

Workgroup Consultation Response Proforma

CMP434: Implementing Connections Reform

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm on 06 August 2024**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Als Scrope, Stakeholder & Engagement Manager	
Company name:	Northland Power - Spiorad na Mara Limited & Havbredey Limited	
Email address:	Als.Scrope@northlandpower.com	
Phone number:	+44 7309 658733	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:

(Please mark the relevant box)

Non-Confidential (this will be shared with industry and the Panel for further consideration)

Confidential (this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration)

For reference the Applicable CUSC (non-charging) Objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- 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;
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
- Promoting efficiency in the implementation and administration of the CUSC arrangements.

*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.

Please express your views in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the Original Proposal better facilitates the Applicable Objectives?	Mark the Objectives which you believe the Original solution better facilitates:
		Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
Click or tap here to enter text.		
2	Do you support the proposed implementation approach? (see pages 59-61)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
We are generally supportive of the proposed implementation approach, however, see our comments below on Significant Modification Applications – we believe the concept needs more work to ensure that, where possible, the ESO can provide an offer more quickly than the full primary process might allow.		
3	Do you have any other comments?	
Thank you for the opportunity to review the latest proposals for Grid Connection Reforms, we appreciate the significant work of the working group(s) in further developing the detail of the proposed reforms. Given a relatively short consultation period, and the fact Northland did not have representation on the working group, we have elected to focus our response on what we believe to be the most pertinent points – so have only provided a response to select Elements below. The additional clarity we request under Element 2 below is relevant to CMP435, we’d appreciate you taking account of that in reviewing CMP435 response – as it is the only additional point we have on CMP435, so will just provide this (CMP434) response.		
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No
Click or tap here to enter text.		

Specific Workgroup Consultation questions	
5	Do you agree with the elements of the proposed solution? Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification CM095 .

Please provide rationale for your answer and any suggestions for improvement to each element?	
Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Under element 1 we note that the ESO is proposing that much of the detail relating to the proposals are contained in either uncodified Methodologies or uncodified Guidance Notes.</p> <p>We would recommend that, perhaps at the next Consultation stage, industry’s view is sort on the right level of codification vs Methodologies and Guidance documents, we believe the current balance is incorrect and we would favour fuller codification.</p> <p>The Connection Reforms present very material changes for the industry and the detail relating to these changes will have been developed in short timescales with relatively limited consultation time. Furthermore, none of the Methodologies and Guidance Documents currently exist.</p> <p>As a result of the above, we believe that once the proposals are finalized and road-tested, there will be a need for significant on-going refinement of the new processes. Lack of codification will remove the ability for industry to bring forward proposed changes to the new arrangements, we think this presents a risk to industry and a lost opportunity for continuous improvement.</p>	
Element 2: Introducing an annual application window and two formal gates, which are known as Gate 1 and Gate 2 (i.e. the Primary Process) (see pages 11, 35-36)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Under Element 2 the proposals state that, as part of assessing a batch of Gate 2 projects, a party’s Gate 2 queue order (within that particular Gate 2 batch) shall be governed by the date order in which parties within the batch actually satisfied the Gate 2 criteria.</p> <p>It is a little less clear how the queue of existing contracted parties will be impacted by the Connection Reform proposals, there is limited commentary in the consultation on this matter.</p> <p>We would imagine that, of the existing contracted queue, parties failing to meet Gate 2 criteria would effectively fall out of the queue (become Gate 1 parties). Also, that those meeting Gate 2 criteria would form the new queue but in the same order with respect to one another, i.e. no account is taken of the date order in which these Gate 2 parties might have met the Gate 2 criteria? We would request more clarity is provided on this point.</p>	
Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Under Element 4 the proposal seeks to introduce the concept of a ‘Significant Modification Application’ which would require those progressing such an application to re-enter the Gate process, potentially needing to return to Gate 1 (e.g. always Gate 1 for TEC increases)

We believe that, where possible, pragmatic measures should be adopted by the ESO to expedite modification applications to avoid significant project hiatus.

We believe the concept of ‘Significant Modification Application’ needs significantly further work and consideration, as such, should be removed from the current proposals and brought forward later. We further believe that the materiality of this issue warrants full codification, as opposed to being developed as a guidance document (as proposed in Element 1).

Historically, a party submitting a modification application would have clarity on outcomes within a 3 month period, i.e. the period required for the ESO to process the application, undertake their analysis and provide an offer. Under the proposals an application for increased TEC would need to (i) await the next Gate 1 window, possibly 11 months away and (ii) await the Gate 1 Offer, estimated at 9months in the consultation. It is also noted that these times are indicative and experience in the various HND processes to date have resulted in a significantly longer times for TOs/ESOs to complete their analysis and produce updated offers.

The above leads us to believe that a project could be waiting 2 years (perhaps longer) before knowing the outcome of a Significant Modification Application, almost an order of magnitude longer than currently . This period of uncertainty, in not knowing the outcome of a modification application, would make it extremely difficult for a project to determine the best way forward.

