

CUSC Alternative Form – Non Charging

CMP435 Alternative Request 8:

Overview: CMP435 applies the Gate 2 criteria from go-live and in the Original proposal, this is solely related to land requirements, with minimal stipulations on this. Under the Original, our understanding is that the new forward-looking milestone to submit for planning starts from signature of a Gate 2 offer which would be around Q1 2026.

Muir Mhòr offshore wind farm (MM) suggests instead that from Go-live, projects entering Gate 2 should also have submitted planning or provide commitment up to the submission of planning milestone.

These proposals will ensure that only committed projects enter Gate 2, allowing the network companies to focus on design and build of assets for projects that are genuinely progressing.

Our implementation approach envisages that initially, this could be brought in without changes to Section 14 or 15, although depending on the nature of the commitment, there may be a desire to follow up with charging-related code changes at a later date.

Proposer: Muir Mhòr Offshore Wind Farm Ltd

☒ I/We confirm that this Alternative Request proposes to modify the non - charging section of the CUSC only

What is the proposed alternative solution?

Additional Gate 2 criteria

MM is proposing that in addition to land requirements, projects entering Gate 2 should, from go-live, have either submitted planning or shown / provided additional commitment up to planning submission.

What is the difference between this and the Original Proposal?

The Original Proposal in our view – and supported by the ESO's and our own analysis, poses a low bar for entry into Gate 2. The forward-looking M1 milestone as proposed in CMP 434 is, in many cases, less challenging than the backward-looking milestones in CMP 376, the generosity of which CMP 434 was designed to address.

Notwithstanding some easy wins on clearing out completely dead 'zombie' projects, thereafter there will remain a significant level of oversubscription of grid capacity.

Our intent with this Alternative proposal is to have a meaningful entry requirement for Gate 2 which ensures that committed projects are prioritised and form the basis of near-to-medium-term reinforcement plans.

As a result, our proposals are:

- Gate 2 to be secured by either meeting the M1 milestone or providing commitment at a level aligned with the cost of meeting M1. Alternatives to this, such as proof of placing key contracts, could be explored.

The effect of these changes is to ensure that only committed projects enter Gate 2, allowing the network companies to focus on design and build of assets that are being actively progressed.

Our proposal will help to weed out projects which are not committed to the M1 milestone. Furthermore, it will discourage land grabs designed to simply meet the Gate 2 criterion and nothing more – i.e. will prevent further queue entry of under-committed projects.

What is the impact of this change?

Proposer's Assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	Positive: Aligns with the ESO's CMP435 proposal goal of prioritising readier and/or more viable projects, enabling us to help the government to meet its Net Zero targets
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	Positive: Aligns with the ESO's CMP435 proposal goal of quicker connections for viable projects (by removing speculative and stalled projects from the connections queue).
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European	None/Neutral: Our proposal aligns with the goals of CMP435.

Commission and/or the Agency *; and	
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive: Aligns with the ESO's CMP435 goal of addressing the current queue (by reducing the size of the current queue or slowing down the rate at which new projects are added to the queue).
*The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.	

When will this change take place?

Implementation date:

TBC.

Implementation approach:

Depending on the final approach agreed, a new financial commitment may need changes to Section 15 ultimately, although it could initially be implemented as a condition of entry into an early 2030s cohort of projects for example, on a contractual basis and utilising existing provisions in the CUSC, for which there is precedent. An approach based on proof of placing of key contracts would not need changes to charging sections of the CUSC.