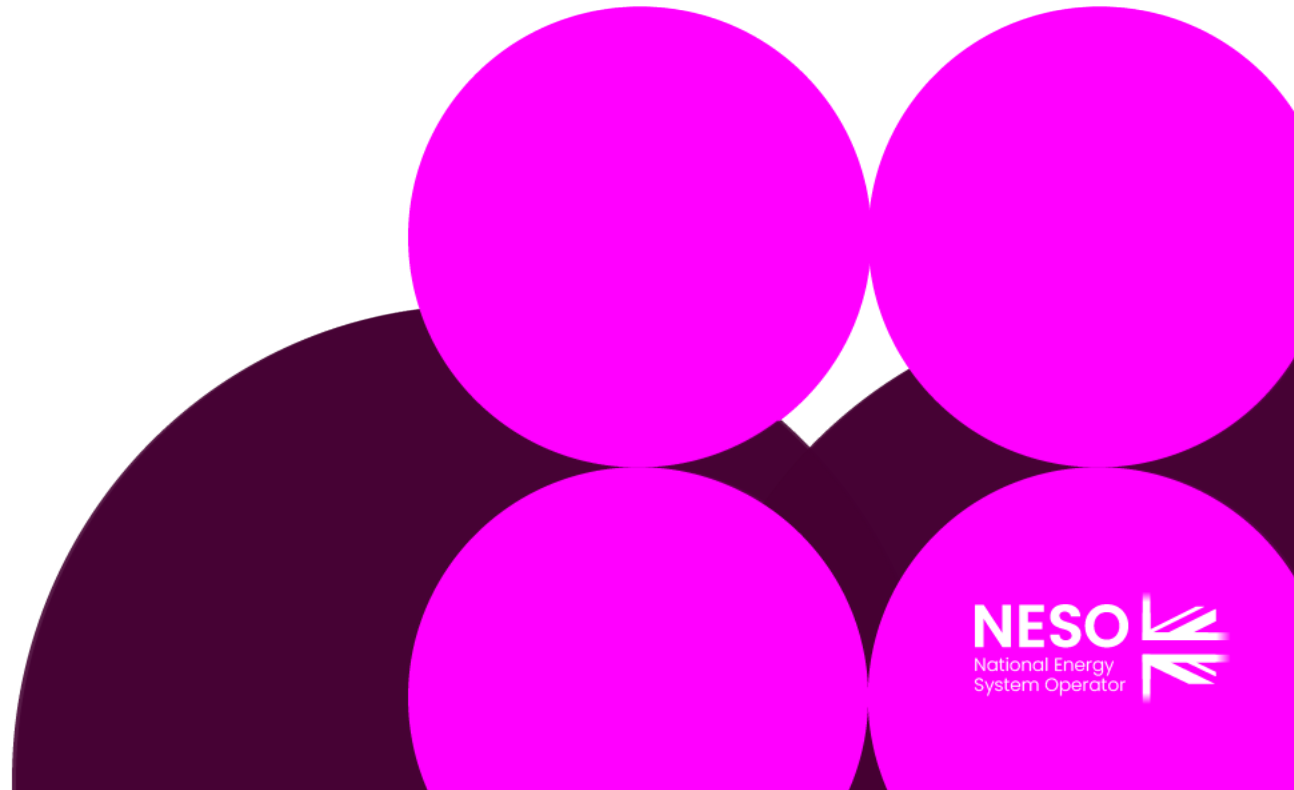


CMP434/CM095 Actions Log

Action	Workgroup	Owner	Action	Update	Due	Status
35	WG10	AC/AQ	ESO to confirm whether additional uncertainty clauses (which have been appearing in offers recently) will remain	Ongoing drafting legal text	TBC	Open
59	WG19	PM	Element 11 – Produce examples to provide clarification to the Workgroup (slide 25) on how using installed capacity could work in practice	Illustrative examples in Workgroup Report and will add further specifics to the Gate 2 Criteria Methodology (re: requirement to provide an Original Red Line Boundary) and QM guidance (re: ongoing land compliance requirement). Installed Capacity definition to be shared as part of legal text updates – possibly look to close WG30 following CMP434 legal text discussion.	TBC	Open
78	WG26	MO	Provide update on process and timescales to amend charging statements (re: application fees) and an indication on what scale of change could be seen to application fees.	Note: Enquiries made on process timescales for updating Statement of Use of System Charges.	14/10	Open
79	WG26	MO	Clarify when applicants will have visibility that there is to be Reservation associated with their project and separately when wider industry will be informed about where Reservation has occurred, whether in relation to a specific project or otherwise.	Applicants are intended to have the visibility of (and ultimately the choice to decline) the NESO proposed reservation as part of the detailed application window process. It remains TBC on what will be published and when more broadly, but there is currently nothing in the Proposal or legal text in relation to publication of	TBC	Propose to close and replaced with a new action (see below)
81	WG29	MO	Provide timelines for milestones within the TOCO process		TBC	New
82	WG29	MO	Explain and then be clear in WG report how the non-project specific reserved capacity would be allocated by the NESO, as well as how who pays what and when both prior to it being allocated, and from the point at which it is allocated.		TBC	New
83	WG29	MO	Clarity whether NESO will amend Proposal to publish i) which projects have Reservation contracted and/or ii) where NESO has reserved something non-project specific.		TBC	New

