

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:	Richard Woodward	
Company name:	National Grid Electricity Transmission	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input 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 checked="" 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 checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
<p>As with our stance on the previous Queue Management policy change via CMP376, we strongly believe the ability for network licensees to deliver economic and efficient connections is contingent on effective management of the existing pipeline, not just new applicants.</p> <p>We therefore support the intent of CMP435 to apply the new and improved TMO4+ connections process to the existing contracted background. This will ensure:</p> <ul style="list-style-type: none"> • Consistent treatment of all Users which better facilitates effective competition. • There is no risk of undue discrimination based on application date. • There is no inefficiency for ESO and TOs (via CM096) by being compelled to operate two sets of connection arrangements for new and existing Users. <p>In these respects, this modification better facilitates objective A and B.</p>		
2	Do you support the proposed implementation approach? (See page- 57-58)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>Whilst we support the intent to implement ASAP, we are wary that the existing timetable for implementation is extremely compressed in the context of the significant changes to contracts potentially needed (including by the ESO themselves). The level of uncertainty in relation to the supporting CM096 proposal does not make this situation better.</p> <p>As per our response to CMP434, we believe a staggered implementation approach which prioritises application to the existing queue via CMP435, before allowing time to recalibrate the new contracted background and then undertake a thorough CNDM prior to the first window for new applications, might be worth the proposer considering.</p>
3	Do you have any other comments?	
		As Transmission Owner for England and Wales, we develop the network infrastructure that economically and efficiently meets the evolving needs of our customers, while accelerating the transition to a net zero future.

<p>Whilst we agree that reforming the connections process is essential, it is important to recognise that without building the necessary network infrastructure to physically connect customer projects, these proposals will not be effective in meeting energy policy aims.</p> <p>Strategic planning of network infrastructure, aligned with expected network and societal requirements, is vital to drive value for end consumers and deliver meaningful change. This includes earlier engagement with the supply chain and communities to ensure efficient delivery of new infrastructure.</p> <p>Delivering against these principles also compliments the ambition of the new Government to set out an industrial strategy to kick start growth, which will see widespread electrification of the economy whilst unlocking the industries of the future.</p> <p>Currently we do not believe the package of proposals to implement TMO4+, including CMP435, adequately consider this wider strategic context. We are therefore concerned that the proposals merely re-frame the baseline inefficiency of the transmission connections arrangements via a gated process. We do not see tangible proposals to manage an ever-increasing and unconstrained contracted background, which is permitted under TMO4+ via the limited criteria for firm offers to be made for projects applying at Gate 2.</p> <p>A supporting executive summary has been provided which elaborates on these points and possible solutions.</p>	
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p> <p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section)</p> <p><input checked="" type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>	

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> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	

<p>We do not believe these methodologies, or their governance, are a matter for CMP435. There should be no specific exclusions, diversions or differences to these methodologies for how the ESO and/or TOs facilitate the connections process for new or existing Users.</p> <p>Instead, this element should be only considered via CMP434 and CM095 as applicable.</p>	
<p>Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>We believe the wording of this Element could be changed to only reflect any consideration of legitimate differences for the Primary Process when TMO4+ is applied to the whole queue, if any exist (we note none are presented in the consultation).</p> <p>Ultimately, we believe that consistency of treatment is vital between new and existing Users, and therefore expect that this can be removed from scope and developed solely via CMP434.</p>	
<p>Element 5: Clarifying any Primary Process differences for customer groups (See pages 11-12,32)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>[As per our response on Element 3]</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (See pages 12-13, 32-33)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>We agree with minor clarification noted for this element in the consultation for fair treatment of existing Users.</p>	
<p>Element 9: Project Designation (See pages 14-15, 33-34)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>[As per our response on Element 3]</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>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>[As per our response on Element 8]</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (See pages 22-23, 39-40)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>We note the minor adjustment on this element to enable Users to signal an interest in advancement. Whilst we do not disagree with this inclusion, we would urge the ESO to be transparent on managing reasonable expectations to Users on this process.</p> <p>We are wary that there may be an inflated expectation amongst Users that advancement could/should be realised almost immediately post-CMP435 go-live. In reality, the recalibration of the existing queue once projects are classified as Gate 1 or Gate 2, plus the restudying of the resulting new contracted background, must occur before anyone is even considered for advancement. Whilst developers may signal this at go-live, it may be many months before they are even considered for this.</p> <p>We trust that the ESO will work with us to not only form the processes to recalibrate and study the new contracted background comprehensively as part of CMP435</p>	

	implementation (we assume via CNDM?), but form timely communications for go-live to help guide industry and manage expectations.	
	Element 14: Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We note and agree on the specific deviations for this element in comparison to CMP434 to clarify process for Users has received a two-step or transitional offer. However, we do believe the ESO solution on this matter could be more definitive for those in receipt of a transitional offer, as to whether it is appropriate for these Users to be applicable for Gate 2 at CMP435 implementation.	
	Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	It might be that there are considerations for ESO/TOs specific for CNDM via implementation of CMP435 as a one-off activity, but this will unlikely affect the CNDM or CMP435 solutions themselves. If this is the not the case (as we believe) then this element can be excluded from scope and developed more substantively elsewhere.	
	Element 19: Contractual changes (See pages 26-28, 43-46)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We agree with the four identified groupings, and broadly agree with the proposed approaches to amend contracts where projects fall into these groups. As per our response on Element 13 though, we believe expectations on advancement re. group 3 needs to be much better managed via thorough and well-timed communications. Additionally, as per our response to Element 14, we encourage the proposer to consider appropriate guidance on Gate 2 progression for those in receipt of a transitional offer.	
	Element 20: Cut Over arrangements (See page 28, 47)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	As per our response to CM096, we expect the proposer to elaborate in more detail on how the cutover arrangements will be facilitated in conjunction with STC Parties. We are wary that proposals for STC on these aspects, which directly impact our ability to help the ESO facilitate CMP435, are currently vague.	
6	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)? If yes, please provide supporting justification.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	As per our responses above, unless the workgroup or proposer can demonstrate specific differences in how the elements apply to new Users via CMP434 in comparison to the existing queue for CMP435, we believe the following elements can be removed from scope: 1, 3, 5, 9, and 16	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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
The only possible exceptions could be where the ESO exercises it's Project Designation right - if permitted by Ofgem - at the point of implementation of CMP435 (as per Element 9).		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
No; though we have raised broader points in our response to the same question in the CMP434 consultation as this relates to the wider TMO4+ proposals (e.g. proposed Gate 2 criteria). Ultimately, we do not believe CMP435 in isolation discriminates by project type.		