**CUSC SECTION 17**

**GATED APPLICATION AND OFFER PROCESS**

**Introduction**

* 1. This Section explains the processes for making the applications and offers that fallunder the **Gated Application and Offer Process**.
  2. The **Gated Application and Offer Process** will first apply from the **CMP434 Implementation Date** and from the **CMP434 Implementation Date** applications and offers which fall under the **Gated Application and Offer** **Process** can only be made in accordance with the **Gated Application and Offer Process**.
  3. **CUSC** contains processes for applications and offers and the **Gated Application and Offer Process** replaces those processes where the **Applications** are **Gated Applications**. As a consequence, where the **Application** is a **Gated Application** the **Offer** and **Acceptance** processes and timelines shall be replaced (as noted in the relevant **CUSC** Sections) with this **Gated Application** **and** **Offer Process**.
  4. The **Gated Application and Offer Process** comprises of the following activities:
* **Gated Application Window**
* **Gated Design Process**
* **Offer**

The **Gated Application and Offer Process** will be undertaken in accordance with the **Gated Timetable** for a **Gated Application Window and Offer Run**.

* 1. **Gated Applications**

After the **CMP434 Implementation Date** the following types of applications have to follow and offers can only be made in accordance with the **Gated Application and Offer Process**:

* + 1. An application for a **New Connection Site** (including a **Grid Supply Point**). This includes an application for a **New Connection Site** where the **New Connection Site** is triggered by a **Transmission Evaluation** **Application**. This does not however include an application for such **New Connection Site** by an owner/operator of a **Distribution System** where the application is not triggered by **Embedded Power Stations**.
    2. An application for a **Bilateral Embedded Generation Agreement**.
    3. An application for a **BELLA**.
    4. A **Transmission Evaluation Application** under **CUSC** Section 6 Paragraph 6.5.5.
    5. An application (by **Modification Application**) for a **Gate 2 Offer** in respect of a **Gate 1 Agreement**.
    6. A **Modification Application** (in addition to those referred to in Paragraph 17.5.4 and 17.5.5) to (a) any **Gate 2 Agreements** or (b) (any **Gate 1 Agreements** with **Reservation** (where the **Modification Application** is not requesting a **Gate 2 Offer**),which in either case is a **Gated Modification Application** and so has to follow the **Gated Application and Offer Process**.

* 1. **Making a Gated Application**

* + 1. A **Gated Application** can be madeat any time within the **Gated Application Window**.
    2. In the case of a **Transmission Evaluation Application**, the application can be made after the closure of the **Gate 2 Application Window** on the basis that the owner/operator of the **Distribution System** will (a) within the **5** **Business Days Period** provide the basic information required to create construction planning assumptions and (b) within the **15 Business Days Period** provide full technical data and the items referred to at Paragraph 17.7.3.2.
    3. **Gated Applications** for a **New Connection Site** orapplicationsfor a **BEGA** for a **Large Embedded Power Station** or **BELLA** can, at the **Applicant’s** choice, be made on the basis of a **Gate 1 Application** or(initially or subsequently) a **Gate 2 Application**.
    4. The owner/operator of the **Distribution System** will be notified by **The Company** as soon as reasonably practicable of the **Gate 1 Applicatio**n or **Gate 2 Application** for a **BEGA** or **BELLA** by **Modification Notice**.
    5. A **Gate 2 Application** for a **BEGA** and **BELLA** can be made at any time but will not progress as a **Gate 2 Application** until and within the **Gated Application Window** in which the **Distribution** **EG Related Application** is made.
    6. The owner/operator of the **Distribution System** will, subject to the requirements of Paragraph 17.6.8 having been met:

