

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:	Mark Field	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input checked="" 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 checked="" 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?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input checked="" type="checkbox"/>D</p> <p>A: The introduction of a structured, gated process, as envisaged, will prioritise those projects that are better prepared, well managed and ready to advance.</p> <p>B: The proposed process should allow viable projects to be able to connect more quickly. However, the application of new ESO powers to be able to prioritise some projects over others may hinder true competition in some cases.</p> <p>D: This more coordinated and rigorous approach to connections should result in a more effective capacity allocation, ultimately leading to the delivery of some tangible benefits</p>
2	Do you support the proposed implementation approach? (see pages 59-61)	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Subject to the availability and content of all proposed new methodologies and relevant guidance documentation, that the Workgroup has yet to see, together with an appropriate regulatory framework to cover these new proposals.</p> <p>It is important that the full scope of the proposed new Connection Reform is visible in order to provide a clear and complete view and for parties to be able to make fully informed decisions regarding their projects.</p>
3	Do you have any other comments?	<p>We would ask that the ESO maintains a close watch on any successful connection reform modifications as they embed. Clear communication of potential issues should be provided at the earliest opportunity for further discussion and potential modifications raised that are designed to address any unforeseen defects or further improve the process.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/>Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/>No</p>
Click or tap here to enter text.		

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><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
	<p>Whilst we understand the need to introduce a flexible approach to the implementation and future development of the connections process, further consideration is required to strike the correct balance in terms of codification. It must be understood that the Workgroup has yet to see any details of the proposed new methodologies or how these may be implemented in practice.</p> <p>Our current understanding is that the ESO licence can be (and has been) drafted to cover 'methodologies' and that this approach would provide a certain level of regulation, when exercised by the Authority under normal circumstances. By extending this concept to cover 'guidance' documents, it is unlikely that the Authority would wish to be actively involved in these matters, effectively leaving the ESO itself to exercise these duties. This would therefore effectively become a form of 'self-regulation' on behalf of the ESO. Consideration must therefore be given to the Regulatory process that should underpin the decisions that the ESO could make to such guidance documents and the potential material impacts that could result for parties involved.</p> <p>In addition, the 'light-touch' approach, as proposed by the ESO has the potential consequence of trying to bind parties to the content of guidance documentation, that will be difficult to achieve/ enforce in practice, whilst not providing any equivalent, reciprocal assurances in return.</p> <p>We have not found any evidence that this approach has been adopted previously, therefore this proposal seemingly seeks to establish a precedence, that in our opinion does not provide the usual standards of Regulatory rigour. We therefore ask that the ESO reconsider its position on this aspect of the proposed reforms</p> <p>It is our view that further consideration should be given to the potential implications for projects that will have heavily invested to reach a particular stage of development and will be working towards a specific connection date and location only to find that they have been pushed further back in the queue as a result of an ESO decision to prioritise other project(s).</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><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>We are in general support of the Primary Process.</p>	
	<p>Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

The list of projects that the ESO envisages will be required to go through the Primary Process seems comprehensive.	
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
We understand and agree with the requirement to include Significant Modification Applications as part of the Connection Reforms. We consider that the application of the criteria needs to be carefully considered and clearly communicated, so as to avoid the possibility of discrimination. For example, the ongoing development of existing plant, i.e. refurbishment that does not impact the network or propose changes to TEC etc.. We support the codification of Significant Modification Applications and the implications of how such requests would be progressed. .	
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 note the proposed introduction of the DFTC process and understand the benefit that this could bring to the HND. We acknowledge the draft ENA document that was made available to the Workgroup that provided greater clarity. We assume that the information that is collated will be reported and readily available and understand that the accuracy of this information will improve over time. On this last point, we are keen to see how the ESO and TOs will use this information during the early stages, at a time when the information that it provides could be 'incomplete'..	
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
We are supportive of the Gate 1 criteria as discussed and as this is essentially the same level of information that has already been introduced under CMP 376 in November 2023, effectively provides a solid foundation for the transition to the proposed new arrangements.	
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
Whilst no longer part of the overall proposals, we would support this resolution process and believe that it would be useful for managing the 'minor' administration type of issues and would help to streamline the process	
Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whilst we understand and support the introduction of the Longstop Date, we would ask that the ESO monitors the potential unforeseen effects that this may have, particularly for the larger projects that by their very nature have longer lead times	

