

Public

CMP434 and CM095 Implementing Connections Reform

Workgroup Meeting 34,
31 October 2024
Online Meeting via Teams

WELCOME

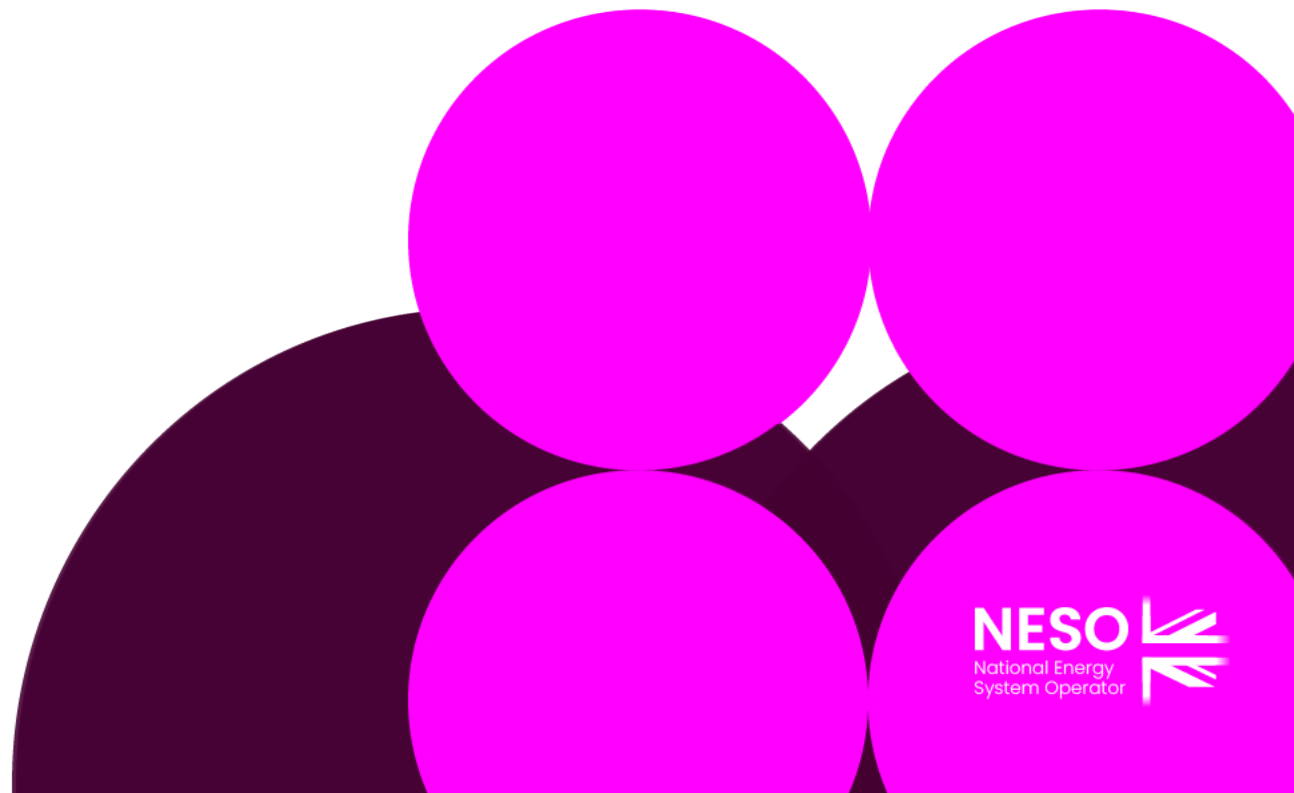


Agenda

1. Timeline
2. Scene Setting – Workgroup 34
3. Clarity on TIA (App G) process
4. Finalise CMP434 Legal Text
5. Finalise WACM Legal Text
6. Finalise CM095 Legal Text
7. Finalise WASTM Legal text
8. Finalise CMP434 Workgroup Report
9. Agree CMP434 Terms of Reference
10. Finalise CM095 Workgroup Report
11. Agree CM095 Terms of Reference
12. Action Log Review
13. Any Other Business
14. 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/CMP434 WACM Legal Text/CM095 Legal Text
Workgroup 33	28/10/2024 30/10/2024	Finalise CMP434 and WACM Legal Text/Finalise CM095 and WASTM legal Text/Finalise WG Report
Workgroup 34	31/10/2024	Finalise CMP434 and WACM Legal Text/Finalise CM095 and WASTM legal Text/Finalise WG Report (Meeting Time 12-3pm)
Workgroup 35	1/11/2024	Contingency Meeting (Meeting Time 12-3pm)
Workgroup 36	4/11/2024	Complete sign of ToR and Workgroup Vote CMP434/CM095 (Meeting Time 10-12pm)

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	

Workgroup 34 Scene Setting

Ruby Pelling – Proposer

Meeting Objectives

What is the focus of the meeting?

- Finalise CMP434/WACM/ST C/WASTM Legal Text
- Finalise CMP434 Workgroup Report/ToR
- Finalise CM095 and Workgroup Report/ToR

What is the ask of the Workgroup?

- Agree final CMP434/WACM Legal text and Terms of Reference have been met
- Agree final CM095/WASTM Legal Text and Terms of Reference have been met

What is the desired meeting output?

- To agree all Legal Text
- To agree CMP434 and CM095 Terms of Reference have been met

What should not be discussed?

- Non-material changes/non clarification question
- Discussion on wider TMO4+ programme

Clarity on TIA (App G) process for Relevant Embedded Small/Medium Power Stations

Consequential changes TMO4+ has made to the TIA/App G process:

- All projects wanting to obtain a Gate 2 offer, have to go through a Gated process resulting in materiality trigger and planning limits being removed from the App G functionality.
- Projects captured in Schedule 1, Part 1 of an App G will be those projects with a Gate 2 agreement only.
- WG report will be updated to make it clear that:
