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## Code Administrator Consultation Response Proforma

### CMP434: Implementing Connections Reform

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 [usc.team@nationalenergyso.com](mailto:usc.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.

If you have any queries on the content of this consultation, please contact [usc.team@nationalenergyso.com](mailto:usc.team@nationalenergyso.com)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Kimbrah Hiorns	
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<b>Email address:</b>	Kimbrah.Hiorns@edf-re.uk	
<b>Phone number:</b>		
<b>Which best describes your organisation?</b>	<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 checked="" 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)

For reference the Applicable CUSC (non-charging) Objectives are:

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- 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 solutions against the Applicable Objectives?	Mark the Objectives which you believe the proposed solutions better facilitate:
		Original <input checked="" type="checkbox"/> a <input type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
		WACM1 <input type="checkbox"/> a <input type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d
		WACM2 <input type="checkbox"/> a <input type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d
		WACM3 <input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
		WACM4 <input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
		WACM5 <input type="checkbox"/> a <input type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d
		WACM6 <input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
		WACM7 <input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
See comments below.		
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input type="checkbox"/> WACM1 <input type="checkbox"/> WACM2 <input type="checkbox"/> WACM3

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	<input type="checkbox"/> WACM4 <input type="checkbox"/> WACM5 <input checked="" type="checkbox"/> WACM6 <input type="checkbox"/> WACM7 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
	<p>We welcome the reformed connection process being set out by NESO. The existing process is not fit for purpose and has led to a significant number of speculative projects taking up space in the queue, presenting a significant barrier to the timely progression of viable projects. We believe it is crucial that the process is reformed to ensure GB is able to meet its security of supply and decarbonisation needs. As outlined above, our key concern is regarding the proposed implementation approach, which we believe presents a material risk to investor confidence which in turn risks needed projects and potential projects.</p> <p>We would urge NESO and Ofgem to consider carefully both this and the wider set of reforms being considered including CP2030 alignment and a further financial instrument holistically, to prevent an investment hiatus occurring over the next year in light of the significant uncertainty and risk being introduced by certain elements of the proposals and the approach to development and implementation.</p> <p>As noted in our previous feedback throughout the CMP434 development process, we would reiterate some issues with the proposed process:</p> <ul style="list-style-type: none"> <li>• We disagree with the NESO's proposed requirement for red-line boundaries and ongoing compliance with them after Gate 2. As raised with the NESO in the CMP434/435 working groups, restrictions on red-line boundary changes is an unnecessary and potentially perverse intervention in project development. We consider that so long as the connection point</li> </ul>

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		<p>and connection infrastructure remain unchanged, the precise location of the generation build has no impact on the network. Technical and economic restrictions on the developer will mean that the generation must be built within a reasonable distance and to appropriate codes/standards. Changes in response to unavoidable site issues or planning processes are a normal part of project development, and restrictions on these could lead to needless reductions in TEC and at worst the suspension of an otherwise economically viable and CP2030 aligned project.</p> <ul style="list-style-type: none"> <li>We disagree with the NESO's proposal to change to forward-looking milestones for ongoing compliance. As raised with the NESO in the CMP434/435 working groups, the existing queue management approach only very recently implemented through CMP376 remains appropriate for ensuring projects are making genuine progress. These are backwards calculated from the actual connection date offer made by the NESO. Forward looking milestones impose costs and constraints on developers far ahead of industry good practice for normal project development, increasing overall costs for consumers. In the absence of any evidence to change, NESO should continue with the existing queue management approach from CMP376.</li> </ul>
3	Do you support the proposed implementation approach?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Whilst we agree with the urgent need to enact a reformed connection process, we disagree with the implementation approach NESO has chosen to take. In order to provide the necessary legal certainty to facilitate Developers making confident investment and risk management decisions, it is crucial that this process is codified in the Connection and Use of System Code (CUSC). Only basic principles are being</p>

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		proposed to be codified, with all the material detail on the new process being housed in a series of adjacent methodologies which are being authored by NESO exclusively and are subject to change. Whilst we sympathise with this implementation approach given the urgency of reform, it is pertinent that this process, which represents a fundamental change to how the industry operates, is given legal certainty by codifying the methodologies within the CUSC at the earliest opportunity.
4	Do you have any other comments?	N/A
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		No comment