AOB

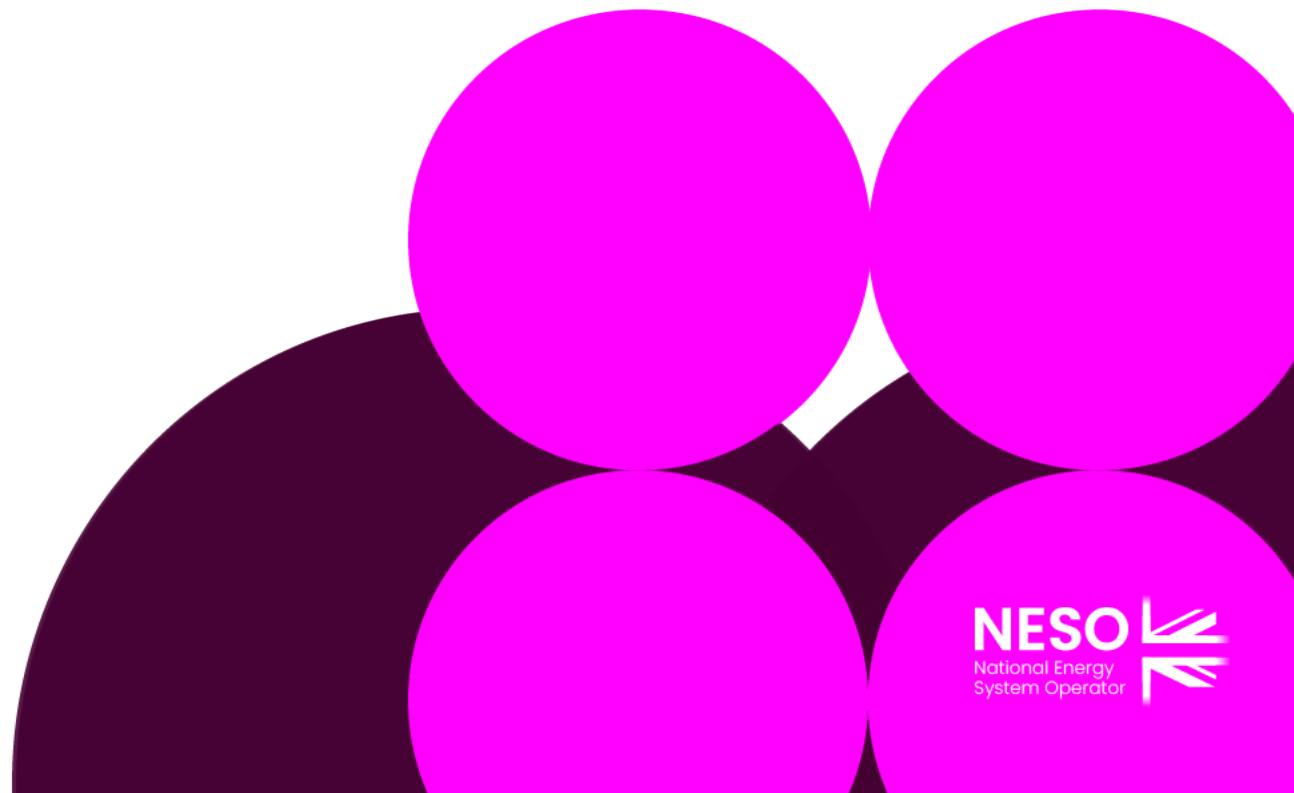
Claire Goult – NESO Code Administrator



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



ToR m) – Consider the relevant content of Annex B of the Open letter on connections reform publication.

1. To ensure this proposal has a clear statement of forecasted benefits in line with the outcomes of the CAP (which are repeated above).
2. To identify and understand the risks associated with this proposal (including legal risks) and develop effective mitigations as far as possible.
3. To evidence through a clear impact assessment that the proposal will achieve forecasted benefits.
4. To ensure the details of the proposal are developed through consultation with network owners, wider industry and connection customers.
5. To identify and recommend any regulatory and legislative changes required to enable or mitigate risks associated with the proposal.
6. To follow (and share) a robust options development and implementation plan, in line with the expectations set out in the Chancellor's statement, whilst ensuring appropriate consultation, consideration and evidence-based decision making, alongside time for regulatory changes (ie codes and licences) and time for process implementation and operational go-live.
7. To consider what contingency options to bring forward at pace if this proposal does not look to deliver: a. the expected timeframe – 1 Jan 2025, as per Chancellor announcement; and/or b. the expected benefits – we expect the ESO to monitor the proposal as it develops to assess whether it will go far enough to meet the desired objectives – and if not, to recommend further measures to meet these.
8. To consider how to pragmatically prepare for the reforms and manage the expectations of existing and new customers in advance of the implementation date, particularly the connection offer terms customers hold or expect to hold. We anticipate that ESO will engage with customers appropriately, communicating at the right time about all the changes they will experience as result of this process change.

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



Next Steps

Claire Goult – NESO Code Administrator

