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## 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](mailto: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](mailto:elana.byrne@nationalenergyso.com) and [catia.gomes@nationalenergyso.com](mailto:catia.gomes@nationalenergyso.com) or [cusc.team@nationalenergyso.com](mailto:cusc.team@nationalenergyso.com)

| Respondent details                             | Please enter your details   |   |
|--|---|---|
| <b>Respondent name:</b>                        | Alex Ikonic   |   |
| <b>Company name:</b>                           | Ørsted  |   |
| <b>Email address:</b>                          | aleik@orsted.com  |   |
| <b>Phone number:</b>                           | Click or tap here to enter text.  |   |
| <b>Which best describes your organisation?</b> | <input type="checkbox"/> Consumer body<br><input type="checkbox"/> Demand<br><input type="checkbox"/> Distribution Network Operator<br><input checked="" type="checkbox"/> Generator<br><input type="checkbox"/> Industry body<br><input type="checkbox"/> Interconnector | <input type="checkbox"/> Storage<br><input type="checkbox"/> Supplier<br><input type="checkbox"/> System Operator<br><input type="checkbox"/> Transmission Owner<br><input type="checkbox"/> Virtual Lead Party<br><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)

#### For reference, the Applicable CUSC (non-charging) Objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- 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;
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*; and
- Promoting efficiency in the implementation and administration of the CUSC arrangements.

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\*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 type="checkbox"/> a <input type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d  |
|  |  | WACM1 <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 have a preferred proposed solution?   | <input type="checkbox"/> Original<br><input type="checkbox"/> WACM1<br><input type="checkbox"/> Baseline<br><input checked="" type="checkbox"/> No preference   |
|  |  | <p>Ørsted have significant concerns with the level of reliance placed on methodology and guidance documents within the proposal.</p> <p>While we are sympathetic to the need for flexibility in the process, the methodologies will house detail which can fundamentally change project development risk levels, both for greenfield development and further along in the development process. As such, it is vital these are subject to robust governance and allow for meaningful input from the industry so as not to place an undue strain on investor confidence.</p> <p>While the methodologies are currently under consultation, we note that many of the details are still to be finalised, and the governance structure (and how well it would function in practice) is currently unknown. It is imperative that the detail of the methodologies and their governance process is in place well before implementation</p> |
| 3  | Do you support the proposed implementation approach?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |
|  |  | <p>Whilst we appreciate the need to move the reform work at pace, in Ørsted's view more time is needed to ensure that a reasonable and robust process is put in</p>   |

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|   |                                 | <p>place. The process, as it currently stands, is proposed to proceed based on numerous assumptions which are untested. It would therefore be helpful to consider potential remedial plans following go-live, in the event that practical implementation has unforeseen challenges.</p> <p>With reference to our response to the CMP434 CAC, we continue to have concerns with the reliance on methodologies and guidance documents.</p> <p>While the generic minimum window timelines seem reasonable, we would welcome further information on timelines as soon as reasonably possible.</p> <p>We fully support further engagement with stakeholders once a decision has been made and would request any guidance or templates to be made available well in advance of the window opening. We would also encourage NESO CCM's to actively discuss portfolios with their customers.</p> <p>With regards to cutover arrangements, while we understand the need to define an "existing agreement", we would urge NESO to consider situations where this is outside of the developers' hands – for example, developers cannot control when a DNO will sign a Project Progression, or when NESO will countersign a contract.</p> <p>We believe a much stronger commitment is needed from DNOs and NESO to undertake the initial checks of Gate 2 readiness criteria in this exercise, particularly with regards to providing supplementary or rectifying any information even where this extends beyond the window deadline (if discussions between developers and NESO are actively underway). Projects entering Gate 2 under CMP435 must be given sufficient opportunity to be included in the exercise.</p> |
| 4 | Do you have any other comments? | <p>We note the proposal remains reliant on a number of other workstreams (including data provision, allowable changes, Clean Power 2030, ENA-led work), whose details and programmes are all as yet unknown or where the parties have not committed to any set timeframes. The misalignment of timescales for any of these elements is a significant risk to the successful implementation of Connections Reform. In particular, we continue to have concerns on the impact on</p>  |

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|   |   | embedded generation in terms of the transmission / distribution interface. |
| 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<br><input type="checkbox"/> No     |
|   |   | Click or tap here to enter text.   |