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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 [cust.team@nationalenergyso.com](mailto:cust.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 [cust.team@nationalenergyso.com](mailto:cust.team@nationalenergyso.com)

Respondent details	Please enter your details	
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<b>Phone number:</b>	07895 310443	
<b>Which best describes your organisation?</b>	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input 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 checked="" 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>NESO believes that the Original Proposal better facilitates the Applicable Objectives (a), (b), and (d). This proposal allows for the creation of a new queue composed of readier and more viable projects, thereby supporting the government's clean power and net zero targets. By removing speculative and stalled projects from the connections queue, the proposal helps expedite connections for projects that are ready to connect.</p> <p>We believe that the Original Proposal better facilitates Applicable Objective (a) by introducing an application-window based (and gated) connections process that prioritises more prepared and viable projects, thereby supporting the government's clean power and net zero targets. The one-off exercise to apply 'Gate 2 to the</p>

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		<p>Whole Queue' lays the foundation for an improved enduring process, enabling the development of a coordinated and efficient network design for connections, ultimately benefiting both customers and consumers.</p> <p>The Original Proposal also better facilitates Applicable Objective (b) by contributing to quicker connections for readier and more viable projects essential for achieving the government's clean power and net zero goals. Under the current connections process, projects face prolonged waiting times, hindering progress towards clean power and net zero. The ability to remove speculative projects from the queue is expected to therefore allow viable Gate 2 projects to secure earlier connection dates.</p> <p>We consider the Original Proposal to be neutral with respect to Applicable Objective (c).</p> <p>The Original Proposal also better facilitates Applicable Objective (d) by promoting efficiency through a more coordinated and efficient network design for connections. This approach enables the delivery of benefits to both customers and consumers by allocating capacity more efficiently to projects that are ready to proceed. The 'Gate 2 to Whole Queue' process also provides industry participants, including network companies, with greater structure and planning capability by offering full and confirmed offers only to viable projects through the introduction of the new arrangements. This reduces the size of the current queue, allowing readier and viable projects to access earlier connection dates and slowing the rate at which new projects can enter the queue compared to current baseline arrangements.</p> <p>NESO also considers that WACM 1 better facilitates the Applicable Objectives (a), (b) and (d) due to the solution being materially similar to the Original Proposal and it therefore aligns with the above points outlined against the Applicable Objectives for the Original Proposal.</p> <p>However, whilst WACM1 is materially similar, it does seek to add an additional process step through an industry pause for market self-regulation. Whilst we can</p>
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		see some limited value through creating additional transparency to enable facilitation of competition, overall, we feel that WACM1 would elongate the process and add unnecessary complexity to the Original Proposal. Therefore, whilst we consider WACM1 better than the baseline, we do not believe it is better than the Original Proposal.
2	Do you have a preferred proposed solution?	<input checked="" type="checkbox"/> Original <input type="checkbox"/> WACM1 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		For the reasons outlined above, NESO believes that the Original Proposal better facilitates the Applicable Objectives and is therefore our preferred solution. Whilst we acknowledge the similarities in WACM1 to the Original Proposal, we believe the additional process step could unnecessarily elongate the process and introduce additional complexity. We therefore consider the Original Solution better facilitates the Applicable Objectives compared to WACM1.
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		NESO supports the implementation approach outlined within the Original Proposal. However, it is important to note the interactions between these code changes and their implementation approach and the licence changes required (including in respect of the Methodologies) and we look forward to continuing to work with Ofgem and other key stakeholders to ensure that all aspects of the implementation requirements (including those related to codes and licences) are aligned prior to the implementation date. It is also important to note that additional clarity on the implementation date for these code changes would be useful for NESO (and industry) to have as soon as it is available. We also look forward

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		to continuing to work with Ofgem and other key stakeholders on further transitional arrangements.
4	Do you have any other comments?	<p>Upon further review, the CMP435 Original Proposal legal text requires several typographical amendments, which will also need to be reflected in the WACM1 legal text.</p> <p><b>CUSC Section 11</b></p> <ul style="list-style-type: none"> <li>• The definition of Existing Agreements includes 'Paragraph 18.5 above' and the word 'above' should be removed.</li> <li>• The definition of Gate 1 ATV includes 'Paragraph 18.13 above' and the word 'above' should be removed.</li> </ul> <p><b>CUSC Section 18</b></p> <ul style="list-style-type: none"> <li>• 18.4 The reference to "<b>Declarations</b>" in the fourth bullet point should be "<b>Readiness Declarations</b>".</li> <li>• 18.5.7 The word 'For' at the start of the Paragraph should not be in bold.</li> <li>• 18.5.7 The sentence is missing a word as it should read "where such agreements are not triggered by one or more <b>Embedded Power Stations</b>." This change then aligns with the text within 18.5.1.</li> <li>• 18.6 There is a capital 'I' on the word 'is' in the final row of the Paragraph.</li> <li>• 18.7 The comma should be before the word 'or' in the second row of the Paragraph.</li> <li>• 18.7 The last word in the Paragraph 'followed' has a bold 'd.' which should not be in bold.</li> <li>• 18.8.2 There is a bold 'a' in the third row of the Paragraph which should not be in bold.</li> <li>• 18.10.1.1 The reference to "<b>Declarations</b>" in the third row should read "<b>Readiness Declarations</b>".</li> <li>• 18.10.1.1 The closing bracket within this Paragraph is missing.</li> <li>• 18.10.1.2 The number '10' is in bold in '10 <b>Business Days</b>' and should not be in bold.</li> <li>• 18.10.1.3 There is a full stop after '<b>Original Red Line Boundaries</b>' which should be a comma.</li> </ul>

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		<ul style="list-style-type: none"> <li>• 18.10.2 '<b>Gate 2 Status</b>' is not a defined term and therefore should not be in bold and instead put in quotation marks i.e. 'Gate 2 Status'.</li> <li>• 18.11.1 reference to '<b>Designation Methodology</b>' should instead be reference to '<b>Project Designation Methodology</b>'.</li> <li>• 18.12.2 There is an extra space after the 'and' in the second row of the Paragraph that should be removed.</li> <li>• 18.13.2 The 's' on the end of '<b>Existing Agreements</b>' should also be in bold.</li> <li>• 18.13.5.2 The word 'or' should be outside the opening bracket, rather than being the first word inside.</li> <li>• 18.13.5.4 There is a stray space at the start of the Paragraph that should be removed.</li> <li>• 18.13.5.7 The word 'Line' needs to be capitalised, and a full stop added to the end of the sentence.</li> <li>• 18.14.2.2 The word '<b>Progress</b>' in '<b>User Progress Milestone</b>' should be changed to '<b>Progression</b>' as this is a defined term.</li> <li>• 18.14.2.2 Should remove the unnecessary first bracket on the third line of the Paragraph so it reads 'add a new Appendix for User Data/Developer Data or update (if it exists) to include the <b>Installed Capacity</b> data'.</li> <li>• 18.16.3 It should be changed to '<b>Gate 2 Existing Agreements</b>' and not '<b>Existing Gate 2 Agreements</b>'.</li> </ul>
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>Upon reviewing the CMP435 legal text, it is clear it does not overlap or interact with any sections of the CUSC outlined in CUSC Exhibit Y.</p> <p>Therefore, we consider CMP435 to not have any impact on the EBR Terms and Conditions.</p>

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