

Public

CMP434 and CM095 Implementing Connections Reform

Workgroup Meeting 31,
22 October 2024
Online Meeting via Teams

WELCOME

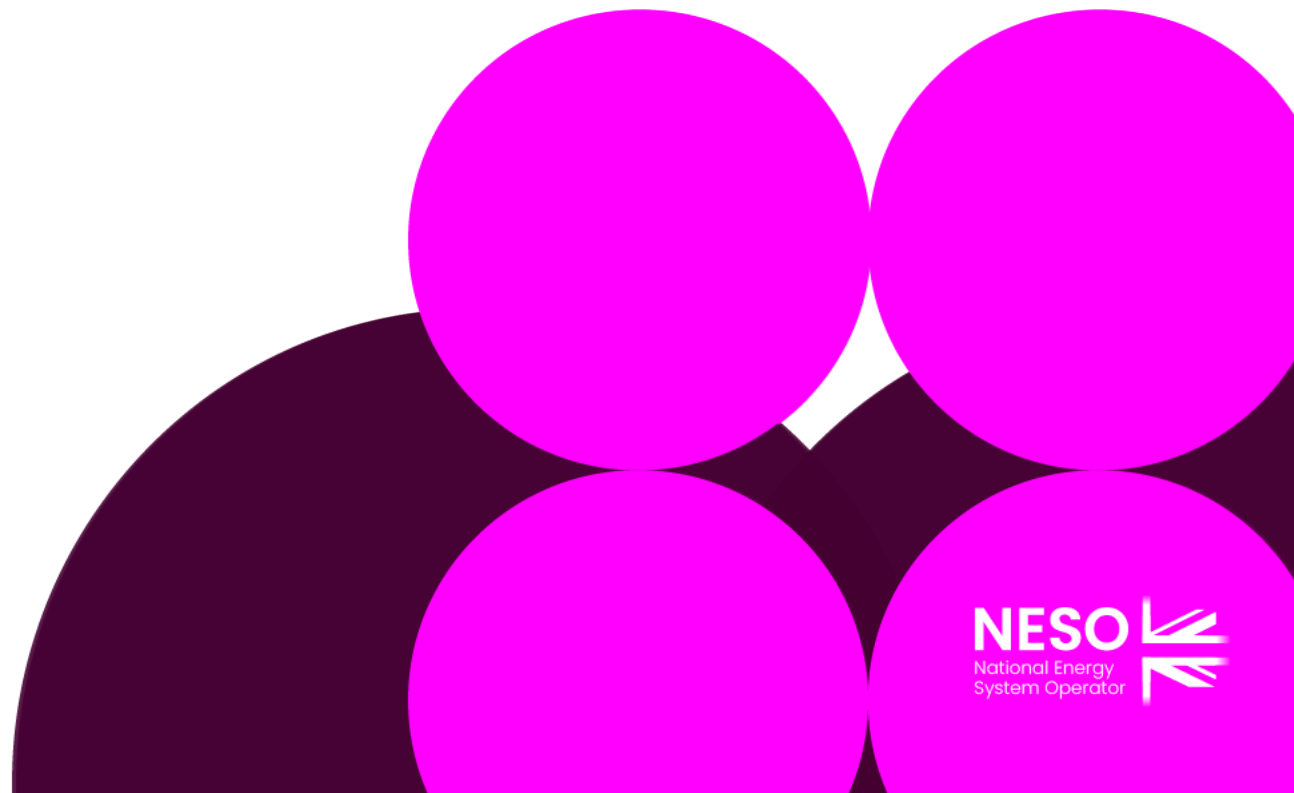


Agenda

1. Timeline
2. TMO4+ Update
3. Action Log Review
4. Scene Setting – Workgroup 31
5. CMP434 Workgroup Report Review
6. CMP434 Terms of Reference Review
7. CM095 Workgroup Report Review
8. CM095 Terms of Reference Review
9. Any Other Business
10. Next Steps

