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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:	Als Scrope, Stakeholder Engagement Manager	
Company name:	Northland Power UK Limited, Spiorad na Mara Limited & Havbredey Limited	
Email address:	Als.Scrope@northlandpower.com	
Phone number:	+44 7309 658733	
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 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?	<div>Mark the Objectives which you believe the proposed solution(s) better facilitates:</div> <table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input checked="" type="checkbox"/>c <input checked="" type="checkbox"/>d</td> </tr> <tr> <td>WACM1</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input checked="" type="checkbox"/>c <input checked="" type="checkbox"/>d</td> </tr> </table> <div>Click or tap here to enter text.</div>	Original	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d	WACM1	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
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WACM1	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d					
2	Do you have a preferred proposed solution?	<div><input checked="" type="checkbox"/>Original</div> <div><input type="checkbox"/>WACM1</div> <div><input type="checkbox"/>Baseline</div> <div><input type="checkbox"/>No preference</div> <div>Click or tap here to enter text.</div>				
3	Do you support the proposed	<input checked="" type="checkbox"/> Yes				

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	implementation approach?	<input type="checkbox"/> No We generally agree with the Implementation Approach but believe the Gate 2 declaration window should be a minimum of 4 weeks in duration (as opposed to a minimum of 2 weeks).
4	Do you have any other comments?	<p>Whilst the parallel NESO consultation on the Connection Reform Methodologies covers the finer detail of how the current queue shall be reformed, we would like to raise the following point in this CMP435 consultation responses:</p> <p>Treatment of TEC Phasing across 2030 / 2035 Queue Boundaries:</p> <p>All consultations to date, including the Methodologies consultation, have been silent on the treatment of projects who happen to have TEC phased across 2030 or 2035 queue boundaries. However, NESO have informally indicated that if such a project does not seek to remove TEC phasing across the boundary then only the part of the TEC falling with 2030 (or earlier) or 2035 (or earlier) will be eligible for the earlier window.</p> <p>It is a given that many large offshore wind projects need to phase their TEC across multiple construction years – it is simply not possible to install the full capacity of these large sites in a single construction year. For reasons of economy of scale, these projects will generally have a single FID and not be viable as multiple smaller projects. Truncating these projects as a result of the 2030 and 2035 boundaries, will most likely result in projects having to delay their full capacity into a later queue window (31-35, or beyond 35). An outcome that leaves a single FID project with part of its capacity with a Gate 2 offer and the remainder with a Gate 1 offer provides unacceptable uncertainty for further development of the project, likely leading to delay to delivery of all the project's capacity.</p>

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		<p>The NESO advice to government on meeting CP2030 pathways already shows that there is only just sufficient offshore wind in the queue to meet targets. We think the impact of seeking to truncate single FID projects, ignoring the practical construction ramp up of TEC/generation, presents a risk of there being insufficient offshore wind in each part of the queue to meet CP2030 pathway targets.</p> <p>We would ask the Connection Reform team to consider this, including checking what the impact would be of truncating projects that currently have TEC phasing across 2030 or 2035 boundaries – but not forgetting, that large projects that currently have their TEC in a single year will ultimately not be able to deliver the associated generation in a single construction year, so at some stage will seek to Phase their TEC, some of which are bound to cross the 2030 and 2035 boundaries.</p> <p><u>We strongly believe that all the TEC of a project that has TEC phasing across the 2030 or 2035 boundary should be included on the earlier side of the boundary.</u></p>
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 type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Unsure - we don't feel well placed to answer this question</p>