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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 [cusc.team@nationalenergyso.com](mailto:cusc.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 [cusc.team@nationalenergyso.com](mailto:cusc.team@nationalenergyso.com)

Respondent details	Please enter your details	
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<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*)

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**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 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 checked="" type="checkbox"/> a <input type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
		WACM2	<input checked="" type="checkbox"/> a <input type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" 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 type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
		WACM5	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
		WACM6	<input checked="" type="checkbox"/> a <input 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		

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		<p>We consider the Original proposal to be an improvement on current process and to facilitate CUSC objectives (a), (b), and (c). While the Original better facilitates effective competition than the existing process, the inclusion of “capacity reservation” and “project designation” powers for NESO mean we do not believe it does not facilitate CUSC objective (b) as well as WACMs 7 and 5 which propose to remove these powers.</p> <p>We have no material comments on WACMs 1 and 2 as these are primarily concerned with embedded generation /DNO issues.</p> <p>We consider WACM 3 to be critical to maintain a fair and transparent process for the allocation of “freed up” capacity. The Original proposal would give NESO the ability to subjectively allocate capacity in a way that could create the risk of discrimination between projects and increase uncertainty for developers and investors.</p> <p>WACM4 - We do not consider there to be any material benefits of codifying the RLB restrictions compared to the Original proposal to publish separate guidance documents.</p> <p>WACM5 – We consider that the Project Designation powers remain ill-defined and could be exploited to allow unfair advantages to certain projects. Therefore, we believe WACM5 better facilitates the CUSC objectives over the Original proposal.</p> <p>We do not support the proposals for designation, as we believe the categories are too broad and subjective.</p> <p>Introducing a designation process risks creating significant market intervention, potentially prioritising certain projects at the expense of others. This approach could undermine the fairness of the queue system, disincentivise investment in non-designated projects, and create broader uncertainty for developers. Such knock-on effects would ultimately impact the investability of the sector as a whole.</p>
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		<p>In our view, NESO’s current proposed categories for designation represent an unnecessary intervention that introduces complexity without clear added benefit. They are too broad, and we believe that most projects could make a case to be considered against one or more of the outlined categories.</p> <p>WACM6 - We do not support this WACM as the scale of methodologies to be codified would pose a risk to timely implementation of the overall code mod compared to the Original proposal to publish separate guidance documents.</p> <p>WACM7 – We do not believe there is a fundamental need to introduce a “pause” step in the process. However, if such a pause is introduced its effect on overall timescales should be minimised with the pause period being no more than the proposed 10-days.</p>
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input type="checkbox"/> WACM1 <input type="checkbox"/> WACM2 <input checked="" type="checkbox"/> WACM3 <input type="checkbox"/> WACM4 <input checked="" type="checkbox"/> WACM5 <input type="checkbox"/> WACM6 <input type="checkbox"/> WACM7 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference

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		We believe that the WACMs 3 and 5 act to better facilitate the CUSC objectives than the Original proposal. A combined solution that implements both WACMs 3 and 5 would be our preferred option.
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>The general implementation approach is acceptable. However, we note the importance of NESO providing at least draft versions of the proposed guidance documents is critical to allow a full understanding of the process.</p>
4	Do you have any other comments?	<p>We reiterate our position that we do not support the following elements of the Original proposal:</p> <p>Element 2 - Mod Apps for project that have already passed Gate should not be restricted to the bi-annual windows.</p> <p>Element 6 - We believe TOs should be bound to provide sufficient details regarding the location of new build substation in a Gate 1 offer to allow developers to locate suitable land.</p> <p>Element 10 – we do not believe NESO should hold capacity reservation powers due to the lack of transparency over how this would be applied.</p> <p>Element 11 – we do not believe that milestone dates should be re-set using the calculate “forward method”. The queue management process has been developed to give NESO powers to remove projects that do not meet milestone dates. The integrity of this process should be maintained and dates calculated as per the existing methodology.</p>
5	Do you agree with the Workgroup’s assessment that the	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?	Click or tap here to enter text.
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