Timeline

Claire Goult – NESO Code Administrator



CMP434/CM095 Timeline

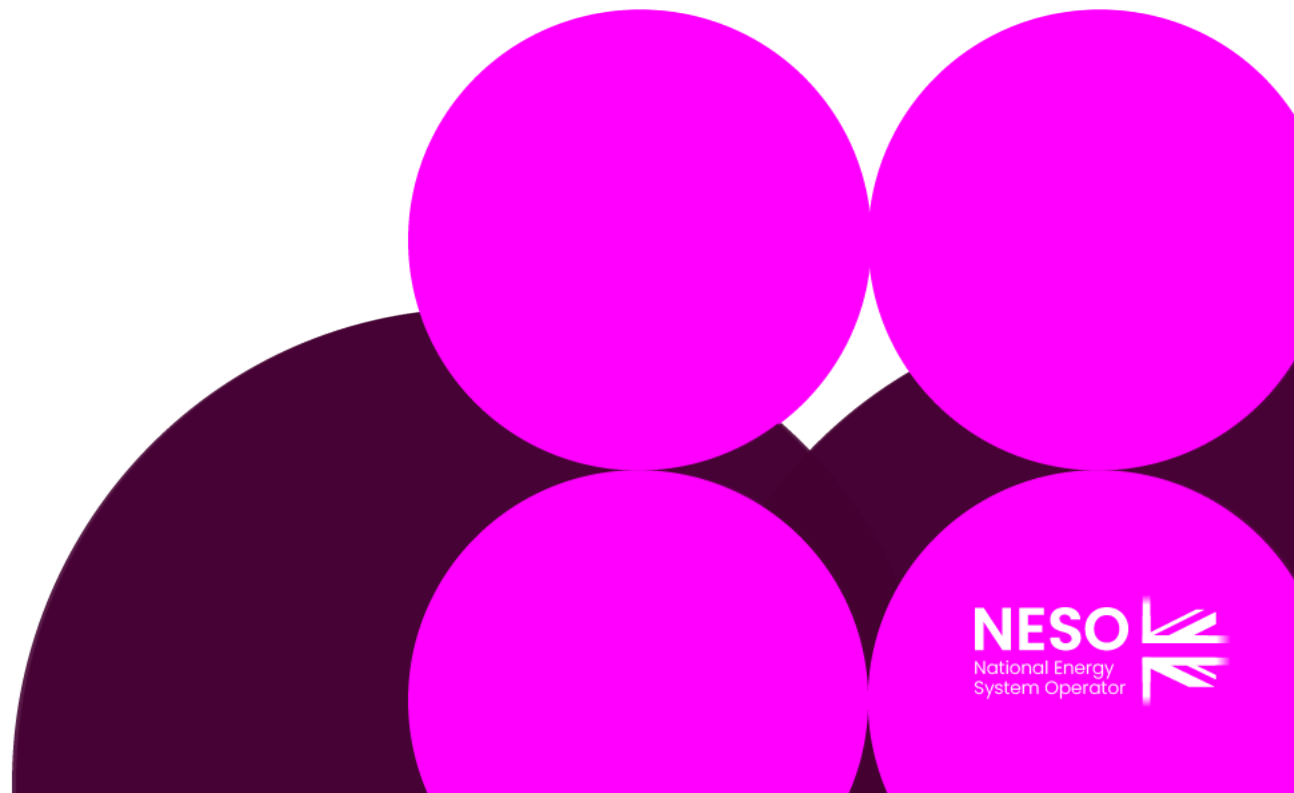
Pre-Workgroup	
Proposal raised	19/04/2024
Proposal submitted to Panel	26/04/2024
Workgroup Nominations	26/04/2024 - 02/05/2024
Urgency Decision	01/05/2024
Workgroups	
Workgroup 1	07/05/2024
Workgroup 2	14/05/2024
Workgroup 3	16/05/2024
Workgroup 4	22/05/2024
Workgroup 5	28/05/2024
Workgroup 6	05/06/2024
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	Meeting cancelled – Time for members to review legal text
Workgroup 31	22/10/2024	CMP434/CM095 Workgroup Report Discussion/ CMP434/CM095 ToRs
Workgroup 32	23/10/2024	CMP434/CM095 Legal Text
Workgroup 33	28/10/2024	Finalise Workgroup Reports/Complete sign of ToR and Workgroup Vote CMP434/CM095

