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CMP435 & CM096

Workgroup 20 Meeting

Summary

CM434 & CM095 Workgroup Meeting 26

Date: 26/09/2024 **Location:** Teams
Start: 10:00 AM **End:** 2:50 PM

Participants

Name	Initial	Company	Role
Catia Gomez	CG	Code Administrator, NESO	Chair
Alice Taylor	AT	ESO	Proposer CMP435
Angela Quinn	AQ	ESO	Legal Text
Elana Byrne	EB	ESO	Technical Secretary
David Halford	DH	ESO	Proposer Alternate CM096
Michael Oxenham	MO	ESO	Subject Matter Expert
Paul Mullen	PM	NESO	Subject Matter Expert
Richard Paterson	RP	NESO	Subject Matter Expert
Amy-Isabella Wells	AIW	NGET	Workgroup Member Alternate CMP435 and CM096
Andrew Colley	AC	SSE Generation	Workgroup Member Alternate CMP435
Andrew Yates	AY	Statkraft	Workgroup Member Alternate CMP435
Andy Dekany	AD	National Grid	Workgroup Member CMP435
Ben Adamson	BA	Low Carbon	Workgroup Member Alternate CMP435
Charles Yates	CY	Fred Olsen Seawind	Workgroup Member Alternate CMP435
Ciaran Fitzgerald	CF	Scottish Power	Workgroup Member Alternate CMP435
Clare Evans	SE	Scottish Power Energy Networks	Workgroup Member CMP435

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Darcy Kiernan	DK	NGV	Workgroup Member Alternate CMP435
Deborah MacPherson	DM	Scottish Power Renewables	Workgroup Member CMP435
Garth Graham	GG	SSE Generation	Workgroup Member CMP435 & CM096
Gareth Williams	SW	Scottish Power Transmission	Workgroup Member CMP435
Grant Rogers	GR	Qualitas Energy	Workgroup Member CMP435
Greg Stevenson	GS	SSEN Transmission	Workgroup Member CMP435
Hannah Sharratt	HS	Electricity North West Limited (ENWL)	Workgroup Member Alternate CMP435
Helen Snodin	HS	Fred Olsen Seawind	Workgroup Member CMP435
Hooman Andami	HA	Elmya Energy	Workgroup Member CMP435
Hugh Morgan	HM	Energy Technical & Renewable Services Ltd	Workgroup Member CMP435
Jack Purchase	JP	NGED	Workgroup Member CMP435
Joe Colebrook	JC	Innova Renewables	Workgroup Member CMP435
Jonathan Whitaker	JW	SSEN Transmission	Workgroup Member Alternate CMP435 & CM096
Kimbrah Hiorns	KH	EDF Renewables UK & Ireland	Workgroup Member Alternate CMP435
Luke Scott	LS	Northern Powergrid	Workgroup Member Alternate CMP435
Mark Field	MF	Sembcorp Energy (UK) Limited	Workgroup Member CMP435
Michelle Macdonald Sandison	MMS	SSEN	Workgroup Member CMP435
Mpumelelo Hlophe	MH	Fred Olsen Seawind	Workgroup Member Alternate CMP435
Niall Stuart	NS	Buchan Offshore Wind	Workgroup Member CMP435
Paul Jones	PJ	Uniper	Workgroup Member CMP435
Ravinder Shan	RS	FRV TH Powertek Limited	Workgroup Member CMP435
Richard Woodward	RW	NGET	Workgroup Member CMP435
Rob Smith	RS	Enso Energy	Workgroup Member CMP435
Ross O'hare	RO	SSEN	Workgroup Member Alternate CMP435
Ross Thompson	RT	UK Power Networks	Workgroup Member CMP435
Salvatore Zingale	SZ	Ofgem	Authority Representative
Sam Aitchison	SA	Island Green Power	Workgroup Member CMP435
Samuel Railton	SR	Centrica	Workgroup Member CMP435
Steffan Jones	SJ	Electricity North West Limited (ENWL)	Workgroup Member CMP435

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Agenda

#	Topics to be discussed	
1.	CMP435 Draft Legal Text Discussion	NESO
2.	CMP435 Alternative Requests and Alternative Vote	NESO
3.	Action Log	NESO

Discussion and details

#	Key Areas of Discussions
1.	Timeline
2.	SME Update and Proposer update
3.	Review of draft legal text
4.	CMP435 Alternative Requests and Alternative Request Vote
5.	Action log
6.	AOB & next steps

1. Timeline

The timeline for the upcoming meetings was shared with the Workgroups, noting recent changes for the coming week.

