

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:	Ian Curry	
Company name:	Wind2 Limited	
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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	<p>Do you believe that the Original Proposal better facilitates the Applicable Objectives?</p> <p>Mark the Objectives which you believe the Original solution better facilitates:</p> <p>Original <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D</p> <p>Click or tap here to enter text.</p>
2	<p>Do you support the proposed implementation approach? (see pages 59-61)</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The objective of the modifications proposed in CMP434 to enable projects that are most ready to progress to achieve connection to the grid more rapidly are considered to be broadly effective however, they significantly increase the commercial risk to developers. New projects are particularly exposed under the CMP434 proposals due to the uncertainty underlying the indicative capacity, connection date and connection point in the Gate 1 offer and, that the Gate 2 confirmed connection date could be later than the indicative date provided in Gate 1.</p> <p>We would argue that the indicative connection details provided in the Gate 1 offer should be the “worst-case” scenario offered to the developer and that when receiving the Gate 2 offer the connection date, connection point and connection capacity must be better than or at least equal to what was included in the Gate 1 offer to the developer. This is considered a reasonable expectation as some Gate 1 offers will fall away by the Longstop Date and some new and existing Gate 2 offers will revert back to Gate 1 offers.</p> <p>It must be noted that in giving the “worst-case” offer, the provider of the offer must have a duty of care to provide a reasonable date and not just a “dump date” as is the case at present. Dump dates can result in productive, economically viable projects that should proceed not gaining investment to progress simply due to a long-dated “dump” grid connection date.</p>
3	<p>Do you have any other comments?</p> <p>We acknowledge that the grid connection queue is far too long and that the grid connections process needs reform to address the overly long queue, and to address long-standing deficiencies in grid queue management. We welcome the proposed reforms and the goals of the reform. We very much hope that the reforms will be successful as they are a critical strand of the initiatives needed to decarbonise our electricity system in the UK. The reform of the grid connections process needs to be accompanied by accelerated timescales and accelerated investment in reinforcing the grid network to accommodate new renewable generation needed to achieve the UK’s Net Zero transition. We support the principle of accelerating grid connections for projects which are ready (“first ready, first served”), and</p>

	<p>stripping out connection offers from the grid queue where those connection offers are for projects which are stalled or not being actively progressed.</p> <p>Our main concern with the reformed process is that projects with existing connection offers should not have their Gate 2 status removed due to their failure to meet Post Gate 2 obligations unless there is a clear failure to meet obligations and the developer is not proactively endeavouring to resolve the situation. Looked at from a developer’s perspective, a grid offer is a crucial element of determining the feasibility of a project and developers need to secure a grid connection offer to justify high levels of development expenditure on Projects, which typically are over £1m per project up to planning determination. Having spent these significant development amounts and now being at risk of losing a Gate 2 connection offer is a considerable risk, and we are concerned that the reformed process may include unnecessarily tight timeframes for submission of planning applications. We are also very concerned about the possible inclusion of obtaining planning permission within a specified timeframe as a Post Gate 2 obligation. Our request is that the Workgroup endeavour to balance the risks facing developers and make sure that developers who are proactively progressing their projects, do not have their Gate 2 offers rescinded. Our other concern is the proposal that planning applications need to be submitted within a “standard” planning time in order to meet a Post Gate 2 obligation and that no account is taken of the connection date. If the connection date is more than 8-10 years away, then it doesn’t make sense for a developer to be working to a “standard” planning timeframe.</p> <p>It must also be noted that during this period of significant grid reform, the historical imbalance in contractual risk between the developer and the grid provider needs to be addressed. The grid providers have significant leeway to vary their contractual obligations post-signature with little consequence. On the other hand, the developer is exposed to significant commercial consequences under the contracts in the event that they do not meet their contractual obligations. Similar contractual consequences must be introduced for the grid providers to restore the contractual balance that is sorely needed.</p>	
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p>	<p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section)</p> <p><input checked="" type="checkbox"/> No</p>
<p>Click or tap here to enter text.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