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	

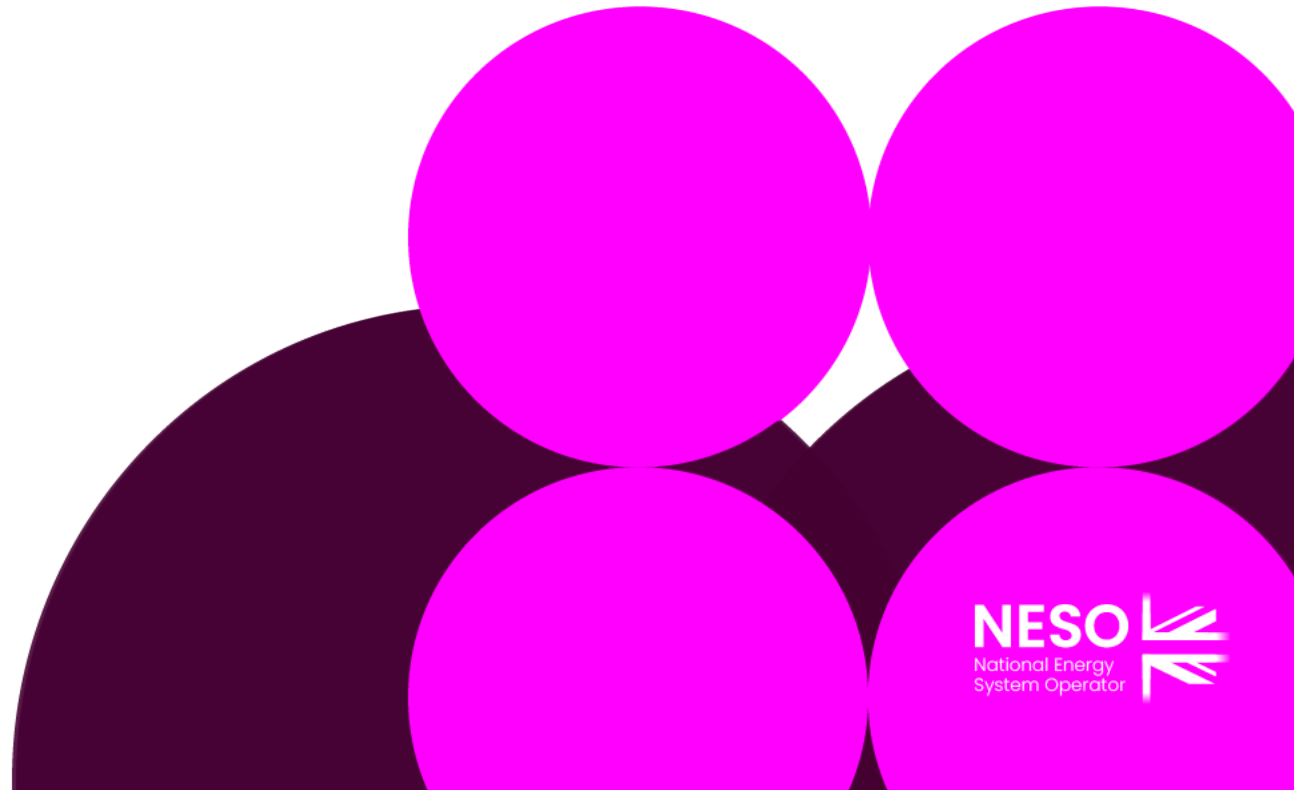
TMO4+ Update

Mike Oxenham



Action Log Review

Claire Goult – NESO Code Administrator



CMP434/CM095 Actions Log

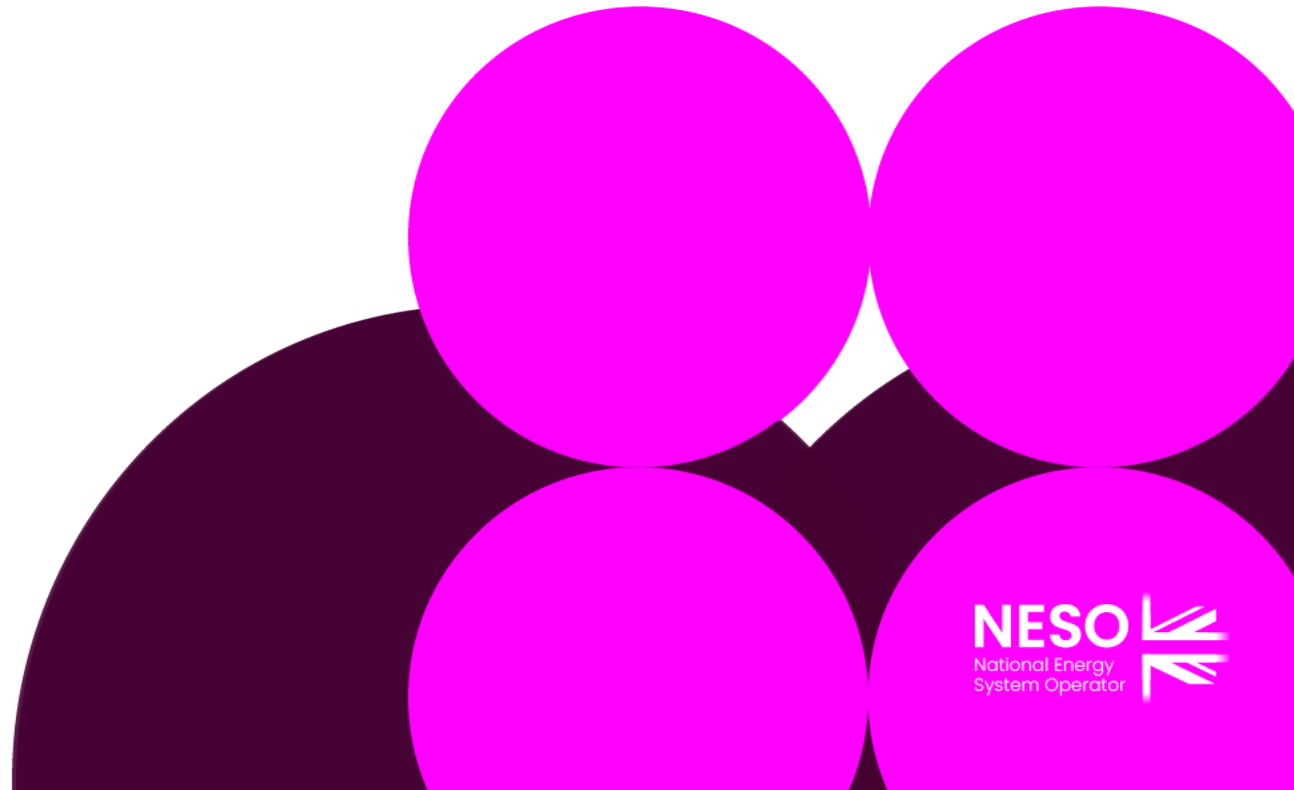
Action	Workgroup	Owner	Action	Update	Due	Status
35	WG10	AC/AQ	ESO to confirm whether additional uncertainty clauses (which have been appearing in offers recently) will remain	Ongoing drafting legal text	TBC	Open
59	WG19	PM	Element 11 – Produce examples to provide clarification to the Workgroup (slide 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.	TOs provide NESO with indicative information End Oct and we get the final information End Jan. We then finalise/update End Feb and publish 1st April, so developers will find out sometime in Q1 2025 what the applications fees look like re: TMO4+ / FY25/26.	14/10	Propose to Close
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	These are to be / have been added with WG Report and Legal Text (CM095)	TBC	Propose to Close
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.	Text added to WG Report to explain.	TBC	Propose to Close
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.	Proposal has not been amended and this will instead be considered more broadly in relation to connections data transparency at a later date, separate to the code modifications e.g. Reservation, queue position, QM milestones, applications and offers (as well as acceptances), etc.	TBC	Propose to Close

