

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:	Eibhlin Norquoy	
Company name:	Community Energy Scotland on behalf its Member Point and Sandwick Power Limited (see email confirmation)	
Email address:	eibhlin.norquoy@communityenergyscotland.org.uk	
Phone number:	07919305843	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" 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 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 type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
Click or tap here to enter text.			
2	Do you support the proposed implementation approach? (See page- 57-58)	<input type="checkbox"/> Yes	
		<input checked="" type="checkbox"/> No	
This will impact nearly all Small, Medium, and Large Embedded Generation in Scotland in the short to medium term because nearly every GSP in Scotland has a constraint. It is unreasonable to expect all of these stakeholders to be able to review the ESO supporting guidance and the associated engagement in such a short space of time before / during / after the festive period.			
3	Do you have any other comments?		
	Click or tap here to enter text.		
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input checked="" type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section)	
		<input type="checkbox"/> No	
We are submitting three Alternative requests for the Workgroup CMP434 to consider: a) Project Designation for Community Generators, b) Ringfence capacity for Community Generators, and c) Indication of costs in Gate 1 offers. These alternatives may impact in the CMP435.			

Specific Workgroup Consultation questions

5	Do you agree with the elements of the proposed solution for CMP435? Please note that the application of these elements may be different to CMP434 , therefore please answer the questions in respect to CMP435.
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<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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>It should be recognised that this proposal requires disproportionately more administration effort on Large Embedded Generators (LEG) particularly in Scotland. While the BEGA/BELLA application has always been a requirement, this proposal also requires LEG to submit Gate 1 and Gate 2 applications to the ESO whereas the DNO would undertake this for Small and Medium Embedded Generators. This becomes disproportionate in Scotland where generators as small as 10MW in the North of Scotland and 30MW in the South of Scotland would be expected to undertake this additional administration. This actively reduces competition in the generation and supply of electricity for generators of similar sizes.</p>	
<p>Element 5: Clarifying any Primary Process differences for customer groups (See pages 11-12,32)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>The main text should make it clear whether the Large Embedded Generators are expected to apply to the ESO for a connection and apply to the DNO as well as apply to the ESO for a BEGA/BELLA.</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (See pages 12-13, 32-33)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The Longstop date from Gate 1 offer acceptance to Gate 2 offer acceptance could be challenging for Community Generators, especially those that need a BEGA/BELLA application to be submitted and responded to by the ESO. Community groups would need an extended longstop period over the (effectively) two years proposed</p>	
<p>Element 9: Project Designation (See pages 14-15, 33-34)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>An additional project designation for community generators should be introduced, considering the benefits to society that these Generators bring and the disadvantages they face in competing with corporations.</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>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	<p>At 11.4, the timescales given are too short for securing planning consent.</p> <p>It is unclear how the queue management and milestones will apply to Large Embedded Generators that go through BEGA/BELLA. Similar distribution milestones will be requested after Gate 1 with the distribution connection offer. Once they accept Gate 2, they will have other time references for the same milestones for the Transmission connection. This makes it very complex and difficult.</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>If sample checks being undertaken by the DNO or ESO take longer than expected, the application should not be withheld from the Gate 2 design process. Late notification by the DNO to the ESO of a Gate 2 application should not result in the Small or Medium Embedded Generators application being pushed to future Gate 2 design processes (as long as the application by the Small or Medium Embedded Generator was within the application window)</p>	
	<p>Element 14: Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
	<p>It is unclear why the offered connection point would differ to the requested connection point at a Gate 2 application. If the requested connection point is the same as that in the Gate 1 offer, then compensation related to securing land rights should be made by the ESO. 12 months to rearrange land rights seems optimistic especially if the landowner is different.</p>	
	<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>Yes, subject to the Authority introducing a licence obligation for ESO/TOs to have this proposed Methodology in place, and that the Authority also set out in licence the consultation, governance and approvals process(es) in relation to such a proposed CNDM</p>	
	<p>Element 19: Contractual changes (See pages 26-28, 43-46)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>Only if the Gate 1 output includes an indication of cost, which is then passed onto Small and Medium Embedded Generators.</p>	
	<p>Element 20: Cut Over arrangements (See page 28, 47)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
	<p>The timescale set for starting the Cutover period is very tight. Developers who have to submit a BEGA/BELLA application will need to do it well before that starts to avoid being delayed in reaching Gate 2 in the near future. Access to funding for these costs is a challenge at present for Community Generators.</p>	
<p>6</p>	<p>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</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

	<p>the existing contracted background (as opposed to the process for new applicants via CMP434)? If yes, please provide supporting justification.</p>	
<p>Click or tap here to enter text.</p>		
<p>7</p>	<p>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.</p> <p>A Project Designation for Community Generators should be included.</p> <p>In addition, Gate 1 offers should include an estimation of the transmission work cost, it could be an interval of cost just for reference so the developer can start getting the finance ready before getting the offer at Gate 2, as the time to accept the offer is not enough to have all finance ready if this cost, security, and liability is unknown.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>8</p>	<p>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.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Yes, Community Generators because they lack the resources to compete with corporations in this 'first ready, first-served' approach. It should be considered a Project Designation for Community Generators to make a fairer Electricity market and to recognise the benefits Community Generators bring to the society.</p>		
<p>9</p>	<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Yes, the way it is currently written will discriminate against Community Generators because they lack the resources to compete with corporations in this 'first ready, first-served' approach. It keeps the electricity market unfair and does not recognise the benefits these Community Generators bring to society. The proposed longstop date of 3 years (effectively 2) between a Gate 1 offer acceptance and Gate 2 offer acceptance is not sufficient for a Community Generator to be in a position to be able to accept a Gate 2 offer due to financial risks associated with planning permission, unknown connection costs, securities and liabilities, as well as non-financial challenges related to governance</p>		