

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:	Matthew Dowds	
Company name:	Muirhall Energy	
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Phone number:	01501 785088	
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:

- a) *The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- 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;*
- c) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- d) *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 type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
<p>The CMP better facilitates effective competition in the generation and supply of electricity, and in the sale, distribution and purchase of electricity by allowing projects who are ready to build the opportunity to connect earlier than the existing application process. This also results in promoting efficiency in the implementation and administration of the CUSC arrangements.</p> <p>The CMP has minimal or no benefit to objectives a) and c).</p>		
2	Do you support the proposed implementation approach? (see pages 59-61)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>All new applications submitted to the ESO on or after the go-live date (which is anticipated to be 01 January 2025) will need to be submitted within a Gate 1 Process.</p> <p>All modification applications submitted clock started before the ESO go-live date should not be required to go through the new Gate process. There has not been sufficient time to review, respond to this CMP and react to the proposed changes which could alter what qualifies as a 'significant' modification application.</p>
3	Do you have any other comments?	
		<p>The impact of this CMP on accelerating grid connection dates is unknown, as the number of projects which already qualify for Gate 2 has not been adequately determined. Therefore the Authority should be prepared to raise further amendments to the CUSC if the implementation is deemed insufficient in terms of accelerations to connection dates or too onerous on developers to submit planning and achieve Gate 2 milestones.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No

the Workgroup to consider?	
N/A	

Specific Workgroup Consultation questions	
5	<p>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?</p>
<p>Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)</p>	
<p style="text-align: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>To implement significant reform at speed it is necessary for the scope of this CMP to be refined, however the methodologies and guidance being implemented without consultation with the wider industry is a significant risk and gives the Authority too much autonomy. Self-Governance is not appropriate for such far reaching industry change. If not codified, the guidance will have to be detailed and cannot discriminate against any CUSC party.</p>	
<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)</p>	
<p style="text-align: right;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>The 2 Gate connections process is acceptable, it should allow TOs to plan network reinforcements more efficiently and also reduce the required resources to produce connection offers. The Gate 1 offer will have little value to the applicant, especially in England, as the connection point and costs are not provided. Therefore no User Commitment/Final Sums should apply at this stage, additionally the application fee invoice should not be based off the current charging methodology. A Gate 1 offer is not cost reflective based on the current application fee rates, therefore a new application fee methodology which allocates a cost which is high enough to deter speculative applications but is also representative of the lower quality of information in the connection offer should be considered. The main benefactor from the Gate process will be the TO rather than the applicant, which in turn may result in earlier overall connection dates for applicants in years to come.</p>	
<p>Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	
<p style="text-align: right;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>All parties should go through the same primary process as outlined in Element 3. Distribution connections are exposed to exceptionally long application processes until a full Distribution and Transmission assessment is complete. However this should be mitigated 'Distribution Forecasted Transmission Capacity'.</p>	
<p>Element 4: Significant Modification Applications concept, including the proposed criteria and the</p>	
<p style="text-align: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	

<p>proposed level of codification (see pages 12-13, 36-39)</p>	
<p>Determination of what qualifies as a ‘Significant Modification’ should be at the discretion of the impacted TO on a case by case basis. There should be an allowance for flexibility at Gate 1 and 2 to change capacity, technology and location, if it is determined to be reasonable by the TO and can be justified by the applicant. This connections reform essentially requires planning applications to be submitted at Stage 2, ahead of confirmation of your connection point, it is therefore possible that the project may see significant change and that technology may evolve while waiting for consent and delivery of TO works. Therefore rules which has no scope for flexibility is not appropriate given the additional cost and risks placed on applicants through this reform.</p>	
<p>Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Distributed Forecasted Transmission Capacity seems like the most appropriate process to mitigate against distribution connections having prolonged application assessment periods. There should be a notification process ahead of any distribution application, which allows applicants to make DNOs aware of their intention to apply in their area without submitting an application. This can support the Distributed Forecasted Transmission Capacity but should be removed from the forecast after 12 months if the applicant has not applied. The DNO should also be required to annually justify the submitted forecasted amount and realign to the actual applied capacity at the earliest opportunity to ensure capacity is not being held without cause.</p>	
<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>The introduction of application windows and Letter of Authority is acceptable. The Gate 1 application window starting in January does cause some concern, as this period typically has lower staffing levels due to annual leave. The Authority should keep the frequency and duration of the process under review for at least 2 years to ensure the process is optimal.</p>	
<p>Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>The process should not be informally developed by the ESO and it would have been beneficial to introduce a Fast Track process as part of this CMP.</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>The Longstop Date concept is required to ensure that parties do not sit in the Gate 1 queue indefinitely. However the 3 year period is not appropriate in its current form. The Longstop period is essentially 2 years, as a party is required to submit</p>	