CMP434/CM095 Actions Log

Action	Workgroup	Owner	Action	Update	Due	Status
84	WG30	AP/BH	WACM1 - Brian H and Alison P to liaise and discuss the lower limit TIA and what the CUSC stated		TBC	Open
85	WG30	GR	WACM2 - Grant Rogers has data from previous WACM where this may be useful and will speak to Helen about this re wording.		TBC	Open
86	WG30	MO	Confirm NESO position on publication of queue	NESO position covered in action 83	TBC	Propose to close
87	WG30	BH/AQ	Brian and Angie to liaise directly on the legal text drafting for WACM1. Consider CUSC 6.5/Appendix G Schedule 2 and other locations where the criteria may be different		TBC	Open

Workgroup 31 Scene Setting

Ruby Pelling – Proposer



Meeting Objectives

What is the focus of the meeting?

- Discuss CMP434 draft Workgroup Report
- Discuss CMP434 Terms of Reference Update
- Discuss CM095 draft Workgroup Report
- Discuss CM095 Terms of Reference Update

What is the ask of the Workgroup?

- Clarification questions and feedback on the CMP434 and CM095 draft Workgroup Report
- Consider CMP434 and CM095 Terms of Reference points

What is the desired meeting output?

- To support in the development of the CMP434 and CM095 Workgroup Report
- To update the RAG status of the CMP434 and CM095 Terms of Reference

What should not be discussed?

