

Workgroup 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 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:	Zivanayi Musanhi	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input checked="" 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 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.

Please express your views in the right-hand side of the table below, including your rationale.

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 checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
	We believe that the Original solution better facilitates all four objectives. (a) as it will promote aggregated processing of connection applications by the Licensee. This will reduce the volume of individual connection applications received by the Licensee enabling a more efficient connections process. (b) as it will enable different generation customers to connect to the network quicker which helps facilitate competition in the electricity market driving down costs for the end consumer. (d) as batched applications will drive a more efficient assessment process leading to quicker connection dates.	
2	Do you support the proposed implementation approach? (see pages 59-61)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We consider the proposed implementation approach to be reasonable and quite ambitious. Therefore, UK Power Networks supports it due to the connection challenges faced across GB. However, we believe that there is need for clarity around some of the transitional arrangements at the earliest possible opportunity as this change will have a big impact on customers. Furthermore, in relation to the interaction with CMP435, we suggest that customers who currently hold Connection Agreements and meet Gate 2 criteria are given precedence in the first Gate 2 batched assessment.	
3	Do you have any other comments?	
	We support the driver behind the CMP434 proposal as it addresses the issues that stakeholders have been highlighting as posing challenges for them regarding the connections process.	
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No
	Click or tap here to enter text.	

Specific Workgroup Consultation questions	
5	<p>Do you agree with the elements of the proposed solution? Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification CM095. 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 pages 9-10, 55)</p>	
<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>Considering the speed of change and the evolving connections landscapes, the proposed approach allows for flexibility and ensures the connections process can adapt quickly whilst providing what we consider to be an appropriate level of governance.</p>	
<p>Element 2: Introducing an annual application window and two formal gates, which are known as Gate 1 and Gate 2 (i.e. the Primary Process) (see pages 11, 35-36)</p>	
<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>We support the concept of application windows as it will facilitate aggregated/batched assessment and hence, a coordinated and efficient network design.</p>	
<p>Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	
<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>We agree with the type of projects proposed to be in scope of the Primary Process noting that Embedded Generators would follow a Gate 1 process different to the Primary Process as highlighted in Element 5. We support keeping Embedded Demand out of scope as it is already covered under Week 24/50 forecasts which DNOs are obliged to submit under the Grid Code (Planning Code).</p>	
<p>Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)</p>	
<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>We agree with the proposed level of codification as it provides the flexibility to adjust the different scenarios that might arise in practice where this Element would be applicable.</p>	
<p>Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	
<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>We agree with both groups having a variation to the Primary Process as they are dependent on the interaction with another party which is outside of their control before being able to apply for Transmission capacity. E.g. Embedded Small and Medium Power Stations are required to apply through the DNO to obtain Transmission capacity. This incorporates an additional layer which could render them unable to apply within the application window if the original Primary Process were to be followed due to the time taken by the DNO to process their application.</p>	

