

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:	Douglas Allan	
Company name:	Bute Energy Ltd	
Email address:	Douglas.allan@bute.energy	
Phone number:	0131 297 4200	
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 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.

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:
		Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
Click or tap here to enter text.		
2	Do you support the proposed implementation approach? (See page- 57-58)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.
3	Do you have any other comments?	
	We would like to express our concerns regarding the timeline for implementing this modification. Given that this proposal represents the most significant change to the GB grid connection process in decades, the accelerated pace raises the risk that the implications and outcomes may not be thoroughly considered. This could potentially result in unintended consequences.	
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 checked="" type="checkbox"/> No
		Click or tap here to enter text.

Specific Workgroup Consultation questions	
5	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>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>	
<p>Element 1: Proposed Authority approved methodologies and ESO guidance (see Page 8-10,29)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 5: Clarifying any Primary Process differences for customer groups (See pages 11-12,32)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (See pages 12-13, 32-33)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>We would propose that the current User Progression Milestone M1 date (Secure Land Rights) as introduced by CMP376, be used as the date by which the User has to demonstrate compliance with the Gate 2 criteria. For existing Users this is a much more reasonable and proportionate change rather than imposing an arbitrary three-year period between Gate 1 offer acceptance and Gate 2 offer acceptance (which in practice means just over two years from when existing User contracts are converted to Gate 1 contracts to when they have to meet Gate 2). This is particularly the case for Users with relatively late Completion Dates which they do not wish to bring forward why should they be terminated and forced to reapply for Gate 1 at a later date? We do not see any objective rationale for this.</p>	
<p>Element 9: Project Designation (See pages 14-15, 33-34)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</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 16-21, 34-39)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Typical planning timelines (11.4) are not representative of the time required to develop projects, depending on technology type. As an example, an onshore wind project typically requires multiple years of ornithology surveys followed by 18 months of further work on the full EIA. This means a minimum of 36 months, in our experience, allowing for some EIA work to progress in parallel with ornithology surveys.</p> <p>Other technologies (battery or solar) may require less time to complete an EIA but these timescales simply do not work for onshore wind. Given the expense of such</p>	

<p>studies it is not reasonable to require developers to commence the ahead of a Gate 2 offer.</p> <p>As a more general point, if ESO is intending that the maximum time period set out here is for an “average” project (i.e. one that takes the mean or median time to achieve the criteria), it follows that 50% of projects will fail to submit on time and will thus be terminated. We do not see how this will help meet the Net Zero targets.</p> <p>Additionally, where a project triggers a new transmission substation, the final location of the substation will not be known until at least 12 months after the project accepts a Gate 2 offer (and the TO commences siting works). It is typical for a developer to include the require grid lines from the project to the PoC within a planning application – and the imposed Gate 2 planning timescales make this impossible.</p> <p>We agree in principle that M1 is calculated forwards, but the length of time should be technology specific or left to the ESO’s discretion on a case-by-case basis to avoid discrimination against generating technologies that need longer than the period set out in the Proposal.</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (See pages 22-23, 39-40)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 14: Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>From an onshore wind farm perspective, moving the site closer to an alternative point of connection makes no sense as onshore wind projects need to be situated at a location with suitable wind resource. Additionally, the time, money and effort spent in gaining option agreements with landowners (a requirement to get a gate 2 offer in the first place) becomes redundant and a development is sent back to square one. This element therefore favours developments which are less reliant on local conditions (e.g. BESS) and disadvantages projects that cannot easily be relocated (e.g. Solar or Onshore wind).</p>	
<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>This is a qualified yes. Further detail on what the CNDM entails is required.</p>	
<p>Element 19: Contractual changes (See pages 26-28, 43-46)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 20: Cut Over arrangements (See page 28, 47)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>	
<p>6</p>	<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</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

	<p>the existing contracted background (as opposed to the process for new applicants via CMP434)? If yes, please provide supporting justification.</p>	
<p>We question the validity or practicality of element 14 (see previous response).</p>		
7	<p>In relation to Q6, are there any features which you believe are missing in the proposed CMP435 solution that would more effectively facilitate implementation of TMO4+ to the existing contracted background. If yes, please provide details and justification.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
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>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>As CMP435 includes for the NESO Designation of certain projects, the proposed solution already allows for exemption.</p>		
9	<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Unless the Proposal is changed to allow different technologies different periods of time to submit for planning, then we believe that the process will unduly discriminate against onshore wind or other projects that require longer environmental studies. This is due to the planning submission timescales requirements of a gate 2 offer. The timescales therefore favour developments which do not have stringent EIA requirements (i.e. BESS or Solar). See response to elements 11.</p>		