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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:	Georgina Morris-Rowbottom	
Company name:	Zenobē	
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Phone number:	07876532416	
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 checked="" 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 checked="" 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
		We agree that both proposed solutions better facilitate the Applicable Objectives than the Baseline. We support the application of the Gate 2 process to projects with existing connection agreements.

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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>We do not believe there is a fundamental need to introduce a “pause” step in the process. However, if such a pause is introduced its effect on overall timescales should be minimised with the pause period being no more than the proposed 10-days.</p> <p>However, we reiterate our position that we do not support the following elements that form part of both the Original proposal and WACM1:</p> <p>Element 9 – We consider that the Project Designation powers remain ill-defined and could be exploited to allow unfair advantages to certain projects. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>We do not support the proposals for designation, as we believe the categories are too broad and subjective.</p> <p>Introducing a designation process risks creating significant market intervention, potentially prioritising certain projects at the expense of others. This approach could undermine the fairness of the queue system, disincentivise investment in non-designated projects, and create broader uncertainty for developers. Such knock-on effects would ultimately impact the investability of the sector as a whole.</p> <p>In our view, NESO’s current proposed categories for designation represent an unnecessary intervention that introduces complexity without clear added benefit. They are too broad, and we believe that most projects could make a case to be considered against one or more of the outlined categories.</p>
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*Text redacted as agreed by respondent.
Email: 03.12.24 at 11.52am*

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		<p>Element 10 – we do not believe NESO should hold capacity reservation powers due to the lack of transparency over how this would be applied.</p> <p>Element 11 – we do not believe that milestone dates should be re-set using the calculate “forward method”. The queue management process has been developed to give NESO powers to remove projects that do not meet milestone dates. The integrity of this process should be maintained and dates calculated as per the existing methodology.</p>
3	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
		However, please see comments below in respect of projects with 2027 connection dates.
4	Do you have any other comments?	<p>Furthermore, in the wider TMO4+ consultation NESO states projects under construction and due to connect in 2026 or earlier will not be adversely impacted by the introduction of the Gate 2 strategic alignment criteria. We strongly encourage NESO to extend this exemption to include projects with 2027 connection dates, which have achieved Milestone Commitment 7: project commitment by the time of Gate 2 connection offers.</p> <p>We will be seeking to reach financial commitment on projects with 2027 connection dates in 2025, before NESO plans to issue Gate 2 offers. This misalignment creates significant uncertainty and risks delaying the build-out of critical infrastructure such as battery sites. Batteries will need to experience one of the largest growth rates to meet the 2030 Clean Power targets, and any delays in their development could jeopardise these goals.</p>

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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
		<p>Click or tap here to enter text.</p>