

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:	Cameron Gall	
Company name:	Energiekontor UK Ltd	
Email address:	Cameron.gall@energiekontor.com	
Phone number:	Click or tap here to enter text.	
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 type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
Objectives (a) and (b) are not met by this proposal as currently formulated, since it does not allow the readiest projects to connect first. Reference to queue management milestones M1 and M2 must be added to the Gate 2 to Whole Queue process to prevent projects with planning applications submitted, or with permission already secured, being stuck behind projects that have only land rights. See our comments on Element 11 and Element 19 for more detail.		
2	Do you support the proposed implementation approach? (See page- 57-58)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
We have concerns with the proposed implementation approach, particularly regarding the decision in some instances to codify only high-level concepts and enforce changes via Guidance and Methodologies. Although we recognise the benefits to this approach, namely the ability to more quickly implement proposed changes, our concern is that there will be a lack of opportunity for feedback from the wider industry. Parallel to this, is the concern that once implemented, the Authority may make further changes to Methodologies without due consideration or input from the wider industry. We would want to see an approach that strikes a balance between efficient implementation and opportunity for industry input.		
3	Do you have any other comments? no	
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	<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>	
<p>Element 1: Proposed Authority approved methodologies and ESO guidance (see Page 8-10,29)</p>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>As stated above, in certain instances, the Proposer envisages only high-level concepts being codified, with Guidance and Methodologies setting out the detail. Currently it is stated that industry would not be involved in consultation on proposed Guidance or Methodologies. There needs to be some ability for industry to raise new and/or comment on proposed changes to Guidance or Methodologies, especially if the current Gate 2 criteria do not achieve the desired effect.</p>		
<p>Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)</p>		<input 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 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>we agree with the implementation of a 3-year longstop date.</p>		
<p>Element 9: Project Designation (See pages 14-15, 33-34)</p>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>We are concerned that queue acceleration for designated projects creates an uneven playing field. Moreover, as outlined on page 17 of the consultation, the criteria for Project Designation are proposed to be a non-codified Methodology, and therefore, which projects qualify as a Designated Project will be at the discretion of the Authority and ESO. As aforementioned, this raises concerns that increased Project Designation may limit the ability of non-designated projects to progress. The principle of “first ready, first connected” should be given more prominence than currently proposed. Carve-outs for specific technologies, such as off-shore wind, should be avoided to allow the most mature projects and technologies to connect first.</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>The criteria for gate two are clear insofar as new applications are concerned. It is not clear how queue positions will be determined for the Gate 2 to Whole Queue process, or that this process will achieve “first ready, first connected”. See comments on Element 19.</p> <p>Outwith the Gate 2 to Whole Queue process, Queue Management Milestone M1 should be forward facing, however, M2 should remain back calculated from the date of completion. Planning determination timeframes are incredibly variable and hard to predict. Developers should not be penalised for failing to secure a planning decision that is not in their gift to expedite.</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (See pages 22-23, 39-40)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Assessment should include evidence for having met M1 and/or M2, as per the comments on Element 11 and Element 19.</p>	
<p>Element 14: Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>As noted against question 2 and Element 1, there needs to be the ability for industry to raise and/or comment on proposed Guidance and Methodologies.</p>	
<p>Element 19: Contractual changes (See pages 26-28, 43-46)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The method for re-ordering projects that request Advancement having met Gate 2 by 31st January 2025 is not clear. The Gate 2 to Whole Queue process should facilitate “first ready, first connected”. Projects should therefore be awarded a connection date as close to their requested Advancement date as possible. This should be based not only on land rights, but also on whether and on what date they met queue management milestones M1 and/or M2. Projects that meet M2 should be ahead of all projects that meet only M1 and projects that only meet M1 should be ahead of all projects that have only land rights. The order of projects within these groups should be based on the date that the milestone was met. Without any reference to M1 and M2 during the Gate 2 to Whole Queue process, projects with planning permission risk being caught behind projects with land only, which could be 5 years away from securing planning permission.</p>	
<p>Element 20: Cut Over arrangements (See page 28, 47)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<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 the existing contracted background (as opposed to the process for new applicants via CMP434)? If yes, please provide supporting justification.</p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	We don't think Approved Methodologies as currently envisioned is the best way to process changes to Gate 2 criteria, specifically. There needs to be a process for industry to raise and/or comment on proposed Methodologies.	
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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We strongly believe the proposal is missing reference to queue management milestones M1 and M2 in the Gate 2 criteria, as applied specifically to the Gate 2 to Whole Queue process. To determine queue position for sites that request advancement in January 2025, M1 and M2 should be used over and above land rights. Please see our comments on Elements 11 and 19 above for further detail.	
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
	Click or tap here to enter text.	
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
	Some discrimination for very long-term strategically critical projects is understandable, however, the principle of "first ready, first connected" should be given more prominence than currently proposed. Carve-outs for specific technologies, such as off-shore wind, should be avoided to allow the most mature projects and technologies to connect.	