2. Proposer Update

The Proposer provided an update on an action from last week’s Workgroup regarding the NESO considering impacts on the proposed Alternative Requests. There are likely to be varying levels of difficulty for implementing different Alternatives, but at this stage it felt to be too early to determine whether it would be more/less difficult than implementation of the Original solution. Once the list of Alternative Requests voted through to become Workgroup Alternative CUS Modifications (WACMs) is clearer it will be possible to explore the implementation further with the WACM Proposers and determine impacts on systems and timings for the NESO.

3. Review of Draft Legal Text

NESO stated that although the CMP435 legal text is less than for CMP434, it is important that the Workgroup members understand the text to understand its implications. Overall, there is still a need for clarity in relation to process timelines/timeframes in the legal text, with placeholder text being used until these are known. It was stated that these timings will be finalised as soon as possible, with them being influenced by other areas of Connections Reform.

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An updated drafting note (previously shared in Workgroup 18) was shared for reference on the approach taken for creating the legal text. There was discussion on this, including on the clarity added for what the Gate 2 offers would include. It was also outlined that the legal text drafting aimed to adopt the same style that has been adopted for CMP434.

While discussing the legal text, there were some questions raised by the Workgroup members. One question related to release of securities if going from Gate 2 to Gate 1. NESO stated that this is in the proposed text already. NESO then explained that if you don't apply to Gate 2 or don't meet Gate 2 criteria, the agreement is made conditional with a Gate 1 offer. All rights and obligations under it are disappplied until a project gets to Gate 2, so although there are terms in that Gate 1 construction agreement regarding security, they aren't live and will not be applied until the point at which an agreement is updated to become a Gate 2 agreement.

Another question asked came from a budgeting perspective, and asked for confirmation that there is no application fee for Gate 2, but there is for a transitional application. NESO stated that if you are making a Gate 2 request (not transitional) without requesting advancement, then there would be no fee. Transitional agreement requests will incur a fee because at the point of applying for Gate 2 the fee paid would not be for a full contract (not fully studied, etc.) and a mod app would be needed, therefore incurring a fee. If a project is applying for something different (a full contract versus a transitional agreement or acceleration at Gate 2) a modification application and a modification application fee would be required, which has been reflected in the legal text.

One Workgroup member stated that it needs to be clear what the implications are for their project if they do not make an application and for the time period in which securities will be paid back.

Another question raised was in relation to an acceleration/advancement request for an application. It was outlined that the Connection Network Design Methodology (CNDM) will give offers based on acceleration requests. If you do not ask for an earlier date, you will not get an earlier date so projects should consider such requests if they wish for that.

NESO then stated that all existing agreements will eventually become Gate 2 projects with Gate 2 project obligations or become Gate 1 projects. There is no way an in scope project will remain as it is currently and cannot become either a Gate 1 project or a Gate 2 project.

There were concerns raised by Workgroup members about embedded generators, which needed to be considered again for clarity in the legal text. In some places of the legal text, it was asked if there was too much detail. For example, when discussing the checks on the declarations and the expectation that DNO's will be providing checks - it was asked if the level of detail in the legal text was helpful, to which it was agreed that it was.

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4. CMP435 Alternative Requests and Alternative Request Vote

The Workgroup members voted on four of the five alternative requests:

- Alternative Request 1 will not be voted in as the majority vote was 'no' for this request.
 - Alternative request 7 will not be voted in as the majority vote was 'no' for this request.
 - Alternative request 8 was not voted on as the proposer was not present and will be voted on next week.
 - Alternative request 9 will become WACAM 1 as it had a majority 'yes' vote.
 - Alternative 10 will not be voted in as the majority vote was abstained, and the highest number of votes after abstaining were a no vote.
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5. Action Log

The following actions were closed in this meeting: 36,42,57, 59, 79,80, 85, 93,94, 99, 105, 109, 113

AOB

There was no other business.

Next Steps

The legal text will be circulated as soon as possible to the Workgroup via email, and it will also be shared to the collaboration space. It was requested that comments are returned by the end of Wednesday 02 October.

The Workgroup report was confirmed to be shared as soon as possible.

It was noted that two additional Alternative Requests are going through critical friend checks and are planned to be ready to view at the next Workgroup.

