

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:	Deborah Walker	
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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 type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
No response		
2	Do you support the proposed implementation approach? (see pages 59-61)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The timeline proposed is unrealistic. It does not allow for any delay in decision, changes being required before a final decision, approval not being given by the Deciding Authority. It gives no real time for parties to adjust to any changes post-decision before implementation. The period currently proposed from decision date to implementation is Christmas holiday season and it is unreasonable to expect the industry to be able to be ready over this period. The proposal expects to work with industry over October-December to prepare for the changes, but this is based on an assumption that what is proposed will be agreed. There is no guarantee of that will happen. Key supporting documentation is not currently available for review as part of the consultation and prevents consultees from making a fully informed response. More time is required between decision and implementation.		
3	Do you have any other comments?	
ABO Energy UK Ltd support the work to reform connections and the goals to create earlier connection dates, prioritisation of projects that are ready to connect and improved anticipation of grid needs. However, we feel that it does not take into consideration key external factors: <ul style="list-style-type: none"> - Proposed changes to the National Planning Policy Framework - The ability of system operators to implement the infrastructure improvement works required to support the connections being applied for and the uncertainty of timelines due to planning consent requirements for new infrastructure. - Strategic spatial planning for grid infrastructure at a national level – forecast to be carried out and published mid-2026 which will have major implications for customer connections - The dependency on the grid data transparency efforts and timing of this rolling out - The proposed changes will help system operators manage connections but create considerable financial uncertainty for developers due to the late 		

	<p>stage in the development process where connection costs, POC, date of connection become clear.</p> <ul style="list-style-type: none"> - The proposed changes favour transmission connections and disadvantage customers connecting through DNOs, iDNOs. - It is not clear how robust a DFTC can be, bearing in mind the large number of applications submitted in 2024 that were not anticipated by operators. - It is not clear how connections will be adjudicated between transmission and distribution customers - Consideration should be given to removing responsibility for grid connection for small to medium generators from DNOs/iDNOs to ESO/TOs to overcome the need for DFTC, uncertainty of distribution operators' alignment to and ability to meet requirements of new processes as well as the lack of harmonisation of data. Removal would put all connections on same footing and provide ESO with complete visibility of demand for connections.
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p> <p><input checked="" type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input type="checkbox"/> No</p>
<p>A separate alternative request has been raised to propose a lengthening of the schedule for implementation to a more realistic timeline.</p>	

<p>Specific Workgroup Consultation questions</p>	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>Lack of visibility of the guidance documents to support the methodology at this time prevents consultees from making informed responses. It is vital that these are published and consulted on before implementation.</p> <p>ABO Energy UK Ltd disagree with the proposal that there will be no opportunity for industry to propose alternatives or raise modifications to proposed Authority approved Methodologies as industry are the primary customers.</p> <p>Consideration should be given to moving out the Go live date (1 Jan 2025) to allow time to publish and consult on the methodologies.</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>ABO Energy UK Ltd agree that a fixed window for application will help improve ESO’s ability to assess capacity and therefore queue position.</p> <p>For embedded customers such as ourselves the reliance on DNOs submitting a DFTC annually raises concerns with regard to the robustness of the forecasting that a DNO will be able to carry out bearing in mind the number of applications seen since Jan 2024 which were much higher than were anticipated.</p> <p>We wish to see parallel obligations imposed on DNOs to set out their methodology for forecasting DFTC and consulted on with industry prior to implementation of these changes to be assured of the DNOs’ capability and readiness to align with the proposed changes.</p> <p>Transparency of duration of the window for assessing batches of gate 2 submissions from DNOs must be ensured and committed to.</p>	
<p>Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>No response</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>ABO Energy UK Ltd support the proposal in principle. However, lack of sight of the guidance document prevents further consideration of the substance of the proposal. Prior to implementation review and consultation on the guidance should be carried out.</p>	
<p>Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>
<p>Treating embedded customers differently creates a potential for disadvantage for these projects.</p> <p>ABO Energy UK Ltd do not have confidence in the robustness of any DFTC that will be produced for the first round at implementation of the new measures at this point in time. Any weakness in the forecast will create a disadvantage to embedded customers.</p> <p>DNOs must be required to publish their plans to align with the new processes and confirm readiness to implement to meet the new timelines in order to ensure no disadvantage arises for embedded customers. Failure to do so should trigger consideration of removing the responsibility from DNOs and <u>all</u> projects being required to apply directly to ESO.</p> <p>DNOs should ensure they are all following the same methodologies and processes for forecasting required capacity to ensure consistency of the data submitted to ESA and efficiency of assessment of demand.</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</p>	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>

