

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:	Calum Watt	
Company name:	Flotation Energy Ltd	
Email address:	Corporatecomms@flotationenergy.com	
Phone number:	07708394848	
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.

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 type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
The original proposal has the potential to facilitate the Objectives however significant detail is to be placed the accompanying methodology which are not yet available.		
2	Do you support the proposed implementation approach? (see pages 59-61)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		We support the need for reform and welcome the efforts from the Proposer and Workgroup. We have significant concern that the transitional arrangements will have unnecessary impact on in-flight Modification Applications for consented projects which may require minor changes or TEC increase as a result of CfD auctions. The proposer has requested that all projects which are not Clock Started by 7 th August will not receive an offer until late 2025 due to the new Gate 1 and Gate 2 process. This provides a significant advantage to Workgroup members who were aware of these changes. It is requested that a grace period is granted to allow consented projects to amend their contracted position under the existing process prior to implementation of CMP434/435. This will also allow administration errors with achieving “Clock Start” to be resolved without a hard deadline. A shorter acceptance period could be granted to ensure Gate 1 can assess against a known background.
3	Do you have any other comments?	We request a grace period is granted to allow projects that are in-flight to be issued a Clock Start date (perhaps with a shorter acceptance date) to ensure the contracted background is resolved by 1 st January 2025.
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

We wish to request a grace period is granted to allow existing contracted parties to make amendments to their contracted position ahead of implementation of CMP343/345.

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>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>The present level of "Methodology", previously referred to as "Key Documentation" definition is limited. Visibility of the underlying principles of key documentation are required to determine whether the proposed approach is suitable or presents an undue barrier to normal project development.</p> <p>Additionally, the Extent of "Methodology" documentation is presently limited. There are a number of high impact documents missing from the list presented under Element 1. Documents such as "Material Technology Change Guidance" and "Significant Modification Application Guidance" are not to be defined in code, resulting in process and requirements being open to change without consultation and Authority approval.</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>We support the principle, but feel Gate 1 will offer very little to developers in terms of being able to progress projects to planning stage. Consideration should also be given to CfD windows when determining the Gate 1/Gate 2 timing.</p>	
	<p>Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>Further clarity is required on the impact of Embedded Demand.</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>We generally support, but consider that appropriate provisions should be made to allow advanced projects (Consented) to make some changes to amend completion dates or request TEC changes to allow flexibility in generation equipment availability ahead of 1st January 2025.</p>	
	<p>Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<p>Offshore wind will require additional exemptions to ensure that the various HND rounds are not undermined by rejecting projects at Gate 2. Some projects may not have achieved “lease” stage with TCE/CES and could face being returned to Gate 1 or have their interface points moved. This could make a number of projects financially unviable if they require new onshore consents to an alternative location.</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>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Clarity is required on what level of detail is provided to developers from the Gate 1 indicative. Some level of certainty (bay allocation/substation feasibility) is required in determining the connection point viability to allow offshore developers to begin environmental and planning works for the onshore elements of their projects.</p>	
<p>Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>	
<p>Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>A “security” commitment or “holding fee” may be a better test of developers securing their connection rather than a set Longstop date which may terminate viable projects that have longer development timescales. This is particularly important as statutory consultees become stretched in the volume of applications they are dealing with.</p>	
<p>Element 9: Project Designation (see pages 17-18, 48-49)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>We support the concept, and it should be used to allow progression and fast tracking of innovative or nationally significant projects. Developers should be allowed to submit proposals for ESO consideration, and a process should be developed to support this.</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 https://www.nationalgrideso.com/document/322801/download)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>No Comment</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 type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>No Comments</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 have significant concerns on how staged projects will be considered. This will be a disadvantage to Floating Offshore wind projects and the INTOG projects. Distance from shore and installation methods are more likely to require staged connection and are complex but have relatively straightforward TO interface arrangements. Clarity is required on how these will be treated for Stage 2 compliance.</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Gate 2 Criteria Methodology is required to comment fully on this point.</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>This is unlikely to be a viable option for Offshore projects which will be significantly impacted by a change in the connection locations. Offshore projects are awarded via competitive lease process and need certainty in connection location to be viable.</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>No specific comments for projects starting after the Go-Live date, but in-flight projects should be allowed to complete ModApps before the changeover or they could face significant uncertainty in making minor project changes.</p>	
<p>Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>The CNDM and interactivity guidance are not yet available and are considered critical to achieving the objective.</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 type="checkbox"/> No</p>
<p>No comments on this Element as it does not directly affect Offshore projects.</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 type="checkbox"/> Yes <input type="checkbox"/> No</p>

	No comments on this Element as it does not directly affect Offshore projects.	
6	Are there any elements of the proposal which you 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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We do not consider that the Longstop date is appropriate and alternative commitments should be investigated.	
7	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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We would like to see a Grace Period for consented projects which are undergoing in-flight ModApps to amend their contracted position ahead of implementation of CMP434/435.	
8	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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Projects should be able to apply to Gate 2 directly without progressing through Gate 1.	
9	Do you believe that the proposed Gate 1 and Gate 2 process could duly or unduly discriminate against any types of projects? If so, do you believe this is justified?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Embedded connections may be discriminated against due to differences in DNO/iDNO methodology.	
10	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).	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Offshore projects cannot submit consent unless the onshore works are known, and the connection location is confirmed. This is generally obtained early in the project development stage.	
11	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)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	No comments on this element	
12	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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	these outside of Code Governance? (see Pages 9-10, 55)	
	There needs to be a robust process for allowing industry engagement with these methodologies.	