<p>evidence for Gate 2 in year 3. For a wind farm developer, a project typically requires at least 2 years of surveys before a scoping application can be submitted. With this Longstop date a project would have to begin surveys 1 year before applying for Gate 1, to allow appropriate time to complete surveys, review and amend the site then apply for Gate 2. This approach would result in significant spend ahead of applying for a grid connection, confirmation of connection costs, date and location. Therefore the Longstop period should be 3 years, whereby at the next open Gate 2 application window after 3 years the project needs to qualify for Gate 2 or will be removed.</p>	
<p>Element 9: Project Designation (see pages 17-18, 48-49)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Project Designation should be removed from the scope until significantly more detail and examples are provided. The principle of accelerating projects which offer improved Security of Supply, system operation or reduce network constraints is sensible, however without detail and peer review this Element risks being taken advantage of and disadvantaging other CUSC parties.</p> <p>There are already processes such as HND, ASTI and LOTI which should determine the importance to the network and perhaps these should be used as the qualification for 'Project Designation', rather than the responsibility of the ESO to approve new methodology and propose potential projects.</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 checked="" type="checkbox"/> No</p>
<p>Reservation and Project Designation may negatively impact other parties. If this approach can be delivered without delaying or increasing costs of others, then it should be progressed, however this requires more detail and review before being considered in this CMP.</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>The proposed land requirements are necessary for demonstrating Gate 2.</p> <p>The limitations on red line boundary TEC changes are also sensible.</p> <p>The Onshore Wind deal does require a decision on S36 Onshore Wind within 18 month of submission, however so far period is not expected to be the norm. Therefore a 1 year decision period seems ambitious for TCP and S36.</p> <p>To achieve consent within 1 year of Gate 2 will require planning submissions and surveys to happen even earlier in the development process. Putting circa £250,000</p>	

<p>per project at risk before any meaningful connection offer is provided to the applicant. This will likely affect competition by disadvantaging smaller developers who cannot afford to spend such sums without any certainty on their connection cost, date and location.</p> <p>In addition, it is highly probable that consents will expire before the connection date due to connection timescales taking at least 6 years. Most of the proposed mitigations in the CMP are not adequate given the cost and risk increase absorbed by the applicant.</p> <p>For example, a Nuclear Power Station and other larger scale generators, M1 and M2 cannot be achieved within the forward looking and TMO4+ processes. Therefore, I propose that a Gate 2 connection date must be within 6 years of qualifying for Gate 2 to avoid expiry of consent or the M1 must be delayed until Gate 2 is within 6 years. As it is unlikely that all connection dates will be within 6 years of Gate 2, I strongly recommend that M1 is triggered once the project is in a reasonable period (6 years) from the connection date.</p> <p>Other issues with applying for a planning too early include how technology develops, turbines and project designs may become obsolete after several years, the energy markets may change, reapplying for an expired consent does not guarantee it will be granted again and it's a further additional cost borne on the applicant.</p>	
<p>Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>The general arrangements are acceptable and I agree that Developers who have already met the Gate 2 criteria at the point of their Gate 1 application, who also submit the Gate 2 evidence within an annual Gate 1 application window, should be provided with a Gate 2 offer rather than a Gate 1 offer.</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Applicants should be required to include a commitment to submit a planning application by an agreed date and provide a delivery programme within the Self Declaration Directors Letter. This will inform the ESO but also add an additional competency for Gate 2 that requires the Director to commit to.</p> <p>The other proposed Self Declaration Letter items within Element 13 are acceptable.</p>	
<p>Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>The ability to move your site after Gate 2 is welcomed, however as described in the Element 8 response, Gate 2 will require surveys and planning to be progressed in Gate 1 to meet forward looking M2. Therefore any serious project will not be able to take full advantage of the movement as the project has already restricted the area it can move to by starting the planning process. Small optimisations may be possible if the survey area is large enough but this adds additional pre Gate 2</p>	