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Action Log

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
21	WG3	NESO Connections Team	When considering transitional arrangements, include guidance for staged projects	To be covered in more detail under Phase 2	WG6	Open
36	WG5	Angie	Statement from NESO as to the CAPI50 powers and how they are applied /can be applied re: ongoing compliance (include link to CAPI50 info on NESO website)	This is part of the CMP434 legal text		Closed
42	WG6	AC/FP	Check with legal as to the clock start dates for new applications considering the point of implementation after an Authority decision (is 15th of November date is legally acceptable as the Gate 1 process only comes to existence 10 Working days after Authority decision?)	This question is no longer applicable now that Phase 1 is in place and the decision and implementation dates have changed. NESO have said that following Ofgem's decision on 21 August 2024, any new directly connected transmission application made from 2 September 2024, will receive a Transitional Offer.		Closed

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56	WG8	MO	Clarification with legal regarding guidance and introduction of any new obligations.	Clarity on this should be provided by the legal text	Ongoing	Open
57	WG8	MO	NESO set out the processes and timing for determining liability and security for April 2025 and October 2025.	April 2025 and October 2025 processes are currently expected to continue as normal in respect of existing agreements but this will be kept under review.		Closed
59	WG8	MO	Provide WG with the list of documents outside the mod, the principles for guidance docs and timelines for the development of methodology documents.	Awaiting methodology content and timescales before the NESO can update on this		Closed
60	WG8	RP	(Replacement for action 35) Provide relevant updates from SCG	Suggest that this is closed as an action and instead we have a standing agenda item moving forward		Closed
79	WG10	MO	Develop a diagram for consultation for alignment of methodologies' timings vs the modifications	No longer proposing to complete this action due to the recent Ofgem Open Letter and approach in respect of methodology discussion		Closed
80	WG10	MO	Provide further clarity on the nature of the projects designated in 2025, and separately those projects would have reserved capacity.	NESO are not providing any further information on this as part of the code process as until we have run the process we will not know which projects are subject to Capacity Reservation.		Closed



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84	WG11	PM/HS	To discuss how to make Offshore projects holding offers in scope of the modification	Ongoing discussions between Connections and Offshore Coordination team and have spoken to HS	Ongoing	Open
85	WG11	AC/DD	Comeback to WG with Justification on proposals on exempting mod apps from implementation date	This is related to the Phase 1 transitional arrangement scope which has now been set and is in place		Closed
89	WG14	MO	STC solution to expand on intended process and contract changes (particular importance for TOs)	NESO Legal are working on CM095 and CM096 legal text solutions. Ongoing weekly conversations with TOs is taking place	Ongoing	Open
93	WG14	NESO Connections Team	Update on the pathway of modifications in relation to the wider Reform package	Propose that this becomes a standing agenda item instead to provide general updates on other aspects of TMO4+		Closed
94	WG15	NESO Connections Team	Clarification sought on whether the change to assess whether projects are needed introduces any risk to projects before the new arrangements go live (in context of an investment hiatus).	NESO session arranged for 16th September "Potential to apply a technology lens to Connections Reform event"		Closed
96	WG15	PM	CNDM team to be asked how existing projects not meeting Gate 2 will be factored into the CNDM (in case of any		Ongoing	Open



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			consequential issues for removing the Gate 1 longstop)			
98	WG15	PM	To check if TEC reduction will still mean projects are open to liabilities	To be covered as part of CMP435 legal text	Ongoing	Open
99	WG15	PM	NESO to consider the new proposed reforms to National Planning Framework for nationally significant solar projects and any impacts for the Planning Regime timescales for Town & Country Planning (TCP)	We would either use the Exceptions process (if e.g, a developer can't meet M1 timings because planning authority have made it longer) and/or later raise a Modification to change the timescales set out in the forward looking M1 timetable (as set out in Section 16 Legal Text, which equally applies to CMP434 and CMP435)		Closed
100	WG15	RM	Will timescales for submitting offers change with changes in programme timelines	Cannot be provided until revised programme available, including revised implementation and go-live dates.	Ongoing	Open
101	WG15	RM	Workgroup require timings for the further updates on Element 19		Ongoing	Open
102	WG15	MO	Swim lane document to be produced for CMP434 and 435		Ongoing	Open



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105	WG16	AT/SB	Request for NESO to provide comment on how options will be created for Govt decisions on capacity mix (and the legal basis for decisions)	NESO session arranged for 16th September "Potential to apply a technology lens to Connections Reform event"		Closed
107	WG17	AC	Clarify the process for transitional accepted offers in relation to 434 and/or 435 processes	Ongoing discussions	TBC	Open
108	WG17	AQ	Come back with a clarificatory position on application routes where GSPs are involved	TBC	TBC	Open
110	WG17	AQ	Provide the document outlining the CMP435 legal text approach for sharing with the Workgroup	Provided ahead of WG20	TBC	Open
111	WG18	MO	NESO and Ofgem to discuss expectations re: TOR i) and feedback to Workgroup.		TBC	Open
112	WG18	RM	Underlying RFI data to be supplied in Excel format as per WG17		TBC	Open



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113	WG19	AT	NESO to consider the technical impacts of the proposed Alternative Requests for CMP435	As per Proposer's update in WG20	Closed
114	WG19	MO	NESO to provide an update on the Swim lane diagram - ref dates and Ofgem letter		