<p>and as a result could be unnecessarily impacted by the three-year timescale that this imposes. We do however note that the ESO has the discretion to extend this timeframe. Therefore, it may be helpful at a later stage, to understand the circumstance that would apply or the criteria that may need to be developed to obtain further understanding/ certainty for developers.</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>We acknowledge that the ESO has stated that they envisage that Project Designation is not expected to be frequently used. However, it is difficult to see how many relevant new applications may emerge, particularly as a result of potential new policies that the Government may progress, that could fall within the proposed criteria.</p> <p>This taken together with the ESO's increased powers and intention not to codify this aspect of the connection reform makes this a difficult question to answer. For example, under certain circumstances this approach could adversely affect genuine projects that are looking to connect at the earliest opportunity through no fault of their own. Therefore, currently and on balance we do not support this element.</p> <p>We do, however, support the requirement that these projects must conform to the new Primary Process as this will ensure that there remains some form of control.</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>We remain to be convinced of the logic behind codifying Connection point and Capacity Reservation in the STC, but not in the CUSC, as we believe that it would be preferable to ensure alignment between the Codes wherever possible, regarding the Primary Process.</p> <p>This approach should help to avoid any potential unforeseen issues, as these modifications are implemented and so used in practice. For example, the potential need for certain key infrastructure projects that may also require some form of reservation, that may be excluded as they are not signatories to the STC.</p> <p>However, we note the need for the ESO to be able to support the outcomes following any Holistic Network Design Follow-up Exercise.</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 type="checkbox"/> No</p>
<p>We agree with and support the proposed Gate 2 Criteria and the associated ongoing compliance requirements for Land Requirements and Planning. However, with regard to planning timescales we would ask that the ESO gives further</p>	

<p>consideration regarding the shortened timescales that they have proposed, against those suggested by the Workgroup.</p> <p>Whilst we understand the ESO's need to streamline the process, these will potentially have a detrimental/ discriminatory impact for larger projects that are more complicated in nature and so can take longer to progress through the planning stage.</p> <p>We do not support the notion that only the <u>concept</u> of the Gate 2 criteria is codified, with the criteria themselves sitting within an, as yet to be seen, methodology. This is of particular relevance when considering that <i>"this is on the basis/<u>assumption</u> that the Authority sets out the consultation, governance and approvals process(es) in relation to the Gate 2 Criteria in the ESO licence"</i>. Underlining added for emphasis.</p> <p>We may amend our view at a later date once the Authority position and decision is better known and understood. The issue of codification is further compounded as the Proposer proposes that the change to the requirements for Queue Management Milestone M1 will be codified in CUSC, potentially making future amendments to both the Primary Process and the underlying Code more complicated.</p>	
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 are supportive of the general arrangements	
Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>As the content of the proposed Gate 2 Criteria methodology that will contain the details as to how the criteria will be assessed has not yet been seen, we are not able to fully comment on this Element, at this time.</p> <p>We ask that the ESO considers that if duplication checks are an important part of the process, that these are undertaken for 100% of applications and not the proposed sample.</p>	
Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We consider that allowing a 12-month period is a pragmatic solution to the problem of potential changes to a site location following a Gate 2 Offer acceptance. However, we again ask that this is further considered for larger developments that may not be able to readily prepare to re-locate within this timeframe.</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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We are supportive of this element, notwithstanding our comments with regard to the proposed new methodologies.	

	Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	As the CNDM is to include the mechanism for how capacity is reallocated, this is an important aspect of the proposed reforms. The Workgroup has not seen the content of the proposed methodology or has been able to establish a view as to how it would work in practice. Taken together with the fact that the ESO proposes that this will not be codified, we cannot currently support this element.	
	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
	We understand that the proposed new DFTC process will help to inform on connecting capacity and will be a useful input to the HND. We also welcomed the initial draft document from the ENA that whilst not complete, provided a good general overview. We also note that that forecasts will improve over time as increasing levels of information will become available and that a level of caution may need to be applied during the early stages of DFTC use.	
	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
	As this element is proposed to generally follow the BAU process we do not see any potential issues with this approach.	
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
	The range of Elements discussed and included within the proposal seem to cover all of the major areas of connection reform that need to be considered and if implemented correctly, should help to manage the prevailing issues	

	We would however, ask that the ESO continues to monitor any successful reforms and remains mindful of the potential need to raise and progress any future modification that may be required to address any unforeseen issues that may arise.	
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
	We have not identified any additional features that should be included as part of the MVP. We suggest that the ESO continues to monitor and regularly review the new connection process as it embeds, consults on any issues or gaps that may be identified and provides the necessary updates and notification to the industry	
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
	The Gate 1 process generally follows the existing approach as implemented under CMP 376 in November 2023 for connection applications. As such, it provides the most stable way of transitioning to the proposed Primary Process. However, where projects can clearly demonstrate their compliance with both Gate 1 and Gate2 criteria, consideration should be given to applying the Gate 1 process conditionally, but be based on the ESO's assessment that these criteria have been met.	
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>As the proposed new Primary Process introduces different paths to connection for different projects there will always be the possibility of introducing some form of discrimination.</p> <p>For example, those Embedded Generation projects that will apply via the (I)DNOs and be included within the DFTC methodology will have their impact on the Transmission Network assessed in combination with other projects wishing to connect in a particular zone. The outcome of the TO assessments may therefore</p>	

	<p>be more favourable, when compared to the costs associated with improving the network for a single project.</p> <p>The new CAP150 powers provided that the ESO intends to use as part of its Connection Reform (i.e. Project Designation, the proposed CNDM and Capacity and Bay Reservation capability) and the need to consider the HND aspect when assessing new connections are all likely to introduce additional biases that are not currently present in the existing connections process.</p> <p>Given these proposed changes it is possible that these will introduce some form of discrimination. However, it is difficult to assess, at this stage, just how this will be manifest and so we would, once again, ask that the ESO monitors, reports and potentially raises modifications to address any potential and unjustified discrimination that may emerge, at the earliest opportunity.</p>	
10	<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 type="checkbox"/> No</p>
<p>If, as seems likely, the ESO introduce M1 as a forward-looking milestone then consideration must be given to the potential consequences that could exist for some Projects that are legitimately trying to progress but who could be hampered by the Planning process itself.</p> <p>Of the five WG options suggested we would support the following in rank order:</p> <ul style="list-style-type: none"> • d) The M1 Milestone remains backwards looking from the Completion Date if a project's Completion Date is more than X years away. • a) Forward Looking M1 Milestone takes into account expected decision timelines and validity of such planning consent with the idea that planning does not expire before planning conditions are discharged. • e) Include a rectification period for a developer to resubmit their application for planning (M1) if the permission expires before the Completion Date. <p>As the ESO proposed solution to Connection Reform will result in an increased risk in terms of planning on Developers, without any clear route for these to be managed or mitigated, our view is that Planning Authorities should also be consulted. This should establish the likelihood and severity of any potential planning risks and clarify that sufficient resource is available within Planning Authorities to manage their responsibilities associated with Connection Applications and to meet the timescales that these reforms will introduce.</p>		

	<p>The findings could then be used as the basis for further industry discussions as to what mitigation may be required or possible</p> <p>These proposed Connection Reforms are likely to result in an increase in the number of Planning Applications initially, as legitimate and viable projects seek to gain a better queue position under the new arrangements by being some of the first projects to apply. The ESO therefore needs to consider these practicalities and the resources required to manage the proposed new process, in all aspects.</p>	
11	<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>
	See response to Element 17	
12	<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	Please see responses provided above.	