

Workgroup Consultation Response Proforma**CMP435: Application of Gate 2 Criteria to existing contracted background**

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:	Daniel Cambridge	
Company name:	Arise Renewable Energy UK Limited	
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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 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*

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.

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:	
No		Original	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
2	Do you support the proposed implementation approach? (See page- 57-58)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 1 st January 2025 start date does not give developers with existing connection agreements sufficient time to implement the gate 2 criteria. See attached letter setting out our full position.	
3	Do you have any other comments? See attached letter for our detailed comments.		
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 type="checkbox"/> No	
Click or tap here to enter text.			

Specific Workgroup Consultation questions

5	<p>Do you agree with the elements of the proposed solution for CMP435? <i>Please note that the application of these elements may be different to CMP434, therefore please answer the questions in respect to CMP435.</i></p> <p>Elements 2,4,6,7,12,15,17 and 18 are not part of the CMP435 Proposal and is only part of the CMP434 Proposal. Element 10 is proposed to be codified within the STC through modification CM095.</p> <p>Please provide rationale for your answer and any suggestions for improvement to each element?</p>
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Element 1: Proposed Authority approved methodologies and ESO guidance (see Page 8-10,29)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
These should be developed formally with industry, with industry given the opportunity to propose alternatives.		
Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Contracted projects need longer than 1 st January to prepare to meet the Gate 2 requirements.		
Element 5: Clarifying any Primary Process differences for customer groups (See pages 11-12,32)		<input type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.		
Element 8: Longstop Date for Gate 1 Agreements (See pages 12-13, 32-33)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Looks sensible for new connection offers being issued. Not acceptable for existing connection offers.		
Element 9: Project Designation (See pages 14-15, 33-34)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.		
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 16-21, 34-39)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>See our full response letter attached. Further, we disagree with the density ratios, these should not be proscribed by ESO but rather by developers who are developing projects</p> <p>Also, securing 100% of land under option does not match the reality of how developers progress projects, particularly if there are multiple landowners involved. ESO should only be asking for a “majority of land” to be under option, to give developers free hand in negotiations and not create ransom situations.</p> <p>Regarding planning obligations – imposing strict time deadlines to submission feels unfair and does not match the reality developers often face on the ground. Site specific issues often crop up during planning that need to be worked through in and often delay submission. The issues only arise when detailed site specific surveys are underway and cannot always reasonably be anticipated.</p> <p>Further, the periods identified in the proposal are also far too short, they do not take into account any seasonality of studies, or best practice guidelines but rather instead appear to be based on a “best case, quickest possible time to submission” view.</p> <p>This coupled with needing to ask for ESO to exercise discretion to maintain grid connection offers does not incentivise developers but rather makes developing a less attractive and more risky proposition.</p>		

	Element 13: Gate 2 Criteria Evidence Assessment (See pages 22-23, 39-40)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Self certification with spot checks feels appropriate.	
	Element 14: Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>This appears really badly thought through and raises a whole host of issues for developers and creates material risk and uncertainty.</p> <p>Prior to apply for a connection offer, developers will have undertaken feasibility studies to see what areas are feasible from a development perspective. On receipt of a Gate 1 offer, developers will start incurring material costs and expending time to develop projects in good faith. Further to meet the proposed gate 2 criteria we need to have secured 100% of the land to even apply for a gate 2 offer.</p> <p>ESO should not have the optionality to offer a different connection point, rather it should only be where it creates a benefit to projects. The 12 month period is not sufficient for a developer to wholesale move their site, rather it should align with the gate 2 window as we are effectively having to develop a brand new site.</p> <p>Given the potential for financial loss to developers, I reiterate ESO should not just be able to make arbitrary decisions to move connection points.</p>	
	Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
	Element 19: Contractual changes (See pages 26-28, 43-46)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	See attached letter detailing our views.	
	Element 20: Cut Over arrangements (See page 28, 47)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	See attached letter detailing our views.	
6	<p>Are there any elements of the proposed CMP435 solution - as per Q5 - which you believe are not appropriate to include when you consider how to most effectively implement TMO4+ to projects in the existing contracted background (as opposed to the process for new applicants via CMP434)?</p> <p>If yes, please provide supporting justification.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	See attached letter detailing our views.	
8	<p>Do you believe any groups of projects should be exempt from the scope of CMP435 or from some elements of the proposed solution? If so, please advise on which groups and elements and provide rationale to why.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Projects with existing connection agreements which are already demonstrably in compliance with the milestone schedules included in their bilateral connection agreements.</p>	

9	Do you believe that the proposed solution could duly or unduly discriminate against any particular types of projects? If so, do you believe this is justified?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Projects with existing connection agreements which are already demonstrably in compliance with the milestone schedules included in their bilateral connection agreements.	