

**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](mailto: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](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details	
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<b>Phone number:</b>	Click or tap here to enter text.	
<b>Which best describes your organisation?</b>	<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	<p>Do you believe that the Original Proposal better facilitates the Applicable Objectives?</p> <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>The connections queue needs to be addressed as a matter of urgency to prioritise connections to those projects that are suitably progressed and likely to proceed. These proposals provide an improvement on the current connection arrangements, but it is likely that the arrangements will need further improvement in due course and provisions may need to be further strengthened.</p>
2	<p>Do you support the proposed implementation approach? (see pages 59-61)</p> <p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>
3	<p>Do you have any other comments?</p> <p>No thank you.</p>
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p> <p><input type="checkbox"/>Yes (the request form can be found in the <a href="#">Workgroup Consultation Section</a>) <input checked="" type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>

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 <a href="#">CM095</a>. Please provide rationale for your answer and any suggestions for improvement to each element?</p> <p><b>Element 1:</b> 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>Not fully. There may be instances where it is sensible to have a separate Methodology or Guidance for a process, but a few of the proposed areas would sit more appropriately in</p>

<p>the main text of the CUSC. In particular, the Gate 2 Criteria should be set out in the CUSC and not in a methodology, as they form a key part of the process as set out in this proposal.</p> <p>In addition, the rules around Modifications to existing bilateral agreements are currently set out in the CUSC itself. Therefore, any changes to how these will be triggered and processed should similarly sit in the code and not in a guidance document. This should also be true for rules concerning what would constitute a material technology change, as that too affects the modification rules.</p> <p>The Project Designation Methodology would better sit outside of the current proposal as it does not seem to be an integral part of the Minimum Viable Product (MVP) that the proposer has suggested should be the outcome of the proposal.</p> <p>The Connections Network Design Methodology might be a valid candidate for a licence based Methodology as proposed.</p>	
<p><b>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)</b></p>	<p><input type="checkbox"/>Yes  <input checked="" type="checkbox"/>No</p>
<p>Not fully. Whilst it makes sense for two formal gates to defined and for batched assessments to be undertaken for projects meeting the relevant Gate criteria, it does not make sense for applications to be squeezed into a relatively short window. It would make more sense for applications to be made at any time with a cutoff point defined for when applications can be accepted into the assessment process. Otherwise, this risks the ESO and TOs being deluged with applications, having to undertake the relevant competency checks, plus issuing application fee invoices and processing their payment in a short space of time.</p>	
<p><b>Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</b></p>	<p><input checked="" type="checkbox"/>Yes  <input type="checkbox"/>No</p>
<p>This seems appropriate.</p>	
<p><b>Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)</b></p>	<p><input type="checkbox"/>Yes  <input checked="" type="checkbox"/>No</p>
<p>Whilst rules are needed to set out how significant Modifications will be treated as compared with less significant Modifications, including defining what constitutes a significant Modification, this should be written into the CUSC and not in a separate guidance document. The only benefit of putting it in guidance is that it allows this detail to be further developed while the main text of the CUSC change is submitted to and assessed by the Authority. However, these rules are fundamental to how the Modification process works. The rest of this process is set out in the CUSC already and this element should be included in the code too.</p>	
<p><b>Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</b></p>	<p><input checked="" type="checkbox"/>Yes  <input type="checkbox"/>No</p>

<p>These seem to be largely appropriate. Any difference in treatment has been proposed in response to the particular circumstances of the two main categories of connecting party (ie DNOs and offshore assets).</p>	
<p><b>Element 6:</b> 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 type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Not fully. As mentioned in our response to Element 2 above, 6 weeks seems to be an insufficient time for the ESO and TOs to carry out the processes and checks needed for the batch of applications to reach competency in order to be assessed further. It would make sense for this to take place throughout the year. The end of the window as proposed at the moment should then be redefined as the deadline for applications to be further considered in the assessment phase.</p>	
<p><b>Element 7:</b> Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>It appears sensible to descope the current proposal as suggested, but we would also support it being considered in a future modification.</p>	
<p><b>Element 8:</b> Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Projects should be discouraged from entering the process too early, so a longstop date by which projects are expected to enter Gate 2 from Gate 1 seems appropriate. The time chosen would appear to leave a reasonable period to allow projects to move between the LOA stage and securing more formal land rights in the form of an option or land purchase.</p>	
<p><b>Element 9:</b> Project Designation (see pages 17-18, 48-49)</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Too little is known about how this process will work exactly. It has the potential to be highly contentious and should not be brought into this modification proposal until it has been defined further. The industry needs to understand exactly how projects will be designated as sufficiently important so as to effectively jump the queue ahead of other projects that have to go through the primary process. This element does not seem to be needed for the Minimum Viable Product approach suggested by the proposer.</p>	
<p><b>Element 10:</b> Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification <a href="#">CM095</a> – see pages 18-20 and the <a href="#">CM095 Workgroup Consultation</a>, pages 6-10)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>