<p>Element 6: Setting out the process and criteria in relation to Application Windows and Gate 1, including introducing an offshore Letter of Authority equivalent as a Gate 1 application window entry requirement for offshore projects (see pages 15-16, 39-40)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>For the detail provided in the customer’s offer, we agree that the Gate 1 criteria and Gate 1 process proposed is at an appropriate level. We agree that User Commitment/Final Sums and Queue Management milestones should not be applicable at Gate 1 if it were to be implemented.</p> <p>However, we believe that further discussion is required on whether Gate 1 is a necessary process as it only provides an indicative connection date to the customer which is subject to change after their Gate 2 application. We believe that further consideration is required on the additional value that this provides to connection customers.</p>	
<p>Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>UK Power Networks do not believe that this is required for MVP implementation of connections reform. However, we support the development of an informal process that expedites the resolution of application queries such as typos, issues with application payment invoices, etc. with defined SLAs to enhance the customer experience.</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>UK Power Networks supports this for the MVP implementation due to tight timescales set out to develop the solution as we believe it disincentivises customers from distorting the Gate 1 pipeline in respect of what is likely to eventually turn up on the network. However, further thoughts are required on this to ensure this provides an appropriate deterrent as in its current form, it does not stop customers from reapplying when removed from Gate 1. This results in the ESO/TO considering projects that are not likely to proceed leading to inefficient anticipatory reinforcement investment.</p>	
<p>Element 9: Project Designation (see pages 17-18, 48-49)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>UK Power Networks supports this Element for the criteria proposed. However, there needs to be a level of transparency from the ESO along with justification in cases where this is used in practice to accelerate the queue position of certain projects over others.</p>	
<p>Element 10: Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification CM095 – see pages 18-20 and the CM095 Workgroup Consultation, pages 6-10)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>We understand the need for this and support the implementation of this Element for the reasons mentioned. However, it needs to be proportionate and there needs to be guardrails against unlimited capacity reservation. Furthermore, there needs to be transparency from the ESO to keep relevant stakeholders informed where this is applicable.</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 20-24, 42-46)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>UK Power Networks supports this as we believe it is appropriate to set proportionate criteria to inhibit the likelihood of highly speculative applications that sterilise capacity. We believe that this would lead to a more efficient network design and quicker connection dates for customers.</p> <p>However, further thought is required into changing Queue Management Milestone M1 to be forward looking as we believe it is unreasonable to obligate customers to initiate a Planning Permission application if their Gate 2 offered connection date extends beyond their Planning Permission validity period. As such, we do not believe any other Queue Management Milestones should be forward calculated either as part of the MVP solution. Furthermore, we believe this change does not add any value to a “first-ready, first-connected” approach of the connections reform as the connection date of the project will not change after the Gate 2 assessment.</p>	
<p>Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>We agree with the proposed Gate 2 window frequency as we believe it provides sufficient opportunities for customers to apply for Gate 2 whilst enabling TOs to assess the connection applications more efficiently.</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>We believe the requirements set on the developer are reasonable to evidence meeting of Gate 2 criteria. We agree that for Embedded generation connection applications, the DNO verifying that the customer has met Gate 2 criteria should suffice and ESO should not need to verify again.</p>	
<p>Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Given the high frequency of new GSPs being triggered by the Transmission Owners following their assessment, we support the implementation of this Element as it enables customers to change their site without losing their queue position in cases which are outside of their control.</p>	
<p>Element 15: Changing the offer and acceptance timescales to align with the Primary Process timescales (e.g. a move away from three months for making licenced offers) (see pages 29, 42-46)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

<p>UK Power Networks agrees with the implementation of this Element as the timescales for the current application and offer process would need to change to align with the Primary Process being proposed.</p>	
<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>We support the development of a CNDM to provide transparency on how network design will be conducted following assessment of Gate 1 and Gate 2 connection applications.</p>	
<p>Element 17: Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission process for Distribution Network Operators (DNOs) and transmission connected Independent Distribution Network Operators (iDNOs) to forecast capacity on an anticipatory basis for Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations aligned to the Gate 1 Application Window (see pages 30-33, 51-53)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>UK Power Networks supports the concept of DFTC as it will help Transmission Owners anticipate upcoming Embedded Generation pipeline enabling a more efficient network design.</p> <p>However, as DFTC is an annual planning data exchange process, we propose that it should be included in Grid Code Week 24 and Week 50 requirements/obligations on Network Operators. The ENA SCG DFTC Working Group is seeking for this to be included in an upcoming Grid Code modification to enable this. We suggest removing this from CMP434 to avoid creating a duplicate process aiming to achieve the same objectives as the Week 24/50 planning data exchange process.</p>	
<p>Element 18: Set out the process for how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria (see pages 33-34, 51-53)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>UK Power Networks support the implementation of this Element as it is largely unchanged from the current BAU process with the addition of providing Gate 2 criteria met date.</p> <p>However, we would like to highlight the impact of this on DNOs as they risk processing a large volume of Gate 2 applications to be submitted within a limited timeframe. Further thought required if DNOs can have a standardised cut-off period to allow sufficient time to submit Gate 2 applications within the next Gate 2 window. Alternatively, Licence Condition 12 of the Electricity Distribution Licence could be varied to revise offer timescales as it was never originally drafted in anticipation of a batched application process.</p>	
<p>6 Are there any elements of the proposal which you</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	<p>believe should not be included as part of this proposed solution, which the Proposer believes represents the 'Minimum Viable Product' reforms required to the connections process? If not, why not? (Please note the element number in each of your responses if applicable)</p>	
<p>As mentioned in the response to Element 17, we believe DFTC should not be included as part of the proposed solution as it is better facilitated by Grid Code obligations on the DNO.</p> <p>As mentioned in the response to Element 6, we believe further discussion is required on the benefits provided by the Gate 1 process.</p>		
7	<p>As per question 6, are there any additional features which you believe should be included as part of Minimum Viable Product reform to the connections process?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>		
8	<p>Do you agree that the Gate 1 process should be a mandatory process step, or do you think Gate 1 should be an optional process step with projects being able to apply straight into the Gate 2 process if the project meets both the relevant Gate 2 and Gate 1 criteria?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>We do not believe that Gate 1 should be a mandatory process step as it is unnecessary for customers to have obtained a Gate 1 offer before being able to apply for Gate 2. Projects which meet Gate 1 and Gate 2 criteria should be able to apply directly into Gate 2 within the Gate 2 window itself rather than having to unnecessarily wait for the next available Gate 1 window.</p>		
9	<p>Do you believe that the proposed Gate 1 and Gate 2 process could duly or unduly discriminate against any types of</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