- Discussion on CMP434/CM095 draft legal text
- Discussion on Clean Power 2030, Financial Instruments, Methodologies outside of any TMO4+ update

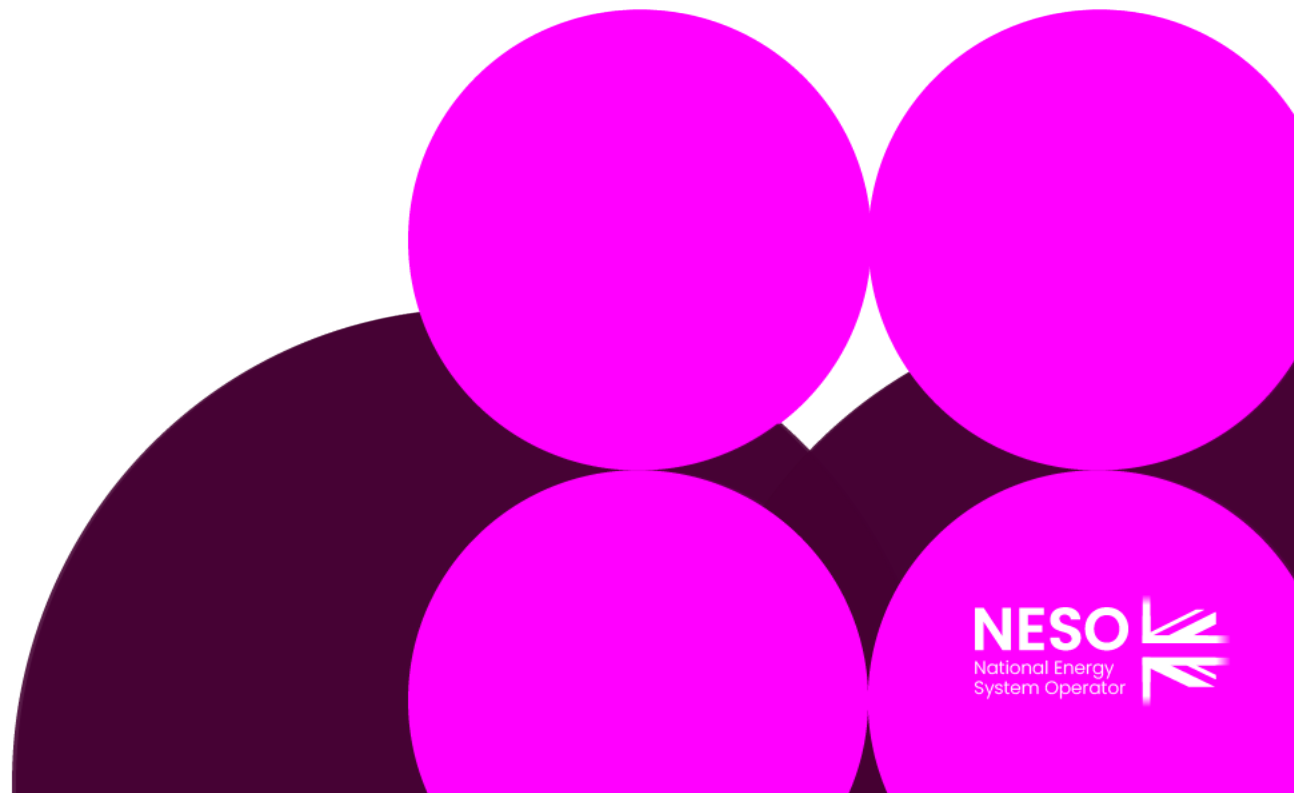
CMP434 Workgroup Report Review

Claire Goult – NESO Code Administrator

CMP434 Terms of Reference Review

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 p3, p70 WG consultation summary p24, Alternatives p61 Legal text discussion Alternatives/WACMs discussion	
b) Review and support the legal text drafting	Legal Text Discussions Annex 9 – Legal Text	
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 Licence change requirements and engagement with Authority mentioned under Interactions section p70 Alternatives/WACMs discussion	
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 WG report considerations p46: <ul style="list-style-type: none"> • The Proposer advised that there will be changes required to the ESO licence as a result of this modification and noted that they have liaised with the Authority regarding these. • The Proposer advised that licenced offer timescales for the Primary Process would need to be amended and reflected into the CUSC. They also noted that new licence obligations would need to be introduced, relating to (i) the Connections Network Design Methodology (CNDM), (ii) the Gate 2 Criteria Methodology and (iii) the Project Designation Methodology. Licence change requirements and engagement with Authority mentioned under Interactions section p70	
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	
f) Consider the interactions between the proposed solution(s) and distribution connection processes.	Discussions on Element 6, 11, 12, 13, 17 Legal text discussion Interactions p70 Alternatives / WACM discussions	

