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Code Administrator 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@nationalenergyso.com by **5pm GMT on 26 November 2024**. Please note that any responses received after the deadline or sent to a different email address will not be accepted.

Please be aware that late responses will not be accepted.

If you have any queries on the content of this consultation, please contact elana.byrne@nationalenergyso.com and catia.gomes@nationalenergyso.com or cusc.team@nationalenergyso.com

Respondent details	Please enter your details	
Respondent name:	Joe Colebrook	
Company name:	Innova Renewables	
Email address:	Joe@innova.co.uk	
Phone number:	020 3523 9560	
Which best describes your organisation?	<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 Panel or the industry for further consideration*)

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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 Code Administrator Consultation questions		
1	Please provide your assessment for the proposed solution(s) against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution(s) better facilitates:
		Original <input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input checked="" type="checkbox"/> d
		WACM1 <input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
		Innova agrees that the Original is better than the Baseline and is positive for Objectives a), b) and d). However, the ability to understand the full impact of CMP435 has been made difficult due to the lack of visibility of the Three Methodologies the NESO is proposing to introduce. Innova are engaging fully with the consultation on the Methodologies which will hopefully mitigate many of our concerns. It has been

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		<p>confirmed that the Authority will consider CMP435 together with the final Methodologies which should ensure any misalignment is fully considered.</p> <p>Objective a) - Currently, project developers are unable to progress viable projects in a timely manner, and this is hindering progress to deliver net zero. The CMP435 solution will enable a connections process that can prioritise readier and/or more viable projects, enabling the industry to help the government to meet its net zero targets and is future-proofed to support more strategic network planning activities. A one-off exercise to apply Gate 2 to the Whole Queue will provide the foundation for the improved enduring process but also provide greater clarity for network companies and industry parties on a queue made up of readier and more viable projects relative to the status quo.</p> <p>Objective b) - The Original facilitates quicker connections for readier and more viable projects which are needed to deliver net zero, especially by removing projects without land and other nonviable and stalled projects from the connections queue. Currently, project developers are waiting too long to connect, and this is hindering progress to deliver net zero. Allocating network capacity and connection locations to Gate 2 projects is expected to result in more and earlier connections. The changes proposed in the Original should increase the number of generators connecting each year and bring forward the connection of many viable projects. There is a risk that the implementation timeline pauses investment in projects for 12 months which could reduce the competitiveness of electricity supply in the short term. These changes will improve the competitiveness of the generation and supply of electricity.</p> <p>Objective c) - No identified impact on compliance with Electricity Regulation or relevant EU decisions.</p> <p>Objective d) - The Gate 2 to Whole Queue process provides CUSC Parties, including network companies, with greater clarity and ability to plan by providing</p>
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		<p>full/confirmed offers to readier and more viable projects. Fewer industry resources will be invested into facilitating connections for projects which will not be built.</p> <p>For the reasons outlined above we believe all the WACMs will be better than the Baseline and will be positive for objectives a) b) and d), although we have provided additional comments on each WACM below.</p> <p>WACM1 – WACM1 facilitates CMP434 WACM7 and therefore we believe WACM1 is better than the original only if CMP434 WACM7 is approved, but in all other scenarios the Original is better than WACM1.</p>
2	Do you have a preferred proposed solution?	<p><input checked="" type="checkbox"/> Original</p> <p><input type="checkbox"/> WACM1</p> <p><input type="checkbox"/> Baseline</p> <p><input type="checkbox"/> No preference</p> <p>No further comments in addition to our response to Question 1.</p>
3	Do you support the proposed implementation approach?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Innova is concerned the implementation date is assumed to be 56 calendar days after the Authority Decision date (page 91 of the CMP435 Code Administrator Consultation). It is unclear why there should be 56 days between the Authority Decision date and the Implementation date, or if there is any benefit to this.</p> <p>Innova would like the implementation date to be immediately after the Authority decision date to avoid any additional delay in completing the first gated window and issuing the first Gate 2 Offers. The industry is in a state of uncertainty until those offers are</p>

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		<p>received and hence, it is vital they are issued as soon as possible.</p> <p>Innova would prefer the Application (evidence submission) window to open the day after the implementation date but to then stay open for at least 6 weeks rather than the existing 2 weeks. This would not change the timeline but would allow more time for companies to submit evidence, DNOs and NESO to check evidence for competency, and companies to correct any errors before the application window closes.</p> <p>Innova understands the Licence Change consultation is due to run throughout December and the Methodologies Consultation is due to close on 2nd December. NESO may need to revise the Methodologies throughout December. Therefore, Innova expects all decisions to be with the Authority for January, which would allow for an Authority decision in February at the earliest.</p>
4	Do you have any other comments?	<p>Unable to Understand the Interaction With the Methodologies</p> <p>CMP434 enables the methodologies which introduce a whole new mechanism for reordering the existing connections queue, determining connection dates and determining enabling works for Users. During the Working Groups Innova was not aware of the new mechanism for reordering the queue, in particular, the prioritisation of projects with planning consented and with planning submitted at the time the CMP434 was discussed and agreed. It can be argued the Methodologies built upon CMP434 and therefore it is the Methodologies themselves that should consider the interaction with CMP434 and CMP435. We support that Ofgem will be deciding on CMP434, CMP435, and the</p>

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		<p>three Methodologies, as this will reduce the potential risk of unintended consequences.</p> <p>Our concerns on Queue Management Milestones and Staged (Hybrid) Connection offers apply to both CMP434 and CMP435. Please see our CMP434 Code Administration Consultation response which details our concerns.</p> <p>Reduction of Capacity at Gate 2 Declaration</p> <p>Innova strongly supports the Proposer's decision to allow Users to reduce the TEC/ demand/ CEC at the point at which they provide evidence for a project has met the Gate 2 Criteria. Innova understand this will be operationalised via the Installed Capacity declaration for each technology within an offer, under which a User can declare a capacity that matches the land it owns or has under option. If a User does not have sufficient Installed Capacity, aggregated across all technologies, to use the TEC/ Demand/ CEC applied for, then the NESO will have the right to reduce the TEC/ Demand/ CEC in line with what the User can build.</p> <p>This flexibility will allow Users to reduce their offer to the land they have, which seems reasonable when you consider the Gate 2 Criteria were not in place when the original connection application would have been made.</p> <p>Significant Risk for BEGA Applications</p> <p>Innova are concerned that Bilateral Embedded Generation Agreements (BEGAs) will require evidence submissions and declarations from both a Developer and the (i)DNO. The involvement of three parties and two declarations can lead to an increased risk of incorrect and inconsistent declarations, therefore Innova would like the Proposer to provide additional leniency to the BEGA Declaration process and as long as one application is considered competent by the</p>
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		deadline NESO should work with the other party to ensure two competent declarations are provided.
5	Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		No further comments