

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	
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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 type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D Click or tap here to enter text.
2	Do you support the proposed implementation approach? (see pages 59-61)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Yes, we support the proposed implementation approach. The gated process effectively prioritizes viable projects, which aligns with the government's Net Zero targets by reducing wait times for developers. Moreover, the approach enhances competition by streamlining connections for projects crucial for achieving Net Zero, and it improves efficiency in the implementation and administration of the CUSC arrangements, benefiting customers and consumers by allocating capacity more efficiently and reducing costs through batch processing. Additionally, the transition for existing projects to the new Gate Processes is clearly outlined, ensuring that no project is left behind, and the proposed changes to business processes and the ESO's Customer Portal are necessary to support this new approach.
3	Do you have any other comments? Click or tap here to enter text.	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
It would be better if there would be opportunity for industry to propose Alternatives or to raise their own modifications to the proposed Authority approved Methodologies.	
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
Restricting significant change requests to specific windows could limit flexibility and responsiveness	
Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Yes, we agree that Element 3 has clarified and cover all the project types which should go through Primary Process.	
Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Clear guidance, stakeholder engagement, and flexibility are essential in the proposed significant modification application process. Prohibiting certain changes could lead to gaming the application process through multiple similar applications. Additionally, while reasonable changes due to normal development wouldn't be considered significant, fundamental location changes would require a significant modification application.	
Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We partially agree with Element 5 of the proposed solution. While the DFTC concept is beneficial for anticipatory network planning, the potential risk of having these arrangements outside of Code Governance could lead to a lack of uniform application. To mitigate this risk, it is important to establish clear, enforceable standards within the ENA guidance document and ensure it is closely aligned with formal regulatory requirements.	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
It would be better to have multiple Gate 1 windows throughout the year instead of only one window for submission.	

Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We are ok with 3 years, as long as it is actually 3 years i.e. this starts when a Gate 1 connection offer has been accepted, and ends when Gate 2 criteria have been met. We agreed with the suggestion that the deadline could be based on when the applicant meets Gate 2 criteria rather than when they accept the Gate 2 offer.</p>	
Element 9: Project Designation (see pages 17-18, 48-49)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We have reservations about Element 9 of the proposed solution. While the ability to designate critical projects and accelerate their connection dates is beneficial, the methodology for determining these projects should be clearly defined within the CUSC to ensure transparency and consistency. Additionally, the power granted to the ESO could lead to potential biases and disputes, especially if other projects feel unfairly disadvantaged. A robust dispute resolution process must be established to address these concerns effectively.</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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We see the potential benefits in Element 10, particularly regarding the reservation of connection points and capacity to support network competition and offshore coordination. However, I have concerns about how the reservation process will be implemented and managed. Specifically, I would like more clarity on how the reservation periods will be determined and the criteria for releasing unallocated capacity. It is also crucial to ensure that the proposed approach does not inadvertently disadvantage onshore projects or create inefficiencies. Additional details on the governance and transparency of this process would be beneficial.</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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Yes, we agree with Element 11 of the proposed solution. The criteria for Gate 2 and the ongoing obligations outlined seem well-structured and practical. By requiring developers to secure 100% of the necessary land and provide a detailed red line boundary, the proposal ensures that only serious projects progress, which should help streamline the queue management process. We also appreciate the incorporation of forward-looking milestones, which should incentivise developers to progress their projects more efficiently. However, we believe it's crucial to monitor the impact of these changes on developers, particularly regarding the early</p>	

submission of planning applications and the potential for project boundary changes. Overall, the approach seems balanced and addresses key issues effectively.	
Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We have concerns about Element 12 of the proposed solution. The differences in treatment between Transmission and Distribution projects need to be addressed to ensure fairness and consistency. More detailed guidance on how the process will adapt based on stakeholder feedback would also be necessary to address any concerns about process rigidity.	
Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We generally agree with Element 13, but there are a few areas of concern. The self-declaration approach is a reasonable method for managing the Gate 2 criteria, but the reliance on sample checks rather than full verification may impact the robustness of the process. It's crucial that the minimum percentage of applications to be sample-checked is defined clearly to maintain consistency and reliability.	
Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We have mixed feelings about Element 14. The proposal to allow developers to move their project site closer to the connection point is a positive step towards addressing project viability issues. However, we are concerned about the potential for system manipulation and the fact that this option is not available for Distribution connected projects. It may be beneficial to monitor how this provision is used in practice and consider additional safeguards or broader applicability to ensure fairness and effectiveness. To avoid gaming the system, it could be better if there will be a limitation applied to the location of the red line boundary used to enter into Gate 2, relative to the original application point, i.e. max x km away. Obviously, this limitation would not need to apply if an alternative connection point is provided.	
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
We agree with Element 15.	
Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	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)	
	We support the codification of the DFTC process but there would be need for a robust governance structure to manage its implications on economic value and electricity costs. It might be easier for customers if they can apply Gate 2 offer directly with ESO.	
	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
	We agree with Element 18, but we have concerns regarding customer visibility into the process of DNO/iDNO interactions with NGESO. Specifically, we question whether customers will have access to track the status and progress of their applications. Additionally, we seek clarification on whether a specific timeframe will be established in the code for DNOs/iDNOs to notify NGESO once their customers have met the Gate 2 criteria.	
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 checked="" 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 checked="" 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	being able to apply straight into the Gate 2 process if the project meets both the relevant Gate 2 and Gate 1 criteria?	
	<p>We believe that Gate 1 should be an optional process step, allowing projects that meet both Gate 1 and Gate 2 criteria to apply directly into the Gate 2 process. This flexibility can benefit well-prepared projects that have already met the necessary criteria, thereby speeding up their development timelines. It would also reduce administrative burdens and costs for both developers and regulatory bodies by streamlining the application process. Moreover, allowing direct entry into Gate 2 can encourage more efficient project planning and execution, particularly for projects that are ready to proceed without needing the preliminary oversight provided by Gate 1.</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>The process could discriminate against speculative projects, but We believe this is justified. By setting rigorous criteria and milestones, the process ensures that only serious and viable projects progress, which helps in managing the connection queue more efficiently. This approach is necessary to prevent gridlock and ensure the timely connection of projects that are ready and able to proceed.</p>	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>We think option (c) is the most practical. It proposes that the M1 milestone time period only starts from when the Transmission Owner (TO) has confirmed the location of their substation, which is crucial for the developer to prepare and submit their planning application. This ensures developers are not forced to act prematurely and can plan more accurately.</p>	

	In cases where the connection date provided is more than a set number of years away, e.g. 6 years plus, then elements of option (d) might have to be incorporated for TCPA projects, where planning expires after 3 years.	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We agree that DFTC should be included as part of CMP434. The DFTC submission process will enhance the visibility of forecasted capacity for small and medium power stations, allowing for more strategic and coordinated network planning. This will ultimately support efficient investment and help avoid potential congestion in the network. Including DFTC aligns with the broader goals of CMP434 by improving the data exchange between DNOs, iDNOs, ESO, and TOs, which is crucial for informed decision-making and capacity allocation.	
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
	Yes, we anticipate issues with having these arrangements outside of Code Governance. Keeping critical processes such as DFTC, CNDM, Project Designation, and Gate 2 Criteria outside of the formal Code Governance framework could lead to a lack of transparency and accountability. This might result in inconsistent application and interpretation of these guidelines across different stakeholders. Ensuring these arrangements are governed by a standardized code would help maintain uniformity, fairness, and clarity in the implementation and enforcement of these processes. However, we are happy for implementation to be prioritised, and for codification to occur during and post the implementation process.	