 - the process to apply for a TIA (App G) is via a modification application outside the Gated process.
 - the process to apply for a Gate 2 offer is via a **Transmission Evaluation Application** (was previously titled Application of Project Progression but feedback from WG suggested this name might cause confusion with current processes).

Clarity on Solution:

- 6.5.8 of the CUSC, TIA process (also referred to more generally as the App G process), is the process for requesting an Appendix G to a DNOs/transmission connected BCA.
- Section 6 of legal text drafting shared this week has the TIA process remaining but as a **non-gated process** – see section 6.5.1 (a) ii.
- DNO's wanting to request a TIA/Appendix G, can continue to do so via a modification application; this supports the rollout of App G as per CMP298.

CMP434 and WACM Legal Text Update

Claire Goult – NESO Code Administrator

WACM Legal Text Update

WACM1: Clarification of Embedded Definition

This option is in line with the Original Proposal, except for changing the definition of Embedded schemes that are covered by the Primary Process to be defined by capacity rather than referencing Relevant Small, Medium and Large Power stations.

WACM2: DNO Submission Requirement

This option is in line with the Original Proposal, except for obligating DNOs to include all applicable Embedded Projects that provide a valid Gate 2 compliance application and evidence submission within the Gated Application Window, as part of the DNO/iDNOs fully completed Gate 2 Application to NESO.

WACM3: Capacity Reallocation Codification

This option is in line with the Original Proposal, except for codifying a Capacity Reallocation mechanism to allow terminated capacity to be offered to the next contracted project that has passed Gate 2 and is able to utilise the released capacity. This would remove NESO's ability to utilise Project Designation or Connection Point and Capacity Reservation in respect of reallocating terminated capacity.

WACM4: Codifying restrictions on changes to project site location – “Red Line Boundary” (RLB) – post-Gate 2

This option is in line with the Original Proposal, except for codifying the proposed restrictions on changes to project Red Line Boundary post-Gate 2, rather than housing the restrictions in the proposed Gate 2 Criteria Methodology.