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 Discussion on Methodologies p50	
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	
i) Consider Electricity Balancing Regulation implications.	Legal Text Discussions Annex 9 – Legal Text	
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	
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 Alternatives/WACM discussion Methodologies discussion	
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 Methodologies discussion – robustness of methodologies determining T&Cs p49 Legal text discussions – DNO terms and conditions p49-50 Alternatives/WACM discussion	
m) Consider the relevant content of Annex B of the Open letter on connections reform publication.	RFI Analysis for CDB	

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

NESO Position

1. To ensure this proposal has a clear statement of forecasted benefits in line with the outcomes of the CAP (which are repeated above).
 - NESO have qualitatively assessed the re-baselined TMO4+, including alignment against CP30, against the CDB strategic criteria (which cover the CAP outcomes).
 - This assessment was included in the September CDB paper which was also shared with CPAG.
 - Quantitative assessment is via a combination of the RFI data and analysis (previously shared with WGs), the comparison of connections queue to the potential CP30 pathways (in the September CDB paper) and via our draft impact assessment that NESO will publish alongside the methodologies on 05/11.
2. To identify and understand the risks associated with this proposal (including legal risks) and develop effective mitigations as far as possible.
 - Process risks have naturally been considered in part through WG discussions and aspects will naturally be included in the FMRs.
 - Wider policy risks and mitigations (ie around the methodologies) are in the CDB paper and will also be set out in the methodologies documentation.
 - NESO are also in regular discussion with DESNZ and Ofgem in relation to broader TMO4+ and programme risks and mitigations and the like, including through the CDB.
3. To evidence through a clear impact assessment that the proposal will achieve forecasted benefits.
 - CDB RFI data and analysis has been shared within the WG and discussed.
 - An Impact assessment will be provided to Ofgem in December; plan to publish a draft alongside the methodology consultation and discuss in seminar and follow-up webinar and comments can be provided directly to NESO and/or incorporated into methodology and/or licence and/or CAC responses.
4. To ensure the details of the proposal are developed through consultation with network owners, wider industry and connection customers.
 - Previous and planned consultation has occurred in respect of the evolving TMO4+ proposals, including through the code modification process;
 - Workgroup consultations published in July
 - Detailed seminars /webinars on CP30 alignment took place on 16/09, 07/10 and 16/10. This was also covered at a high level at connections forum in September.
 - 4 separate all day workshops on CP30 alignment held with network owners, Ofgem and DESNZ in September and October
 - Specific agenda items on connections reform and CP30 alignment at CPAG and CDB in August and September
 - FAQ document published and updated
 - Consultation planned on methodologies on 05/11 and in person event to discuss these on 05/11
 - Code Administrator Consultation planned for 11/11
 - Ofgem will be able to consider the content/outcome of these as part of their decision-making process.

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

NESO Position

5. To identify and recommend any regulatory and legislative changes required to enable or mitigate risks associated with the proposal.

- Aspects of this are being done through the code change process. Ofgem plan to consult on licence changes. NESO has highlighted high-level views on required licence changes to Ofgem to inform their thinking on potential licence changes (as has been discussed in the code change process).
 - *NESO advised that licenced offer timescales for the Primary Process would need to be amended and reflected into the CUSC. Also noted that new licence obligations would need to be introduced, relating to (i) the Connections Network Design Methodology (CNDM), (ii) the Gate 2 Criteria Methodology and (iii) the Project Designation Methodology.*
- Recommendations on code mods, methodology structure and content also ongoing for a few months with Ofgem, Govt and industry (as evidenced by engagement referred to in point 4)

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 (i.e. codes and licences) and time for process implementation and operational go-live.

- The revised code mod plan was submitted to Ofgem on 09/09 following engagement with code panels.
- Overall detailed end to end plan shared with Ofgem, Govt and network owners in September. This covers codes, methodologies, licenses and implementation activities until end of Gate 2 to whole queue process and first enduring Gate 1 and 2 window. NESO is currently awaiting clearance from other organisations to publish this detailed plan

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.