costs to development due to the project connection point being unknown. Element 14 may be more useful if technology type and MW capacity has a level of flexibility.	
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The proposed timescales are acceptable, however should be monitored to ensure they are optimal for the TO and applicants.	
Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Introducing a capacity reallocation procedure is appropriate, however this process should undergo consultation with industry. There is insufficient detail to comment on in this CMP.	
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please see response to Element 5.	
Element 18: Set out the process for how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria (see pages 33-34, 51-53)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
N/A	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The proposed Methodologies: Connections Network Design Methodology, Gate 2	

	Criteria Methodology and Project Designation Methodology, policy details sit outside of the CUSC and are not the subject of this proposal. However, as they are intrinsically linked to the reform, they should either not be considered at all in this CMP or in full detail. The request for an opinion is not appropriate without knowing what exactly is being proposed.	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>The MVP requires an Element which outlines the practical consequences of implementing the Gate process as it is processed. As outlined in Element 11, the programme for achieving M2 and Gate 2, given the 2 year Longstop date and survey period, results in imbalanced risk profile in relation to the Gate process and overall connection date. Therefore although many Elements are functional, the overall impact will negatively impact competition for smaller developers. Therefore an Element which proposes that M1 is not triggered until within 6 years of a connection date should be considered.</p> <p>An Element which considers how this CMP will discriminate against technology type should also have been introduced. See more information in response to Q9.</p>	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>A key outcome of connections reform is to accelerate the delivery of projects, therefore if a project qualifies for Gate 2 at the start of the application process then the applicant should be able to move straight to Gate 2 and avoid unnecessary procedures and delay.</p>	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Generators with longer planning processes will be unduly discriminated against. Energy Storage is listed on 1129 connections out of 1574 (72%) non-built projects on the TEC register as of 02/08/24, this is attributable to 67% of the contracted</p>	

	<p>TEC to be built and totals 377GW. As some of these connections are collocated, the 377GW will not solely be for Energy Storage. However it is of a sufficient scale which will oversaturate the ESO/TOs resources, network reinforcements and the Energy market. Energy Storage can achieve consent quicker than Generators such as Onshore/Offshore Wind and Nuclear Power Stations. These generators will require more time to survey and planning processes are far more complex. The proposed system will lead to an imbalance of contracted parties who reach Gate 2 first. Therefore resulting in a reduced generation mix on the GB Network. Muirhalls experience developing Energy Storage and Onshore Wind, alongside our awareness of the delivery requirements of each asset gives Muirhall cause for concern.</p> <p>TOs and Developers have been making this point for some time, therefore it is disappointing that this issue has not been addressed in more detail within this CMP.</p>	
<p>10</p>	<p>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).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
	<p>Most of the mitigations are not sufficient in offsetting the negative impact of the proposals within this CMP, therefore please see additional information in Element 11 and Q7. Under the current proposals, planning applications will expire before the connection dates. The Forward Looking M2 Milestone and validity of such planning consent does not offer adequate flexibility for typical consenting timescales. A project cannot start a planning process at Gate 2 and meet M1 and 2. Therefore M1 should have a trigger date when it falls within a period whereby the consent will not expire while waiting for a connection date.</p> <p>d) may be an appropriate compromise, by only relying on backwards looking when more than X years away but this would need to be explored further depending on the period of time (X) and resulting backwards looking milestone date.</p>	
<p>11</p>	<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	It is acceptable for Distribution Forecasted Transmission Capacity to be in CMP434.	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The details and impacts of each proposed guidance (e.g. DFTC, CNDM, Project Designation, Gate 2 Criteria) cannot be scrutinised in this CMP, therefore the responses within this CMP are being provided without fully understanding the consequences of the decision.		