WACM5: Remove Project Designation

This option is in line with the Original Proposal except for the removal of Element 9: Project Designation

WACM6: Obligation to Codify the Methodologies and Guidance Documents under Connection Reform

This option is in line with the Original Proposal, however, adds an obligation on NESO to undertake and report on a review of the new connections process, to allow stakeholders to assess whether a code modification is required to codify the Methodologies and Guidance documents.

WACM6 should not be implemented without CM095 ASM1.

WACM7: Introduction of a pause for market self-regulation before NESO/the Transmission Operators (TOs) undertake the network assessment

This option is in line with the Original Proposal but introduces a pause for market self-regulation prior to NESO/TO network assessment occurring, to allow for greater visibility of competitor projects.

CM095 and WASTM Legal Text Update

Claire Goult – NESO Code Administrator

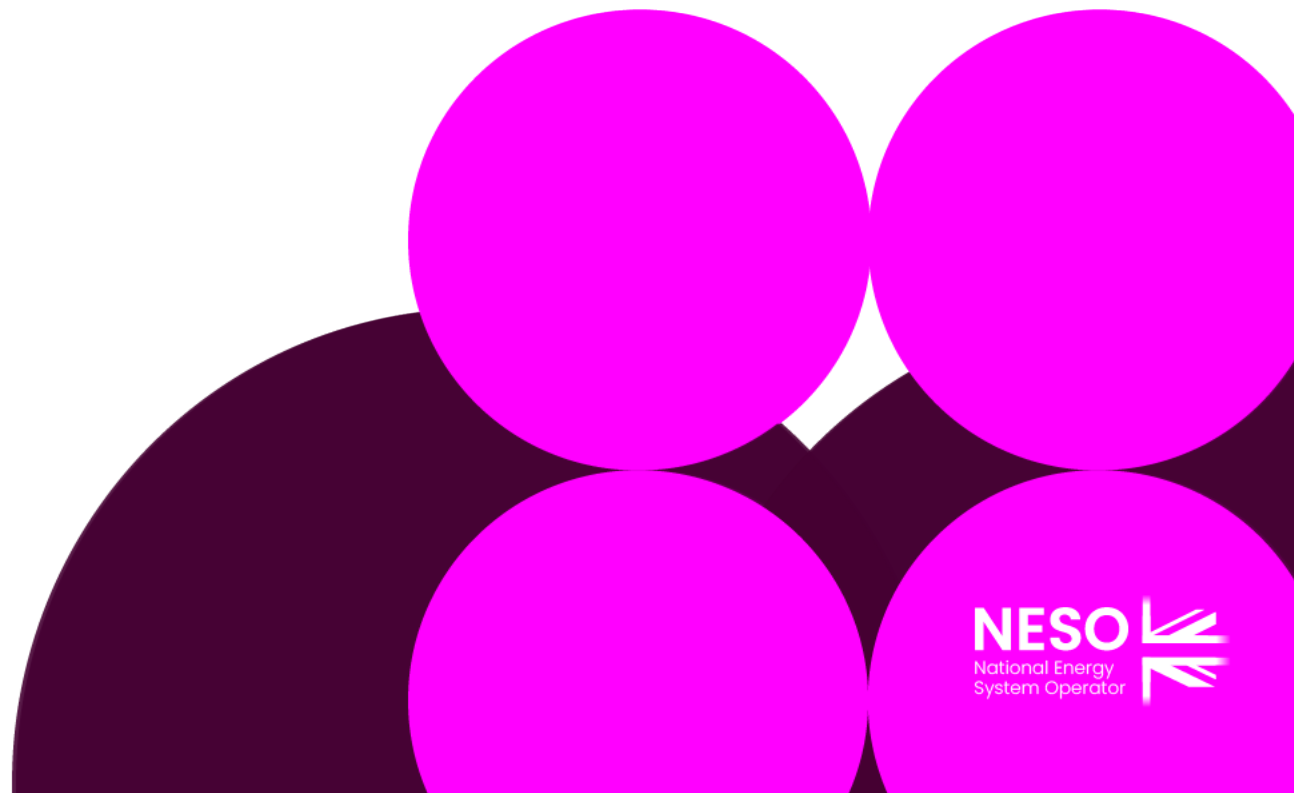
Finalise CMP434 Workgroup Report

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	<p>Implementation Approach p3, p70</p> <p>WG consultation summary p24,</p> <p>Legal text discussions p49</p> <p>Alternative requests p53-58 / WACM discussions p59-61</p>	
b) Review and support the legal text drafting	<p>Legal text discussions p49</p> <p>Annex 9 – Legal Text</p>	
c) Consider the cross Code impacts this modification has, in particular the STC and distribution arrangements (e.g. DCUSA)	<p>Discussions on Element 10, 16, 17</p> <p>Interactions: Licence change requirements and engagement with Authority mentioned p70</p> <p>Alternatives p53-58/WACMs discussion p59-61</p> <p>ENA Update on DCUSA mods - as of today (22/10/24), still no expectation that a DCUSA mod needs to be raised</p>	