<p>a Gate 1 application window entry requirement for offshore projects (see pages 15-16, 39-40)</p>	
<p>Sight of the proposed CNDM is vital to informing a response on this topic. This should be published and consulted on prior to implementation of any reforms to the process.</p> <p>Whilst consideration has been given for how Gate 1 applications will enable ESO to have sight of network demand and impacts, the indicative only connection point and date do not provide enough certainty for developers within their own development process and create uncertainty and additional risk for the industry.</p> <p>Lack of complementary publication and consultation of DNOs' own proposed processes to align with the proposed CMP434 changes creates concern for embedded customers such as ourselves in the overall level of readiness to proceed with the new processes from 1 Jan 2025. Implementation should be delayed until all guidance has been published and fully consulted on and DNOs provided evidence of their readiness.</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>no response</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>ABO Energy UK Ltd do not support a longstop date due to the uncertainty associated with connection dates and time taken to obtain planning consent.</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>No comments</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>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p>
<p>Click or tap here to enter text.</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 checked="" type="checkbox"/>No</p>
<p>11.4 Planning – the proposed period from Gate 2 acceptance to submission of planning of 1 year under TCPA is too short and should be extended to 2 years. Uncertainty of connection date and POC prior to Gate 2 means developers would be compromised in terms of planning activities during project development such as necessary surveys required to be carried out. Time between gate 2 acceptance and planning submissions needs to be enough to allow for necessary seasonal surveys, stakeholder consultation and</p>	

<p>unexpected outcomes of surveys that require additional work by the developer prior to planning submission.</p> <p>Too short a timeline for planning submission could force developers to risk submitting weaker applications in order to maintain grid progression compliance.</p> <p>Consideration should be given to how a significant change of connection location impacts on a developer's project and thus planning submission timeline. This would be a change imposed on a developer and therefore outside of their control and compensation in terms of time required to meet planning submission should be considered.</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 broadly agree with the general arrangement proposed. However, as embedded customers, the extra stage of informing the DNO of meeting Gate 2, DNO then assessing this prior to submitting to ESO creates an extended timeline for embedded customers between applying for Gate 2 and receiving and accepting an offer. This disadvantages embedded customers and creates delays for project development.</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 broadly agree with the proposal but without sight of the criteria methodology cannot fully sign up to something which is yet to be seen.</p>	
<p>Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>We disagree with the requirement for developers to forfeit the ability to remain in the same project site location. It does not take into consideration the risk of lack of suitable alternative sites in proximity to new point of connection, the time it takes to identify and secure sites. After exploring all options the developer should have the ability to choose to remain on the original site if it is the least worst option.</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 comment</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>We agree that methodology should be in place to set out how capacity will be allocated, but cannot agree to this element until the proposed CNDM has been drafted and consulted on as it is a critical element of the connections process and needs to be fully understood and impacts of it considered, particularly with regard to interactivity.</p>	
<p>Element 17: Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

	<p>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>We do not agree with the proposal that the processes related to production of the DFTC are dealt with separately through the ENA including the production of a guidance document. There is no confidence that the work to produce and agree these can happen in parallel if dependent on the outcome of the decision by the Deciding Authority on the proposals of CMP434. The implementation timeline should be extended to ensure suitable time is given for the guidance document to be produced and consulted on and ensure its suitability to meet requirements for developers and ESO. Embedded customers will be particularly disadvantaged in the first round of Gate 2 applications when the new approach is implemented.</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 checked="" type="checkbox"/> No</p>
<p>The business as usual approach is not considered the best approach to take due to the variation in timing embedded customers have experienced to date. In line with Rewables UK proposals, we would like to see that CMP434 introduce a codified requirement on DNOs to ensure submission of individual embedded projects into the Gate 2 window immediately following the project notifying the DNO that they meet the criteria. A DNO Guaranteed Standard for Gate 2 should be required.</p>		
<p>6</p>	<p>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)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>We do not disagree with the broad elements proposed, however, are unable to fully sign up to those which are still lacking guidance documents and methodologies without seeing them first.</p>		
<p>7</p>	<p>As per question 6, are there any additional features which you believe</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

	<p>should be included as part of Minimum Viable Product reform to the connections process?</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 type="checkbox"/> No</p>
	<p>We believe Gate 1 should be optional with projects having the ability to apply straight into Gate 2 if it meets both criteria.</p>	
9	<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>The proposals could disadvantage embedded customers and projects which may have deliberately long development timelines where an imposed forward calculated time limit for submitting planning applications would conflict with the project's own schedule.</p>	
10	<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 type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>(a) Assuming this overcomes the disconnect between planning consent duration and late connection dates, we are in support. (b) No comment (c) We are concerned about the impact of being provided with a connection location after the Option has been signed and commitment to submitting for planning within a defined period is given when the point of connection, date</p>	

	<p>and costs are unknown till Gate 2 offer is received. This creates significant risk and financial uncertainty for developers which they have to carry until much later in the development process than currently.</p> <p>(d) "X year away" needs to be defined, but broadly accept the concept of a backwards looking completion date in certain circumstances.</p> <p>(e) No comment</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>Our preferred approach would be for all projects to submit to ESO as this would be the most equitable and ensure consistency across all projects. Adding a secondary layer for embedded customers via DNOs disadvantages embedded customers.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>As these are proposed to not be codified it is assumed they will be produced later. Lack of visibility of these guidance documents and methodologies during this consultation has been a major weakness as they are critical components. The implementation timeline should be extended to allow for the production of and consultation on these documents before any final decision is taken by the deciding authority.</p>		