1. use reasonable endeavours to submit the **Distribution** **EG Related Application** to **The Company** in the current or next available **Gated Application Window** after the notification to it by **The Company** of a **Gate 2 Application** by a **Large Embedded Power Station** for a **BEGA** or **BELLA;** and
2. in all other cases, use reasonable endeavours to submit the **Distribution** **EG Related Application** to **The Company** by reference to a **Gated Application Window** in the period specified in Paragraph 17.6.2 where prior to or within that **Gated Application Window** a **Relevant Embedded Power Station** has notified the owner/operator of the **Distribution System** that it wants the owner/operator of the **Distribution System** to submit a **Gate 2 Application** and the owner/operator of the **Distribution System** considers that the **Gate 2 Criteria** for readinesshas been met.
   * 1. **Embedded Power Stations** should as soon as reasonably practicable notify the owner/operator of the **Distribution System** of their intention to make or their having made (in the case of **Large Embedded Power Stations**) a **Gate 1 Application** and/or (otherwise) a **Gate 2 Application.**

* + 1. **Embedded Power Stations** should be aware that the owner/operator of the **Distribution System** will have its own requirements of them (including the **Embedded Power Station** having entered into an agreement for connection to and use of the **Distribution System** and paying any relevant fees) prior to the owner/operator of the **Distribution System** submitting the **Distribution EG Related Application**.
    2. Other than as expressly noted above, a **Gate 1 Application** or **Gate 2 Application** can only be made in the **Gated Application Window**.
    3. A subsequent **Gate 2 Application** in respect of **Gate 1 Agreements** can (except in case of **Reservation** which will be subject to the **Gated Modification Guidance** and other relevant guidance) includechanges to the project from that as described inthe **Gate 1 Agreements**.
  1. **Assessment of the** **Gated Applications**

* + 1. A **Gated Application** will need to be **Competent**. In the case of a **Gate 2 Application** for a **BEGA** or **BELLA** both that **Gate 2 Application** and the **Distribution EG Related Application** have to be **Competent** in the same **Gated Application Window**.

* + 1. A **Gate 1 Application** for a **New Connection Site**, should alsoinclude, as appropriate, a **Letter of Authority** or a **Letter of Acknowledgment**.
    2. A **Gate 2 Application** should also show and evidence readiness to proceed by:
       1. in the case of a **Gate 2 Application** for a **New Connection Site**, **BEGA** for a **Large Embedded Power Station** or **BELLA**,including the **Readiness Declaration** and (except where the **Gate 2 Criteria Methodology** expresslyprovides otherwise) the **Original Red Line Boundary** (including the **Installed Capacity**). As these are provided by the **Large Embedded Power Station** in the case of a **Gate 2 Application** by a **Large Embedded Power Station** these are not required to be included in the **Distribution EG Related Application**;

* + - 1. in the case of a **Gate 2 Application** for a **Distribution EG Related Application** in respect of a (or more than one) **Relevant Embedded Power Station** (including where they have a **BEGA)**,including the **Readiness Declaration** and **Original Red Line Boundary** (including the **Installed Capacity**) in respect of the (and if more than one each) **Relevant Em bedded Power Stations** being thoseprovided to theowner/operator of the **Distribution System** by the **Relevant Embedded Power Station**.
    1. **The Company** will notify the **User** whether a **Gate 1 Application** is **Competent** and complies with Paragraph 17.7.2 as soon as reasonably practicable after receipt of the **Gate 1 Application**.
    2. A **Gate 2 Application** will be checked and assessed by **The Company** against the **Gate 2 Criteria.**
    3. **The Company** will notify the **User** (and also in the case of a **Large Embedded Power Station**, the owner/operator of the **Distribution System**)whether a **Gate 2 Application** is **Competent** and complies with (but always subject to Paragraphs 17.8 and 17.10 below) the **Gate 2 Criteria** such that it can enter the **Gated Design Process** as soon as reasonably practicable after receipt of the **Gate 2 Application** and in any event prior to the start of the **Gated Design Process**.
    4. Any **Gate 1 Application** not notified accordingly by **The Company** under Paragraph 17.7.4 above will not receive a **Gate 1 Offer**. Any **Gate 2 Application** not notified accordingly by **The Company** under Paragraph 17.7.6 above will not be able to progress to the **Gated Design Process** in that **Gated Application and Offer Process Run.**