d) Consider any potential licence changes which may be required, liaising with the Authority as required to discuss them.	<p>Discussions on Element 1, 9, 11, 15, 16</p> <p>Legal text discussions p49</p> <p>WG Considerations p46:</p> <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. <p>Interactions: Licence change requirements and engagement with Authority mentioned p70</p>	
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.	<p>Discussions on Element 2, 3, 4, 5, 11, 12</p> <p>Legal text discussions p49</p>	
f) Consider the interactions between the proposed solution(s) and distribution connection processes.	<p>Discussions on Element 6, 11, 12, 13, 17</p> <p>Legal text discussions p49</p> <p>Interactions: p70</p> <p>Alternatives p53-58/ WACM discussions p59-61</p>	

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 p3, p70 Legal text discussions p49 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 p61 – Gate 1 and 2 Financial Instruments Legal text discussions p49	
i) Consider Electricity Balancing Regulation implications.	Legal text discussions p49 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 p61-66 – 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 discussions p49	
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 discussions p49 Alternatives p53-58/ WACMs discussion p59-61 Discussion on Methodologies p50	
l) Consider how the solution(s) conforms with the statutory rights with respect to terms and conditions for connection.	Discussions on Element 11 Gate 2 Criteria p38 Context of Article 37 [6A], Directive 2009/72/EC of the European Parliament and of the Council Discussion on Methodologies p50 Legal text discussions p49 Alternative requests p53-58 / WACM discussions p59-61	
m) Consider the relevant content of Annex B of the Open letter on connections reform publication.	RFI Analysis for CDB WG Assessment of ToR m) relevance considered	

