

CUSC Alternative Form – Non-Charging**CMP435 Alternative Request 6:
ENWL/435/01**

Overview: Introducing a (significant) Financial Instrument to the Gate 2 Criteria

Proposer: Steffan Jones, Electricity Northwest Limited

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

What is the proposed alternative solution?

To introduce a (significant) Financial Instrument to the Gate 2 Criteria, potentially in the form of a £/MW non-refundable deposit.

What is the difference between this and the Original Proposal?

Our proposal is specifically related to CMP435, however, could be introduced to CMP434 as well.

The whole premise of the Connections Reform proposal relies on the removal of a significant element of the existing pipeline passing to Gate 1, not securing Gate 2 unless they really are ready to build.

If all the existing pipeline goes through to Gate 2, we will have more schemes looking to connect than are needed, therefore, in the wrong balance and connection dates will not improve.

There is a potential scenario where the proposed Gate 2 criteria are not challenging enough to prevent significant volumes of schemes passing through to Gate 2.

To ensure the success of the overall connections reform process, we need something that will slow down the transition of schemes to Gate 2 until they are ready to build out, to encourage those schemes that aren't certain of their viability to pause and not jump forward.

We understand that the principle is not aligned with current regulations and guidance and will be a significant change to the developers.

We also believe that the level will need to be proportionate to the size of the scheme.

What is the impact of this change?

Proposer’s Assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	Positive/Negative/None: Positive – this will help ensure that the schemes that pass through from the existing queue to Gate 2 are genuine and will restrict the movement to an optimal level, allowing the overall reform to <u>to the</u> process the best chance of success.
(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;	Positive/Negative/None: Positive – in allowing ready schemes to progress and in allowing connection dates to move forward (enabling the overall principles of connections reform). <u>W</u> w e are effectively enabling the market and therefore competition.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	Positive/Negative/None: Neutral – no clear impact
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive/Negative/None: Positive – will give the proposed reform the best chance of implementation
*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:

Aligned with the Original Proposal (original proposal date) 1 January 2025)

Implementation approach:

Aligned with the Original Proposal

Acronyms, key terms and reference material

Acronym / key term	Meaning
ENWL	Electricity Northwest Ltd
CUSC	Connection and Use of system code
EU	European Union
EEA	European Economic Area