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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 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:	Charles Deacon	
Company name:	Eclipse Power Networks	
Email address:	Charles.Deacon@eclipsepower.co.uk	
Phone number:	Click or tap here to enter text.	
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)

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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 type="checkbox"/> c <input checked="" type="checkbox"/> d
		WACM1 <input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input checked="" type="checkbox"/> d
		<p>We agree with the Proposer that the impact of the CMP434 Original Proposal is Positive on Applicable CUSC Objectives (ACOs) a), b) and d), and is Neutral regarding ACO c).</p> <p>WACM1 is based upon the Original, with an incremental variation, so is positive on the same ACOs.</p> <p>We note that the WACM1 proposer has indicated Neutral for ACO d), and disagree, as to us it appears that the proposal promotes efficiency by enabling developers to better assess an application’s chances of progressing, and so possibly avoiding wasted effort by them, as well as by NESO and the relevant TO.</p> <p>The Original proposal better facilitates the CUSC objectives by facilitating a one-off re-ordering of the</p>

Respondent has confirmed references to CMP434 are related to CMP435

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		<p>queue, which will prioritise projects that are further developed and ready to go. This will hopefully unblock the queue and enable more progressed projects to connect earlier. This is crucial to meet national targets and those laid out in Clean Power 2030. This will result in more efficient transmission investment, holistically planned around a batch of projects that carry more certainty. It will also help facilitate competition by introducing additional competitive pressures to developers to progress their projects quicker. The Gate 1 holding phase allows any projects that are “less progressed” to remain on the radar of network operators to assist in future planning.</p>
2	Do you have a preferred proposed solution?	<p> <input type="checkbox"/> Original <input checked="" type="checkbox"/> WACM1 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference </p> <p>WACM1 is better than the Original as it provides additional data for developers to make an informed decision. Under the Original, advancement requests are made “blind”, which could result in abortive work for the network operators, should Gate 2 offers come back unfeasible or undesirable. WACM1 at least provides visibility of projects at a particular node, so that the developer can take a risk-based assessment on the chances of success of advancement (and/or Clean Power 2030 quotas) to make the request with some confidence.</p> <p>Ideally, we would like to see the EA Register including planning and milestone dates/status of the projects, as well as TWR codes for any transmission works required and any dependence on DNO reinforcement. This information should currently be held by the network operators; noting interactions with Electricity Act provisions on data, which may need to be reviewed.</p>
3	Do you support the proposed	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p>

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	<p>implementation approach?</p>	<p>The wider Connections Reform agenda has necessarily had an aggressive implementation target. Implementation of CMP434 will require several elements to all be in place, including the proposed new Methodologies. Providing that this is adhered to, we support the proposed implementation approach.</p> <p>There is also significant work to be undertaken by network operators to implement this effectively, not least more clarity on how the DNOs will re-order their queues. We believe this should be resolved before implementation.</p> <p>We do have some concerns with the use of the Methodologies, see answer to question 4.</p>
4	<p>Do you have any other comments?</p>	<p>This CMP relies heavily upon the proposed new Methodologies and Guidance notes, the contents of which were only possible to see in the very final stages of the Workgroup process. A big change in precedent is being proposed here, as the detailed content of these documents will not be codified within the CUSC. We recognise that this is being proposed for the purpose of improving speed and efficiency, but remain concerned that there is presently no formal governance process for this; we believe that there should be industry-wide scrutiny for such important documents. We would seek assurances over the mechanisms that these methodologies can be changed in future and how regularly this can occur, to avoid additional uncertainty.</p> <p>It is still unclear how the DNOs will re-order their queues to reflect the new transmission situation. It would be incongruous to have a Gate 1 project ahead of a Gate 2 project in the DNO reinforcement queue. Repeated requests were made by the workgroup to the ENA for more clarity, but none was received. We believe this needs resolving before implementation or the modification will have limited utility for embedded customers.</p>

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		<p>We also believe that large embedded non-domestic demand that triggers or augments transmission works should be considered in scope, due to the number of transmission works triggered by such schemes which will not be involved in the process. Without this, it could encourage large demand customers to apply via DNOs or IDNOs to avoid this process and trigger transmission works that could delay in-scope projects. Clarity on whether demand via new transmission-connected IDNOs would be in scope is required.</p> <p>We remain concerned at the impact on batched project progressions. It must be possible for a single project within a project progression to enter Gate 2 and/or advance, without the others. Steps were made in the legal text to allow this, however consequences on securities and capital contributions need to be considered more fully in the methodologies. Capital contributions are already a barrier to connection, which needs addressing, and this could compound the situation.</p> <p>The same applies for generation-triggered new supply points. There is a current flaw in BAU if small/medium generators are to connect via a new supply point, that the supply point contract must be issued first before Project Progressions can be submitted, resulting in delays and increased securities under Final Sums and leaving it out of scope of this modification, even if it was always intended for generation. This would not occur for applications to existing supply points, which trigger a new one. We welcome proposals to indicate that any size generation application and supply point application can come concurrently; however we would like to see more detail and guidance around how a supply point can be classed as "generation triggered" and in scope of the new process, particularly if Final Demand is also requested, and if all triggering projects enter into Gate 1 (regardless of size) assurances that the existing supply point would not be liable for cancellation charges, or worse, reverted to Final Sums.</p>
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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?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>No observation to make.</p>