

Public

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: | Ross Thompson | |
| Company name: | UK Power Networks | |
| Email address: | ross.thompson@ukpowernetworks.co.uk | |
| Phone number: | 07875 110 403 | |
| 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 Panel or the industry for further consideration)

Public

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 believe that both proposals better facilitate the applicable objectives, in particular objectives A and D. |
| 2 | Do you have a preferred proposed solution? | <input checked="" type="checkbox"/> Original <input type="checkbox"/> WACM1 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference |
| | | While we acknowledge the potential benefits of WACM1, we believe the downsides outweigh them. Adding this step introduces significant complexity as it will not only require the “pause” but also duplication of the Gate 2 assessment step. The timescales to |

Public

| | | |
|---|--|---|
| | | implement are already incredibly tight and WACM1 could reduce the time to complete other critical steps putting delivery and/or quality at risk. |
| 3 | Do you support the proposed implementation approach? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| | | <p>We support the proposed approach but wish to draw attention to the ambitious implementation timescales. For the proposed approach to deliver successfully, it will be essential for each party to fulfil their duties in each step on time and to the required quality for subsequent steps to be executed successfully. This will be important as any delays will very likely impact customer experience and/or project viability – putting the delivery of connections reform at risk. It should also be an embedded principle that one party’s ability to demonstrate compliance with the modified CUSC should not be put at risk by another party’s performance.</p> |
| 4 | Do you have any other comments? | <p>Mindful that the proposed solution will impact accepted distribution customer quotes, we believe a strong line of sight between the Authority and Government decisions leading to this solution is important. This will provide clarity and certainty to customers that are potentially impacted by the solution including a full understanding of the reasons why distribution customer quotes may need to be varied. This will become increasingly important given the pace of change to connection arrangements.</p> <p>As this solution will require all DNOs to implement it, we believe a clear instruction for all DNOs to comply with the requirements of the solution should be included in the proposed legal text for the CUSC modification of CMP 435 (and 434) or in the Authority Decision Letter for this Modification Proposal. This is of particular importance given the retrospective nature of</p> |

Public

| | |
|--|--|
| | <p>the new requirements. We are happy to assist in developing appropriate drafting to provide this clarity.</p> <p>We believe there is merit in exploring how the Connections Network Design Methodology could produce outputs for embedded customers that do not meet Gate 2 requirements (or do not meet CP30 requirements hence no Gate 2 offer being issued) that would allow DNOs or transmission connected IDNOs to produce offers similar to Gate 1 offers for their customers. This would have the benefit of aligning the experience of direct and embedded customers as far as is possible, especially in the likely absence of DFTC or equivalent within the implementation timescales of CMP435. We note this here as it is relevant to this modification, in particular Element 19, but believe it could be explored through the process described with in the CNDM Methodology as it will be dependent on many of the factors being explored within that process.</p> <p>The cutover process as described in Element 20 reinforces the need for a focus on ensuring all recently issued offers are finalised and signed to ensure all eligible customers are included in the Gate 2 to Whole Queue process. We are committed to working with NESO to ensure this happens in good time. If any issues remain, thought will need to be given to what exemptions can be made from the cutover arrangements to ensure no detriment to customers that have fulfilled their requirements to enter the process.</p> <p>We would welcome clarity on whether Cutover Arrangements apply to embedded demand applications. Such applications are not in scope for TMO4+ so our understanding is that these projects would continue to follow the current Modification Application process without interruption by the Cutover Arrangements.</p> |
|--|--|

Public

| | | |
|---|---|---|
| 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 |
| | | To the best of our knowledge, we do not believe it has any direct impacts on the Electricity Balancing Regulation (EBR) Article 18 as it does not seek to change any existing Balancing Services. |