We believe there will be instances where, for example, requests for TEC increase could be assessed in the current 3 month timescales or certainly far more quickly than 20-24 months [e.g. where a party might be the only party able to benefit from network capacity freed up by another party’s termination]. We believe more time is needed to develop thinking on the concept of a Significant Modification Application and that, in the meantime the concept should be removed from the minimum viable product the ESO has proposed. In advance of the concept being further developed, the ESO should seek means of processing modification applications in a pragmatic and timely manner. The importance of this topic warrants full codification once finalized, a guidance note is definitely not adequate.
 or tap here to enter text.

Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Click or tap here to enter text.

Element 6: Setting out the process and criteria in relation to Application Windows and Gate 1, including introducing an offshore Letter of Authority equivalent as a Gate 1 application window entry requirement for offshore projects (see pages 15-16, 39-40)	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Click or tap here to enter text.

<p>Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 9: Project Designation (see pages 17-18, 48-49)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 10: Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification CM095 – see pages 18-20 and the CM095 Workgroup Consultation, pages 6-10)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 11: Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (see pages 20-24, 42-46)</p>	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>
<p>Under Element 11, the proposals seek to introduce on-going requirements to enable a party to maintain Gate 2 status, i.e. having met the original Gate 2 criteria. This takes the form of having to submit the project’s Planning Application within, at the longest, ‘X months’ of signing a Gate 2 connection agreement. This requires a change to the Queue Management (QM) milestone arrangements (for Milestone M1) as recently introduced via CMP376.</p> <p>We strongly disagree with the change to how the ESO propose to set the M1 milestone and believe it should still be calculated backwards from the Completion Date.</p> <p>The introduction of a forward-looking Gate 2 criterion adversely impacts offshore wind projects as:</p> <ul style="list-style-type: none"> • These projects want to ensure their consenting application is not submitted unnecessarily early to avoid missing out on technological development in the market • A requirement to submit an early consenting application for projects with a later grid connection might erode the validity period of the consent decision, leading to inefficiencies <p>These factors are exacerbated by the fact that offshore wind projects rely on large grid reinforcements that are outside of developers’ control and naturally prone to delays due to their sheer scale. Requiring consents to be submitted ahead of time exposes developers to grid connection risk even further.</p> <p>During late 2023 and through 2024, projects have had to reassess their connection dates, and the ESO has been updating connection agreements to reflect adjustments that parties have requested - all prompted by the introduction of QM milestones. Developers have, in good faith, worked to adjust their connection dates to ensure that the associated (back counting)</p>	

<p>milestone dates are achievable. It is unreasonable to change the approach to setting QM milestones after the above alignment process has just been completed.</p> <p>We feel that the securities provided by developers are an adequate means of gauging their commitment to a given project, noting that securities increase with time. Additionally, projects may have demonstrated other significant commitments, for example Offshore Projects taking part in TCE/CES leasing rounds and committing to option fees – these show very considerable commitment to continued project development.</p> <p>We note that the ESO is considering if other QM milestones should be forward-counted as opposed to back-counted from the completion date, for all the reasons above we would oppose such changes.</p> <p>Click or tap here to enter text.</p>	
<p>Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 15: Changing the offer and acceptance timescales to align with the Primary Process timescales (e.g. a move away from three months for making licenced offers) (see pages 29, 42-46)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 17: Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission process for Distribution Network Operators (DNOs) and transmission connected Independent Distribution Network Operators (iDNOs) to forecast capacity on an anticipatory basis for Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations aligned to the Gate 1 Application Window (see pages 30-33, 51-53)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 18: Set out the process for how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>

	Embedded Medium Power Stations which meet Gate 2 criteria (see pages 33-34, 51-53)	
	Click or tap here to enter text.	
6	Are there any elements of the proposal which you believe should not be included as part of this proposed solution, which the Proposer believes represents the 'Minimum Viable Product' reforms required to the connections process? If not, why not? (Please note the element number in each of your responses if applicable)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
7	As per question 6, are there any additional features which you believe should be included as part of Minimum Viable Product reform to the connections process?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
8	Do you agree that the Gate 1 process should be a mandatory process step, or do you think Gate 1 should be an optional process step with projects being able to apply straight into the Gate 2 process if the project meets both the relevant Gate 2 and Gate 1 criteria?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
9	Do you believe that the proposed Gate 1 and Gate 2 process could duly or unduly discriminate against any types of projects? If so, do you believe this is justified?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	

10	Please provide your views on the proposed options ((a) to (e) on page 45) to mitigate the risk of requiring a developer to submit their application for planning consent earlier than they would in their development cycle (with the risk this consent could expire and any extension from the Planning Authority is not automatic).	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.		
11	Do you agree that DFTC should be included as part of CMP434? If not, do you believe that the reformed connections process can function without DFTC? Please justify your answer. (see pages 30-34, 51-53)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.		
12	The Proposer intends to set out supporting arrangements for TMO4+ via a combination of guidance and methodologies (e.g. DFTC, CNDM, Project Designation, Gate 2 Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.		