* + 1. Where **The Company** is considering **Reservation** in respect of the **Gate 1 Offer**, **The Company** willadvise the **Gated Applicant** as soon as reasonably practicable after receipt of the **Gate 1 Application** and that as a consequence the **Gate 1 Offer** may be provided later in the **Gated Design Process**, given the design process involved to confirm the **Reservation**. **Reservation** will only be provided for in a **Gate 1 Offer** where the **User** has indicated in the **Gate 1 Application** that it is happy for this to be considered and **The Company** has notified the **Gated Applicant** of this.
    2. **Installed Capacity**

The sum of the **Installed Capacity** provided within a **Gate 2 Application** and the capacity of any existing **User's Equipment**or **Developer’s equipment**at the same site**,**must be equal to or greater than the total **Transmission Entry Capacity** or **Developer Capacity**or directly connected **Demand** MWs (as applicable) which will outturn at the relevant **Connection Site** or site of connection of the **Embedded Power Station** (as applicable) as a consequence of the**Gate 2 Application**.

* 1. **Gate 2 Criteria**

The **Gate 2 Application** must meet the **Gate 2 Criteria.** The **Gate 2 Criteria**,the process of evidencing and confirming that readiness has been met (and what is required for this) from a **Gated Applicant** is set out in the **Gate 2 Criteria Methodology**.

* 1. **Ongoing Compliance with the Original Red Line Boundary**

There are also particular requirements and consequences for ongoing compliance with the **Original Red Line Boundary** and theseare set out inParagraph 16.4.9 ofthe **Queue Management Process** and the **Original Red Line Boundary Reduction Clause.**

* 1. **Checking of the Readiness Declarations** 
     1. Although a **Gate 2 Application** may be notified as able to progress to the **Gated Design Process** under Paragraph 17.7.6,during and as soon as reasonably practicable within the **Gated Design Process** further detailed checks of the readiness submissions will be undertaken as followsin accordance with the **Gate 2 Criteria Methodology**:
        1. **The Company** shall use reasonable endeavours to undertake a more detailed check as set out in the **Gate 2 Criteria Methodology** on all (unless specified otherwise in the **Gate 2 Criteria Methodology**) the **Readiness Declarations** provided (other than where the **Readiness Declaration** is provided for a **Relevant Embedded Power Station** by the owner/operator of a **Distribution System** where it is expected that such owner/operator will use reasonable endeavours to undertake this detailed check).
        2. Within 15 **Business Days** of the end of the **Gated Design Process**, **The**  **Company** will publish on the **Website** the percentage of detailed checks which have been undertaken under Paragraph 17.10.1.1 as a percentage of the total of **Gate 2 Applications** which were **Competent** and met the **Gate 2 Criteria** for readiness for the purposes of entering that **Gated Design Process**. To facilitate and enable this, each owner/operator of a **Distribution System** shall within 10 **Business Days** of the end of the **Gated Design Process** provide the percentage of detailed checks it has undertaken for the purposes of Paragraph 17.10.1.1 as a percentage of the total of its **Gate 2 Applications** that entered the **Gated Design Process**.
        3. **The Company** shall check the evidence provided in all the **Readiness Declarations** for duplications and overlaps. Where duplications and/or overlaps are identified in the **Original Red Line Boundaries The Company** will contact the relevant parties concerned. In the event that duplications and/or overlaps are identified the process relating to this in the **Gate 2 Criteria Methodology** will be applied to establish whether in those circumstances any (and if so which) **Gate 2 Application** has not met the **Gate 2 Criteria**.
     2. Following the above **The Company** will notify the **User** (and in the case of a **Large Embedded Power Station**, the owner/operator ofthe **Distribution System**) whether the **Gate 2 Application** has fully met the **Gate 2 Criteria** (and where this is a **Transmission Evaluation Application** involving more than one **Relevant Embedded Power Station** whether all, none or which of the **Relevant Embedded Power Stations** have met the **Gate 2 Criteria**).

