

**CUSC Alternative Form – Non Charging****CMP435 Alternative Request 10:**

**Overview:** Inclusion of planning submission or permission as a valid entry point to Gate 2 alongside Land Option so that a greater pool of projects can be considered for delivery under CP2030 technology influence

**Proposer:** Andrew Yates, Statkraft

I/We confirm that this Alternative Request proposes to modify the non - charging section of the CUSC only

## What is the proposed alternative solution?

Allow a project which has made a planning application or achieved planning consent to apply at Gate 2.

The initial scope of reform was to clear the queue of zombie / inactive accepted grid offers to free up space in the queue for real projects to progress faster.

Developers will normally progress planning preparation in parallel to land. The financial investment in planning and preparing for M1 submission, and achieving M2, is likely to equal or exceed that invested in land option.

Whilst the RFI suggested a lot of projects with accepted offers will meet the land gate, a lot of them were yet to complete and currently unable to provide evidence. So, with this short window to reform implementation, this is putting increased pressure on limited legal resource. Not all projects will achieve land option because of this issue and the entire investment in feasibility, land and planning is then at risk (on the basis that the pots are likely to be filled in the first round).

There could be other circumstances where it may not be possible to complete the land option due to the ownership being in probate following a death. I've known several circumstances of this.

Several other methods of evidence have been debated in Workgroup calls which may be difficult to evidence but the submission of land achieving planning are both easily visible in planning portals and already match existing M1 and M2 CMP376 milestones.

I would have liked to have included projects that can evidence scoping or screening but that is not a uniform process.

It is obviously not a preference for a developer to achieve M1 or M2 without securing a land option in advance and there might also be occasions where a developer may need to extend or enter a new option in order to meet the land option criteria of 3 years at Gate 2. These are other scenarios where the land option may not be in place or provable at Gate 2 and so allowing the alternative planning milestones would be beneficial.

CP2030 assessment and reestablishment of the queue should be able to prioritise projects from as big a pool of 'developed' projects as possible, to meet the Future Energy Scenarios as quickly as possible and therefore meet the needs of the country. If a one-off redesign process is to be undertaken at local level, then that should consider as many real projects in the first review as possible, rather than redesign again as they achieve land option.

My assumption would be that alongside the Gate 2 application and financial investment, there would be scrutiny of the planning progress and delivery programme alongside their existing grid connection dates.

More real/progressed projects included in the CP2030-driven Gate 2 assessment will also enable greater visibility and organisation towards Strategic Spatial Energy Plan and could also reduce the number of excluded projects which may face irretrievable loss of their development investment and seek damages or compensation.

This is proposed for CMP435’s application of reform to existing grid contracts only as it is those that are facing the harshest change of rules since they contracted, as they should already be well progressed on land and planning, but not necessarily achieving all in time for a reform implementation deadline.

It is suggested that this variation to Gate 2 would work alongside the new proposals to require a Financial Instrument alongside Gate 2 application which further validates the confidence in delivery of the project.

In order to prevent any rush of planning application this could be applied with an earlier cut-off date e.g., 31 December 2024.

**What is the difference between this and the Original Proposal?**

TMO4+ as is currently proposed only allows Gate 2 entry if land options are in place. This alternative provides an option for M1 or M2 land to be valid alternative qualifications for Gate 2 including where land Option M3 is not currently available.

**What is the impact of this change?**

**Greater pool of projects available for CP2030 delivery grid dates**

<b>Proposer’s Assessment against CUSC Non-Charging Objectives</b>	
<b>Relevant Objective</b>	<b>Identified impact</b>
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	<b>Positive</b>
(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;	<b>Positive:</b> Enables a greater pool of developed projects to be put forward to CP2030 targets
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>None</b>
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	<b>Positive:</b> Enables a greater pool of developed projects to be put forward to CP2030 targets
*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.	

**When will this change take place?**

**Implementation date:**

Implement alongside Grid Reform Implementation in Q2 2025

**Implementation approach:**

Guidance would be amended to detail criteria for proving planning application or approval at Gate 2 application.

**Acronyms, key terms and reference material**

Acronym / key term	Meaning
CP2030	Clean Power 2030
M1	CMP376 Milestone 1
M2	CMP376 Milestone 2
TMO4+	Target Model Option 4+