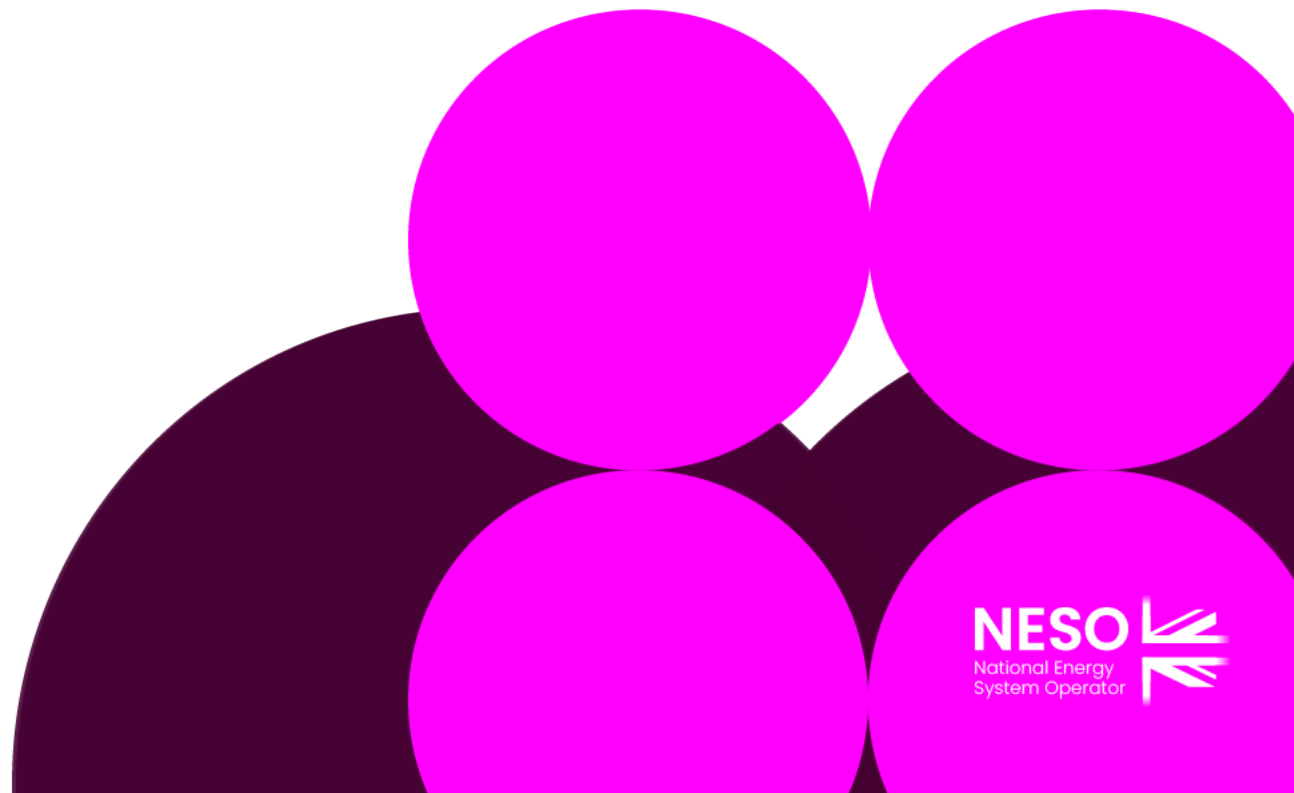
Finalise CM095 Workgroup Report

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	Green
b) Review and support the legal text drafting	Legal Text Discussions – page 15 Discussions on WASTMI	Yellow
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 Discussion on Alternative Options	Green
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	Green
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.	Other Workgroup discussions: The Workgroup considered the scope of application for the proposed solution by technology/project type, however agreed that this Term of Reference had been discharged through CMP434 and therefore they did not believe it was relevant for CM095.	Green
f) Consider the interactions between the proposed solution(s) and distribution connection processes.	Consideration of the Proposer’s solution – Component A	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.	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.		

Action Log Update

Claire Goult – NESO Code Administrator

CMP434/CM095 Actions Log

Action	WG	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	Closed
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. Propose to close the when the installed capacity definition is agreed.	TBC	Closed
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) Closed
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	Closed
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	Propose to closed
88	WG31	CG/Chair	To place the methodologies when published on the collaboration space for members but also to circulate to the wider distribution list for CMP434/CM095 with an agreement not to share beyond the workgroup membersip	Methodologies proposed to be available by Friday 25 October	TBC	Closed
89	WG31	MO/GL	Review impact of CMP434 WACMs and whether any WASTMs are required	All CMP434 WACMs have been reviewed; STC Alternative 1 has been raised to mirror CMP434 WACM6. Other WACMs were deemed to not have a direct STC impact, however WACM5 and WACM7 may require a consequential STCP modification.	TBC	Propose to close
90	WG32	WKW	Consider provide a process diagram to reflect legal text	Note in the workgroup report – it would have helped	TBC	Closed

AOB

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Next Steps

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