<p>Given the explanation for why this is needed, it appears sensible to be continued in the new process, particularly if this it likely to only be used sparingly. However, as it effectively results in sterilising capacity which could be made available to others, it is important that this process is undertaken in a transparent manner to allow its use to be scrutinised by other potential connecting parties, as well as Ofgem.</p>	
<p><b>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)</b></p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Not fully. Firstly, as we mention in the answer to Element 1 above, the Gate 2 Criteria should be set out in the CUSC and not in a separate methodology. Even if the concept of the criteria is also introduced in the Transmission Licence, it does not follow that the detail should be contained in a methodology. It is understandable that the proposer may wish to retain flexibility to adjust the criteria in light of experience, but it is important that these are set out in the CUSC as they are fundamental to the whole process. They can be changed within the CUSC governance processes if this is deemed necessary.</p> <p>The current proposed criterion of obtaining land rights is a good starting point, but may need to be strengthened. The aim of the modification is to ensure that projects are sufficiently progressed so as to prove that they should be able to advance ahead of projects that are less so. It may be necessary to strengthen the arrangements around planning in order to do so.</p> <p>The proposal to only allow up to 50% of the project to move outside the original red line boundary seems sensible to allow flexibility due to subsequent planning conditions while prevent connections being transferred to unrelated projects. As a general rule, we would not expect the red line boundary to change very often as a result of the planning process, so this rule is likely to be used by exception.</p>	
<p><b>Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)</b></p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>Generally yes. In particular, we agree that parties that meet the Gate 2 criteria when applying in the Gate 1 application process should be assessed for a Gate 2 offer rather than being forced to wait for the next Gate 2 application process window.</p>	
<p><b>Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)</b></p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>We agree with the evidence required for the assessment, but believe that this should be set out in the CUSC, rather than in a separate methodology as has been proposed.</p>	
<p><b>Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)</b></p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>It is not clear to us how likely and often this provision would be needed, but it seems sensible if a project is subsequently offered a connection point some distance from the one they requested, for there to be a time limited opportunity for the developer to move the project closer to the offered point. However, there should be a general responsibility on developers to ensure that they are seeking connections in generally sensible areas to obtain suitable connections. Improved pre application information can hopefully help this</p>	

<p>respect. Additionally, it would seem appropriate for use of this provision to be fully transparent to the wider industry to ensure that it is not misused in any way.</p>	
<p><b>Element 15:</b> 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)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>We agree this will be necessary.</p>	
<p><b>Element 16:</b> Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>This is an area where a methodology would seem appropriate, although it could be set out in the SO/TO code.</p>	
<p><b>Element 17:</b> 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)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>This seems appropriate. It will also be important that capacity allocated under this process is reported transparently so that other parties understand how it is being used.</p>	
<p><b>Element 18:</b> 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)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>This seems appropriate.</p>	
<p>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)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>As mentioned in responses above, the Project Designation Methodology is contentious and does not need to be part of the MVP process.</p>	

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
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Unless there is a strong process reason for projects to enter Gate 1 too then Gate 2 application windows should be open to all that meet the relevant criteria for both gates regardless of whether they first applied through Gate 1.		
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
Potentially. Although we accept that distributed projects might need a different process for Gate 1, restricting when Gate 2 ready transmission connecting projects can apply to Gate 2 compared with Distribution connecting projects would not seem to be appropriate, unless there are strong process reasons as to why this should be the case as mentioned in response to question 8 above.		
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>Whilst we are unable to comment on all scenarios, we believe that we would seek to enter planning soon after submitting a Gate 2 application under this process, so would be likely to be able comply with a forward looking milestone on submitting the planning application. In order to accommodate larger, more complex planning applications, it may be prudent to set this milestone at least 18 months after signing the Gate 2 connection offer.</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>
<p>12</p>	<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>
<p>Some elements should be within the CUSC as outlined in answer to a number of questions above. Code governance allows all parties to propose improvements in light of experience, which the ESO may not have considered or may not agree with. Therefore, it is important that there is a mechanism for these to be considered under Code Governance.</p>		