	<p>projects? If so, do you believe this is justified?</p>	
<p>It recognises the peculiarities and dependencies that affect some customers (e.g. offshore, embedded small/medium) and it does not close off any customer from using any parts of the reformed process.</p>		
<p>10</p>	<p>Please provide your views on the proposed options ((a) to (e) on page 45) to mitigate the risk of requiring a developer to submit their application for planning consent earlier than they would in their development cycle (with the risk this consent could expire and any extension from the Planning Authority is not automatic).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>a) As Planning Approval generally requires the customer to substantially commence build of the project, UK Power Networks does not support this as this requires a case-by-case review of each quote which creates inconsistencies if the outcome of the reviews differ leading to further challenge.</p> <p>b) UK Power Networks does not support this as this requires a developer to evidence expenditure which would incorporate new Queue Management requirements to existing DNO/ESO-CUSC processes.</p> <p>c) UK Power Networks does not support this as this requires a case-by-case review of each quote, creating inconsistencies and challenge.</p> <p>d) UK Power Networks supports this as this is UK Power Networks (and likely other DNOs) current process. UK Power Networks currently apply forward or backward-looking dates depending on the offered connection date. Where the offered connection date is greater than five years from present day, M1 is backward calculated. However, if the offered connection date is less than 5 years, then the dates are forward calculated.</p> <p>e) UK Power Networks does not support this as it is incorporating new Queue Management requirements to existing DNO/ESO-CUSC processes. This is similar to the Original solution with the onus on the customer to re-open Milestone 1 and re-set Milestone 2 when the customer is close to failing Milestone 2.</p>		
<p>11</p>	<p>Do you agree that DFTC should be included as part of CMP434? If not, do you believe that the reformed connections process can function without DFTC? Please justify your answer. (see pages 30-34, 51-53)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

	<p>As mentioned in Question 5 under Element 17, we do not believe DFTC should be included in CMP434 as it better placed under Week 24/50 annual planning data exchange obligations on Network Operators.</p> <p>If Gate 1 is still mandatory following consultation, we suggest extending any transitional arrangements that would have been put in place until the reformed process Go-live to now extend until the Grid Code modification goes live. This would allow DNOs to continue to make Gate 1 offers until DFTC is delivered by Week 24/50.</p>	
<p>12</p>	<p>The Proposer intends to set out supporting arrangements for TMO4+ via a combination of guidance and methodologies (e.g. DFTC, CNDM, Project Designation, Gate 2 Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>UK Power Networks supports development of guidance documents that are not codified enabling flexibility if future updates are required. However, there needs to be sufficient stakeholder consultation and transparency to develop these documents with a wider industry view.</p>		