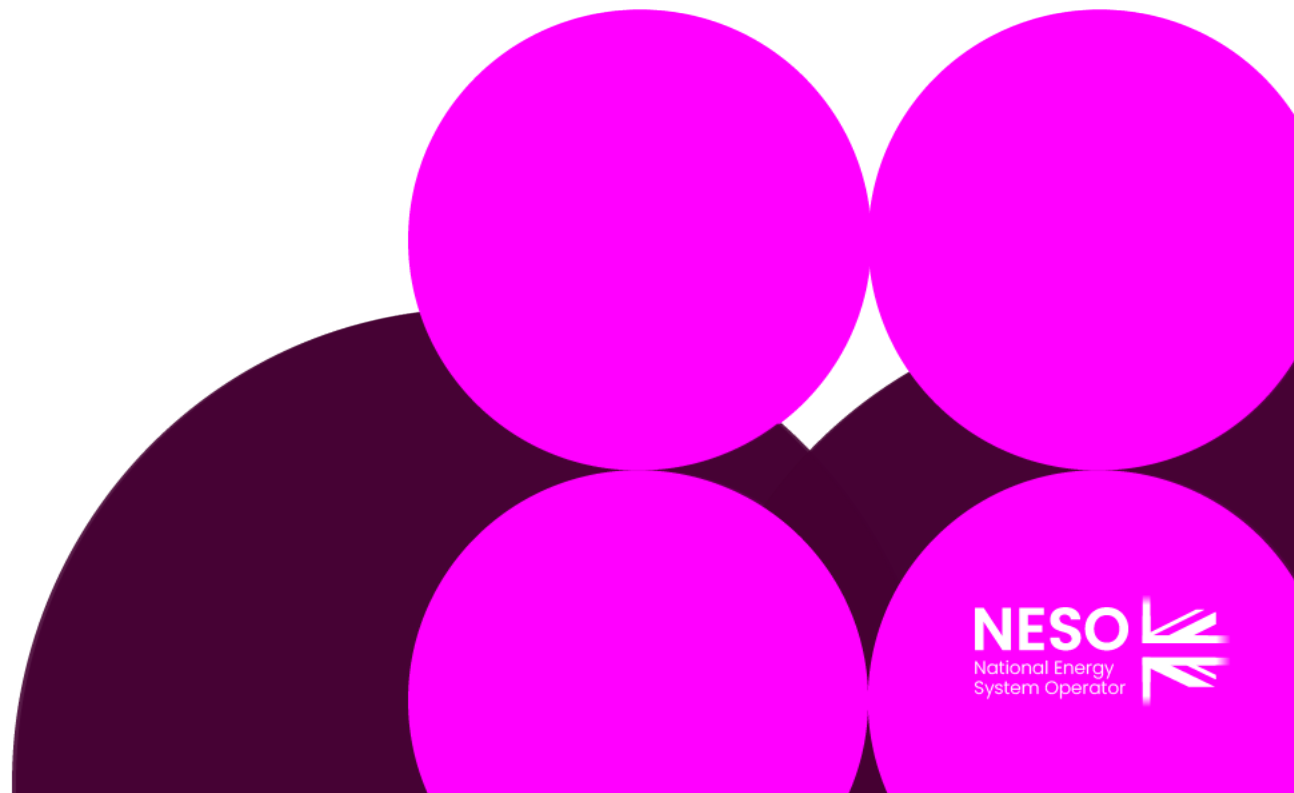
- This is under continual review by relevant decision-makers in the process, including NESO keeping our proposals and contingences under review.
- Consultation on methodologies will set out other options considered and the reasons for our recommendations.

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.

- This is an ongoing activity (e.g. through webinars and industry communication as per point 4) which will ramp up in the implementation stage.