Click or tap here to enter text.	
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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The proposed annual Gate 1 application window is insufficient, and it is recommended that two Gate 1 applications per annum would be better. This will spread the Gate 1 application load and avoid a peak workload on the ESO, transmission and distribution companies and developers.	
Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The proposal is that the ESO develop this process at a later date. It is recommended that there must be external oversight or participation in this process by industry bodies such as the ENA, RUK and SR. We would also suggest that an external dispute resolution process be implemented.	
Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 9: Project Designation (see pages 17-18, 48-49)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 10: Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

through modification CM095 – see pages 18-20 and the CM095 Workgroup Consultation , pages 6-10)	
Click or tap here to enter text.	
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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>With the existing grid constraints, it is the grid connection date that drives the development timeline and particularly the planning process. Therefore, it is recommended that the deadline for applying for a planning application/S36, DNS etc (Queue management Milestone) be calculated back from the connection date.</p> <p>In cases where the connection date is 10-12 years or more in the future, it is simply not sensible for a developer to press ahead with the preparation and submission of planning applications, S36 etc. as the planning permission could easily expire before being able to connect. While renewables planning applications generally take up to 2-3 years to prepare and 2-3 years to consent, the key issue here is the length of the consent before development must be commenced. Under the Town and Country Planning Act, Planning permissions in England have a maximum duration of 3 years before they must be commenced, most Planning consents in Scotland are similarly for 3 years, while for an S36 in Scotland, the timescale is up to 5 years. The commencement of a development entails the purification of all conditions including normally very specific details such as the make and model of the turbines to be deployed, a detail that can't be finalised until relatively close to the connection date. Setting the milestone date must therefore be based on working backwards from the grid connection date to ensure the developer is not being placed in a position where they must invest £1.5 - £2m in developing the project but are unable to commence development and therefore risk losing the planning permission due to a long-dated grid connection. To be clear it is not just the DNS/S36 or planning application fee (normally around £150,000) that is at risk if the permission lapses but the entire investment in ecological surveys, EIA preparation, legal agreements as well as the planning fee which cost on average £1.5m to £2m for most onshore multi-technology developments around 50MW. The worst-case scenario is that this entire amount would need to be re-invested if the planning consent lapsed because of the long-term connection date.</p> <p>There must therefore be coordination between government bodies to align the NPPF with Grid Reforms. Increasing the validity period of planning consents for RE projects will help resolve the timing mismatch between the respective processes.</p> <p>The proposal that the Queue Management Milestone M2 should become forward calculated to incentivise developers to delivery is strongly opposed. The developer has no control over the planning consent timeline once an application has been made.</p>	
Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>We recommend that the Self Declaration Letter as proposed in Element 13 also apply to Element 12. There should be no additional burden placed on the DNO's if a Self-Declaration Letter will suffice for the ESO.</p> <p>There is a concern that there is no obligation placed on the DNO's to submit a developer's project to the ESO once said project has met the Gate 2 requirements. DNO's must be</p>	

<p>obligated to submit Gate 2 compliant projects to the ESO in the upcoming Gate 2 application and confirmation of submission to the ESO provided by the DNO to the developer. It is essential that the inclusion of the DNO in this process should in no way slow the process compared to the direct Transmission connection process.</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>Click or tap here to enter text.</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>Click or tap here to enter text.</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>Click or tap here to enter text.</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>Click or tap here to Is the Regional Energy Strategic Plan going to be embedded in the CNDM? Developers need further clarification on what is being proposed and to be provided the opportunity to respond during consultation on this methodology. enter text.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Click or tap here to enter text.</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>Click or tap here to enter text.</p>	
<p>6 Are there any elements of the proposal which you believe should not be included as part of this proposed solution, which</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

	<p>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>Click or tap here to enter text.</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>Click or tap here to enter text.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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>Gate 1 should be mandatory but there need to be more frequent G1 windows</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

	<p>the risk this consent could expire and any extension from the Planning Authority is not automatic).</p>	
<p>Please see CMP343 and 435 Consultation response Final 20240806.pdf</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Click or tap here to enter text.</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>Click or tap here to enter text.</p>		