

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:	Grant Rogers	
Company name:	Qualitas Energy	
Email address:	Grant.Rogers@QEnergy.com	
Phone number:	+44 7795 966287	
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 type="checkbox"/> A <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.
3	Do you have any other comments?	
	Some elements of the proposal are not supported however the wider proposal and high level principles are. The DNO to TO interface and how this will be managed for the existing queue across and ensuring fair allocation of TEC to connections in the queue is not adequately addressed and should form a fundamental part of the Proposal. This should be given specific focus before a final proposal is identified.	
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
		Alternatives attached.

Specific Workgroup Consultation questions	
5	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>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>It must be stressed that this response is heavily influenced by the proposed timescale. It should be stressed that more time to codify more of the proposals, not just the overarching principles, and time to review and consult on the associated guidance, would be the preference and far more beneficial. However, in light of this option not being available then agreement that the level of proposed codification may be workable assuming the associated</p>	
<p>Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 5: Clarifying any Primary Process differences for customer groups (See pages 11-12,32)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Disagree that Offshore Hybrid and Interconnectors require a different approach. If applying for the purposes of generation the process should be aligned and not favour a particular type of connection.</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (See pages 12-13, 32-33)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 9: Project Designation (See pages 14-15, 33-34)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Whilst the principle of allowing rare, system benefit, projects to be designated this needs to be codified. Without doing so will undermine the connection process and also opens a host of questions on fair and equal/unbiased treatment of all Customers. Suggest this needs clear methodology at the very least but reality is this needs to be codified as it has such wide reaching implications.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (See pages 22-23, 39-40)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Self declaration and sample checking is not enough. All applicants need to be checked against the same criteria with ongoing compliance being reviewed by the ESO team leading the project. Sample selection is not sufficient and self</p>	

<p>declaration without follow up checks leaves a lottery of who makes it through on merit and who makes it through on risk. If self declaration is to be utilised then a follow up check must be carried out on each application claiming adherence to Gate 2.</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>Fundamentally disagree and alternative raised. Under Element 14 the Proposal introduces the concept of wholesale movement of the land as a result of Gate 2 Offer outcome. It is our view that this fundamentally undoes the work of the the reform and further pushes the, incorrect, view of capacity as a commodity instead of projects being the focus - this will lead to high speculation and significantly reduce the potential positive impact intended by the Proposal. Without land there is no project. If the point of connection to the ESO network given at Gate 2 does not work with the applied for land then that project is not viable. New land necessitates a new project, fundamentally. Additional, Element 14 contradicts the concept of adding firmer application requirements within the Proposal. The Proposal (outside of Element 14), correctly, requires developers to carry out due diligence on land utilised as the project land in the application. This requirement is completely undone by then allowing wholesale change of the land post Gate 2. Implementing element 14 will lead to a host of unwanted outcomes and gaming while adding zero benefit to real development. With this lack of benefit and high risk of negative outcomes as a result of its inclusion it is suggested this be removed from the Proposal.</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>The CNDM should be codified however agree with the Proposal as a result of the current timescales and under the understanding that, as per the proposal, the Authority introduces 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>Notwithstanding the previous to Element 13 e.g. any and all self declarations should be checked/reviewed in full by the ESO, not a selection.</p>	
<p>Element 20: Cut Over arrangements (See page 28, 47)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Click or tap here to enter text.</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 the existing contracted background (as opposed to the process for new applicants via CMP434)? If yes, please provide supporting justification.</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	<p>Element 14 should not be included and does not represent MPV. Element 14 adds not benefit to the proposal however it adds a high risk of increased speculation and gaming of the new process that risks completely undermining the positive impact of the Proposal. Removal of element 14 does not diminish the effect of the proposal or negatively effect MPV in any way.</p>	
7	<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 clear, and ideally codified, methodology of how existing DNO contracted Customers will be considered within the new Gate 2 queue. Most DNO Customers are held by TO interface outcome deadlines e.g. the DNO timescale may be a connection available in 2027 but the TO outcome states 2038. Many of these DNO Customers will be viable to achieve Gate 2 by Jan 25 (or may already have achieved it). There is zero clarity on how this will be addressed to ensure fairness across all DNO's and the ESO in terms of equal treatment of connecting Customers (and/or no detrimental effect to Customers based on application voltage). This is a fundamental element to CMP435 that needs to be addressed and included within the proposal and ideally codified as soon as practicable, even if this must be after implementation.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
8	<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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>		
9	<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>Without careful consideration and clear methodologies agreed (and ideally codified) across the ESO and DNO's there risks being varied discrimination to DNO connected Customers with ESO/TO works required as a result of the Transmission Interface outcome. A process and methodology for this, that applies across the board, to ensure mitigation of any potential discrimination should be included in the Proposal.</p> <p>The proposal also risks unduly biasing interconnector and hybrid interconnector applications by issuing a "Gate 2 type" offer at Gate 1 stage. This inclusion should be considered for removal where the application is for a generator/generation. All generation Customers should be treated the same regardless of whether directly connected or hybrid interconnector. Doing otherwise will skew favour towards these specific projects which will have greater certainty at</p>		

an early stage over and above any other applicant (there is also question as to how this can even be achieved at Gate 1 considering no studies will be carried out).