

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	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input checked="" type="checkbox"/> Distribution Network Operator <input 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:

- 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?	<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 retrospective implementation of connections reform, if and only if maintained at a strong enough barrier, address the current queue, will remove stalled and speculative schemes from the pipeline and allow more ready to connect schemes to move forward and in doing so will support effective competition. Generally, we would agree with the proposer A, B and D are positive, while C is neutral however, this depends entirely on the maintaining of a high Gate 2 level.</p> <p>For clarity we are not currently convinced that the Gate 2 Criteria as proposed are strong enough to secure the desired outcome.</p>
2	Do you support the proposed implementation approach? (See page- 57-58)	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>However, we await to see the revised implementation timetable following approval. The delay to the Authority Approval Date (approximately 5 weeks) without a subsequent delay to the implementation date has an impact on the “existing queue” customers which is more significant for CMP435 than CMP434. This does not present a viable timeline for customers to respond to the confirmed / approved Gate 2 requirements</p>
3	Do you have any other comments?	<p>The implementation of CMP435 is critical to the success of CMP434 and the application of CMP435 is required to move a significant proportion of the current pipeline to Gate 1. This therefore needs to be correctly structured, correctly implemented and tied to or ahead of CMP434, not behind. Whilst doing this we need to ensure that everyone in the existing queue who is viable or – more importantly – has been in stasis since receiving a Transmission Connection Date that far exceeds their project build timelines has the opportunity and time to demonstrate that their scheme in a position to move forward immediately. We need something to ensure that only viable schemes do take Gate 2 status and it is not secured by “speculative” schemes that will then hope to sell on that position, see proposal suggestion below.</p>

4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input checked="" type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input type="checkbox"/> No
A strong / significant financial instrument to Gate 2, a non-refundable deposit to ensure schemes that look for gate 2 are serious and viable		

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> 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 . Please provide rationale for your answer and any suggestions for improvement to each element?	
Element 1: Proposed Authority approved methodologies and ESO guidance (see Page 8-10,29)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
While we can agree with the proposal that these are not defined in detail within CUSC, we cannot see a way of delivering CMP435 without the Gate 2 Criteria or CNDM processes being defined / structured. Additionally, we would need the comfort of clarification that we would be able to raise a modification request on these methodologies if it were deemed necessary. The governance for this process would need to be clearly prescribed.		
Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
While we support the allocation of relevant projects for the Primary Process, we have a concern over the use of Grid Code terminology that could be changed outside of this process. We believe the process would have greater structure and understanding if specific capacity thresholds are utilised. We also believe the lower threshold should be increased to remove small, nimble schemes connected to the HV (6.6kV/11kV) network out of the process (lifting the entry threshold from 1MW to 10MW (for example)).		
Element 5: Clarifying any Primary Process differences for customer groups (See pages 11-12,32)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
No Further Comment		
Element 8: Longstop Date for Gate 1 Agreements (See pages 12-13, 32-33)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>However, our view is that the element would be better delivered by having a long stop date period defined as being from the Acceptance of a Gate 1 offer to the submission of a compliant Gate 2 application (rather than Gate 2 offer acceptance). This is a simpler measure and a more controllable definition</p>	
<p>Element 9: Project Designation (See pages 14-15, 33-34)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>We do not believe that this is required nor that it constitutes MVP. The same outcome can be used through the existing derogation process.</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>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>We need to ensure that Gate 2 Criteria are strong enough to clear a sufficient portion of the pipeline.</p> <p>We believe that the wording of this section is not sufficiently clear or robust. The exemption is intended to be for the duration of the option only and not for the option itself. The achieving of M1 milestone (or M2, M4 etc) does not exempt Gate 2 or the requirement for an option, just the minimum duration of the option. This requires clarity.</p> <p>We also do not believe that Options secured before the Decision Date should be exempt from meeting minimum requirements – if you already have an agreed option but that may be shorter than the required period or not cover the required land volume this should be amended to meet the required criteria.</p> <p>Just having securing M1 or M4 for example should not get you an exemption.</p> <p>We understand that ~6 weeks may not be a reasonable time to secure a change to a legal agreement, however, there needs to be controls in place to prevent “gaming” of the criteria. Either removing the exemption, or potentially using the Proposal Submittal Date rather than the Decision Date.</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>However, we still don't agree with the restriction of only one generator being allocated to one area of land. Our example would be a small embedded Solar PV farm, located within the overall footprint of a larger on-shore wind farm. We also suggest that a stronger, more defined process for sample checks is required, along with an understanding of the potential time impact if this is required on a significant proportion of schemes, especially in the Small and Medium embedded sector (there tends to be a higher volume of these)</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>We do not agree with this provision. We do not agree with it in the form of CMP434 and believe that it should be removed and the same applies to CMP435. If a scheme cannot work for the solution proposed it needs to reapply. This</p>	

	proposal will cause offset between windows and does not align with existing DNO processes and ENA Best Practice Guidance.	
	Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	The CNDM is a key document and will determine how projects get their date. We would need confidence that we would be able to propose a change if deemed required and also have sufficient engagement on the implementation of the changes proposed by others. We believe that the principles and/or objectives need to be set out in either CUSC or the ESO licence.	
	Element 19: Contractual changes (See pages 26-28, 43-46)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	No Further Comment	
	Element 20: Cut Over arrangements (See page 28, 47)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We support the requirement for a cut over process to be in place. We are seeking clarity on the process in respect to embedded schemes. The Transmission Impact Assessment process is for embedded schemes that have accepted a DNO Distribution offer (Small and Medium under the new proposals). Yet the element states "...customers will be able to submit applications to the ESO or DNO but they will not be processed until the start of the new process under CMP434..." We are not clear that the derogation letter covers DNO's and their licence requirements.	
6	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)? If yes, please provide supporting justification.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Element 9 Project Designation and Element 14 Gate 2 Offer and Project Site Location Change	
7	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. A substantial financial instrument (non-refundable deposit) against failure to build out from Gate 2 (a disincentive to enter Gate 2 until ready)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8	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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	In specific reference to CMP435 - No	

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
In specific reference to CMP435 - No		