* + 1. If the **Gate 2 Criteria** has been met **The Company** will confirm to the **User** that a **Gate 2 Offer** will be made.
    2. If the **Gate 2 Criteria** has not been met **The** **Company** will confirm to the **User** (providing substantiated reasons why) that the **Gate 2 Application** has been rejected and that a **Gate 2 Offer** will not be made.
    3. In the case of a **Transmission Evaluation Application** involving more than one **Relevant Embedded Power Station**,the **Gate 2 Offer** will only be progressed on the basis of the **Relevant Embedded Power Stations** (and MW) that have met the **Gate 2 Criteria** and the **Gate 2** **Application** deemed to be amended accordingly.
    4. The notifications under Paragraphs 17.10.2 to 17.10.4 will be given by **The Company** to the **User** as soon as reasonably practicable.
  1. **Gated Design Process**

The **Gate 2 Applications** assessed by **The Company** as meeting the **Gate 2 Criteria** will beprocessed in accordance with the **Connections Network Design Methodology** and the **Project Designation Methodology**.

* 1. **Gate 1 Offer** 
     1. A **Gate 1 Offer** shall be provided by **The Company** as soon as reasonably practicable within the **Gated Design Process**. Where a **Gate 1 Offer** includes **Reservation** that **Gate 1 Offer** will be provided later in the **Gated Design Process**, given the design involved, than one which does not include **Reservation**.
     2. A **Gate 1 Offer** shall be provided in the **CUSC** form relevant to the **Gated Application** but will not have the full details in the Appendices and will include the **Gate 1 Conditional Clause**, the effect of which is to make all the rights and obligations conditional until a **Gate 2 Offer** is accepted. A connection location and date will be provided but only on an indicative basis and the connection date and location will only be confirmed (with all the other details) in a **Gate 2 Offer** following a **Gate 2 Application**.
     3. There is an exception to Paragraph 17.12.2 where **Reservation** has been included. In that case, whilst the rights and obligations remain conditional, the connection date and connection location of, as appropriate, the **Connection Site** or **Transmission Interface Site** or site of Connection may be provided and identified in the **Gate 1 Offer** and any **Gate 2 Offer** will be made on the basis of these subject to a **Gate 2 Offer** being applied for and accepted by the **Applicant** in the timescales specified in the **Gate 1 Offer**.
  2. **Gate 2 Offer**

* + 1. Any **Gate 2 Offers** shall be provided by **The Company**, in the timescales for this set out in the **Gated Timetable** for that **Gated Application Window and Offer Run**.

* + 1. A **Gate 2 Offer** shall be made in the **CUSC** form relevant to the **Gated Application** andprovide a connection date and location and the **Construction Works** and **Construction Programme** in respect of this.
    2. If the **Gated Applicant** has already accepted a **Gate 1 Offer**, the **Gate 2 Offer** will be a **Modification Offer** to, inter alia, remove the effect of the **Gate 1 Conditional Clause** and on acceptance the rights and obligations (including in respect of **Cancellation Charges** or **Final Sums** and the **Queue Management Process**) will apply.
  1. Any dispute between **The Company** and the **User** as to whether the **Gated Application** is **Competent**, meets the requirements atParagraphs17.7.2 and 17.7.3 and/orconforms to the **Gate 2 Criteria** shall be treated as an **Other Dispute** in accordance with **CUSC** Section 7.
  2. **Review**
     1. 12 months after the start of the **First Gated Application and Offer Run The Company** shall commence a review of the operation and application of the **Gated Methodologies** and **Guidance Documents** to see the degree to which this has achieved the stated aims and ambitions of the connection reforms (TMO4+) (the “**Gated Review**”).
     2. **The Company** shall publish the output of the **Gated Review** on the **Website** within 4 months of commencing the **Gated Review** and shall present this output of the **Gated Review** at the **Transmission Charging** **Methodology Forum** and **CUSC Modification Panel** as soon as practicable after and in any event within 2 months of the publication of the **Gated Review**.
     3. Following the presentation of the output of the **Gated Review** to the **CUSC Modifications Panel**, the **CUSC Modifications Panel** shall determine whether or not to submit the output of the **Gated Review** on terms specified by the **CUSC Modifications Panel** to a **Standing Group** in accordance with **CUSC** Section 8 Paragraph 8.21 to consider and report back as to whether including the **Gated Methodologies** and **Guidance Documents** as sections within **CUSC** being of benefit to stakeholders.

End of Section 17