

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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| Respondent name: | Andy Willis | |
| Company name: | Kona Energy Limited | |
| Email address: | andy.willis@konaenergy.co.uk | |
| Phone number: | 07826104640 | |
| 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 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 | | |
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| 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 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 type="checkbox"/> Yes |
| | | <input type="checkbox"/> No |
| Click or tap here to enter text. | | |
| 3 | Do you have any other comments? | |
| Click or tap here to enter text. | | |
| 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 |
| <p>Please see comments on Elements 14, 19 and 20 about developers 'preferred connection site' and applying Gate 2 criteria to this site.</p> <p>The ESO recently published its results from the RFI on land rights to assess the likely status of projects which can meet Gate 2. A key 'conclusion' in the summary slide missed that Gate 2 is still going to have a vast number of connections which can progress (well over 100GW). It is clear one of the conclusions should be that the working group needs to consider the 'queue within a queue' at Gate 2 and how to allocated capacity and connections appropriately.</p> <p>Please consider this now or we will reach Gate 2 and further consultation will ensue delaying implementation even further.</p> | | |

Specific Workgroup Consultation questions

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| 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 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 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 type="checkbox"/> Yes <input type="checkbox"/> No |
| | <p>Click or tap here to enter text.</p> | |
| | <p>Element 9: Project Designation (See pages 14-15, 33-34)</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | <p><i>In principle this seems a sound idea however it should not be used by the ESO and TOs to pick technologies that they feel are more likely to be consented and therefore connected.</i></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 type="checkbox"/> No |
| | <p>Click or tap here to enter text.</p> | |
| | <p>Element 13: Gate 2 Criteria Evidence Assessment (See pages 22-23, 39-40)</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | <p><i>We understand this to mean that the date that land rights were secured will determine the Gate 2 position. This means all developer’s land rights dates will be aligned in chronological order and those that meet the Energy Land Density Table will be allocated bays if available.</i></p> <p><i>Applying this retrospectively means that the old 1st come 1st served queue system has come to an end from the 1st January 2025 and the queue is based on land rights etc. This determines the new queue position and not the old clock start position.</i></p> <p><i>To apply this concept fairly all developers should be considered at their ‘first-choice’* substation where they may have applied in the first place and not the connection nodes or</i></p> | |

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| <p>alternative substation that they may have been offered during the connection reform process.</p> <p>We support the ability to request advancement.</p> <p><i>*‘First choice’ substation being the substation that a developer applied for in the first place and not the nodal or indicative point that may have been issued in the past year</i></p> | |
| <p>Element 14: Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)</p> | <p><input type="checkbox"/>Yes</p> <p><input type="checkbox"/>No</p> |
| <p>Element 14 only considers developers moving the development site within a year to one near the new connection point.</p> <p>There seems to be no provision to allocate interested developers to their <i>‘first-choice’</i>* substation.</p> <p>The process should be that developers at their <i>‘first choice’</i> substation make their case by providing the evidence of land rights and based on this evidence then spare bays fill up accordingly as Gate 2 offers.</p> <p>It does feel like the ESO is missing a Policy decision to allocate interested developers to their first-choice substation and then developers make their case providing the evidence of land rights etc and based on this evidence then spare bays fill up accordingly as Gate 2 offers. In our opinion if you do it this way you apply and enact 1st Ready 1st Connected.</p> <p><i>*‘First choice’ substation being the substation that a developer applied for in the first place and not the nodal or indicative point that may have been issued in the past year.</i></p> <p>By way of background to this:</p> <p>There are multiple examples where a Developer has secured land in a close proximity to a substation where there is possible capacity, bay availability etc – however due to the previous connection process the developer who may have secured the optimal land first, has been allocated a different connection point. The parties in front of them at the original substation may have completely unviable/speculative schemes.</p> <p>However, under current consultation, even if the Developer has land and planning permission – they will not be given a connection at the substation that they applied too. This is perverse and completely against the intention of the reform and must be changed.</p> <p>Developers who have secured the optimal land and planning should not be penalised simply because there are Developers without the land and had submitted a connection application and have secured the capacity.</p> <p>It defeats the point of the reform and a move to <i>‘first ready first connect’</i>. There will be multiple parties in this situation and who will challenge this ruling.</p> | |

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| <p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Page 42 of the Consultation indicates that the approach to the CNDM is not clear and there appear to be disagreements. If the ESO does not have a clear process for Network Design then it is likely that Connections Reform will fail.</p> <p>The requirements should be codified. The CNDM must not be governed by a guidance document.</p> <p>This is critical to get right and the rules of the game and how each TO complies should not be left open to interpretation. The ESO must have:</p> <ol style="list-style-type: none"> 1. A CNDM 2. Publish the CNDM on a regular basis 3. Work with Industry on the content of the CNDM 4. State how the ESO allocates capacity and reallocates capacity and make this a licence condition 5. Incorporate Spatial Planning / CATO / Commercial Service (Pathfinder) opportunities | |
| <p>Element 19: Contractual changes (See pages 26-28, 43-46)</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Element 19 does not mention location changes which is referred to in Element 14.</p> <p>This should be amended accordingly to allow developers to be considered at Gate 2 for the <i>'first choice'</i>* substation and then be moved if they meet the Gate 2 criteria ahead of others.</p> <p>*<i>'First choice'</i> substation being the substation that a developer applied for in the first place and not the nodal or indicative point that may have been issued in the past year.</p> <p>Whilst we understand the intention of the movement of substation changes, you must consider element 14 and our response in greater detail here and have a provision for changing location.</p> | |
| <p>Element 20: Cut Over arrangements (See page 28, 47)</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>We believe the Cut Over arrangements disadvantage all new applications. All applications since the start of the connections reform process and those agreed by the start of the Gate 1 process should be considered in the 1st Tranche of Gate 1 and Gate 2 offers based on the <i>'first choice'</i> substation.</p> <p>This is the only fair way to allocate bays given that everything has been up in the air for 18 months and uncertainty on location has put off developers applying even though they have been negotiating land agreements and working on planning.</p> <p>Developers who are actively developing projects will not be disadvantaged by this arrangement as they will be able to put their best foot forward in the Gate 2 process.</p> <p>*<i>'First choice'</i> substation being the substation that a developer applied for in the first place and not the nodal or indicative point that may have been issued in the past year.</p> | |

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| | <p>The connection offers issued in the last 18-months have little detail and often provide a basic offer with a long-dated connection offer. It seems that applications post August 7th will receive a similar initial offer, on this basis, they shouldn't be punished by missing the initial gate process, simply because they didn't submit a grid application before this window.</p> <p>If a Developer has secured a land option, undertook planning work at land next to a substation in order to move to Gate 2, but didn't submit a connection application early in the process (due to the fact it was apparent reform was coming and why submit an application for a 2037 connection date or later anyway) why should they be penalised? Ironically the people who submitted a grid application first in this process but who may not have advanced their project will be advantaged. Again as the ESO moves to 'First ready first connect', this is perverse and needs changing.</p> | |
| 6 | <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> | <p><input type="checkbox"/>Yes <input type="checkbox"/>No</p> |
| <p>Click or tap here to enter text.</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 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 type="checkbox"/>No</p> |
| <p>Click or tap here to enter text.</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 type="checkbox"/>Yes <input type="checkbox"/>No</p> |
| <p>Click or tap here to enter text.</p> | | |