CM095 Workgroup Report Review

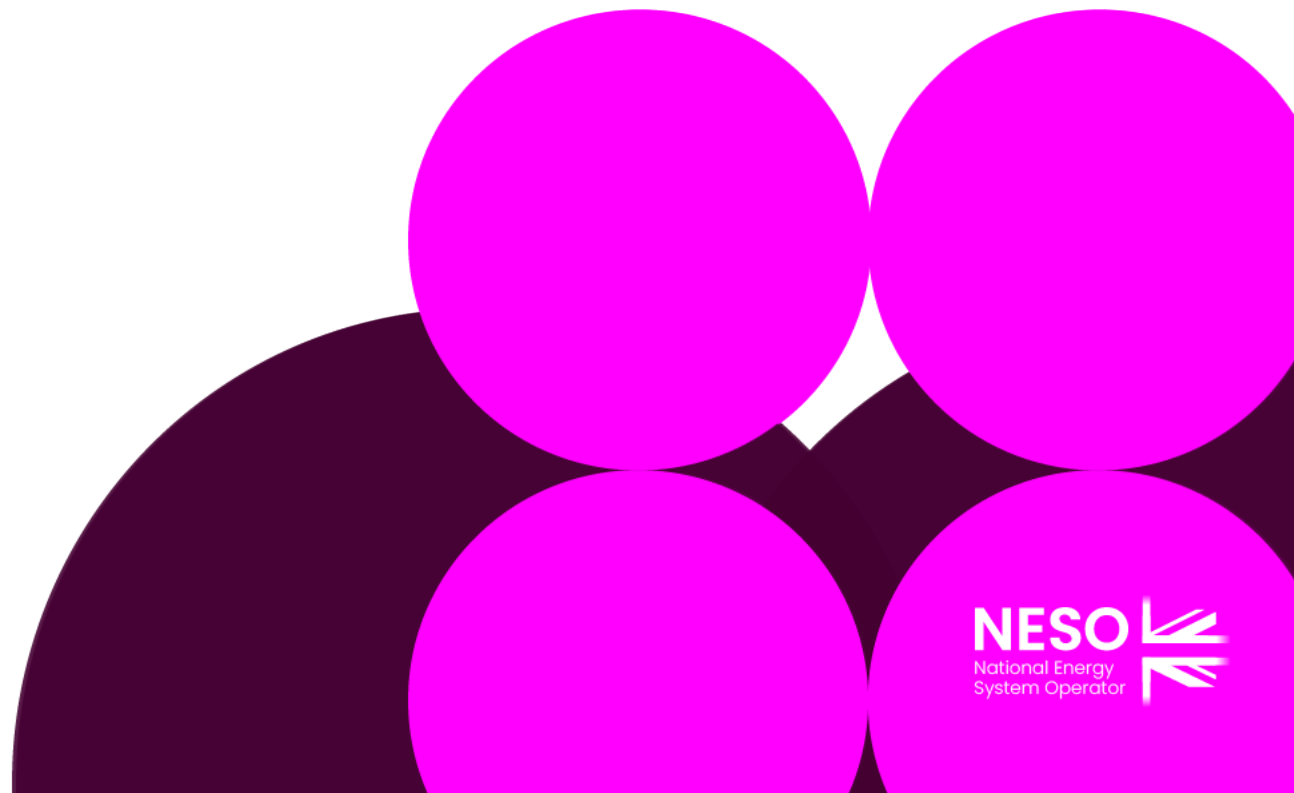
Claire Goult – NESO Code Administrator



CM095 Terms of Reference Review

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 – page 15	Red
c) Consider the cross Code impacts this modification has, in particular the CUSC and distribution arrangements (e.g. DCUSA)	Consideration of the Proposer’s solution – Component A, B, C Interactions	Yellow
d) Consider any potential licence changes which may be required, liaising with the Authority as required to discuss them.	Consideration of the Proposer’s solution – Component A, B Interactions	Yellow
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.		Yellow
f) Consider the interactions between the proposed solution(s) and distribution connection processes.	Consideration of the Proposer’s solution – 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.	Other Workgroup discussions - When discussing the Terms of Reference, the Workgroup agreed that the accessibility and transparency of new processes for Users was only relevant in terms of the transparency of reservation within CM095, as the process for reservation will be defined within the STC. The Proposer agreed that NESO needed to consider how best to ensure transparency with respect to reservation but advised that this would not be addressed directly within the CM095 code modification, as the modification only deals with the process between NESO and TOs for carrying out reservation and does not govern how or what NESO decides to reserve for. The Workgroup were satisfied that all other aspects of the solution would not have an impact on Users as the STC defines the interface between the SO and TO, with CMP434 having a direct impact on Users.	
h) Briefly consider any future policy development which may be beneficial to enhance the proposed 'minimum viable product' solutions.	Other Workgroup discussions - The Workgroup discussed the future STCP modification which is not part of the Minimum Viable Product package of Connection Reforms but will be introduced subsequently.	
i) Consider mechanisms to ensure projects progress from Gate 1 to Gate 2 including financial instruments	Other Workgroup discussions - When discussing mechanisms to ensure projects progress from Gate 1 to Gate 2, the Workgroup noted that they had covered this within discussions on CMP434; they did not believe this was relevant for CM095.	
j) Consider the impact of NESO designation of Gate 2 status, and ways to make this non discriminatory.	Other Workgroup discussions - The Workgroup considered the impact of NESO designation of Gate 2 status, noting that this was covered under CMP434; the Workgroup did not believe this was relevant to CM095.	
k) Consider how the solution(s) conforms with the statutory rights with respect to terms and conditions for connection.	Other Workgroup discussions - The Workgroup considered how the solution confirms with the statutory rights with respect to terms and conditions for connection but believed that this was not relevant for CM095 as the solution should only cover the SO/TO interface and not impact Users.	
l) Consider the relevant content of Annex B of the Open letter on connections reform publication.		

AOB

Claire Goult – NESO Code Administrator

Next Steps

Claire Goult – NESO Code Administrator