

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:	Charles Deacon	
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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:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- 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;
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
- 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?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input checked="" type="checkbox"/>C <input checked="" type="checkbox"/>D</p> <p>Click or tap here to enter text.</p>
2	Do you support the proposed implementation approach? (see pages 59-61)	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Tight timescales, so robust industry consultation needed. We should also tie in CMP417 and other inflight complementary code mods into this roadmap. This should not proceed without the ENA SCG's work on allocation of DNO queues being complete and scrutinised, as well as that on contingent methodologies.</p>
3	Do you have any other comments?	<p>We also need to see the outcome of the ENA SCG work to allocate DNO queues, without which this proposal has less value and could result in incongruous situations where projects are higher in transmission queues but blocked in DNO queues by gate 1 projects. There needs to be far closer alignment with the ENA and INA to allow the DNO changes to move concurrently or the reforms may not be able to be implemented effectively for DNO customers. We would also welcome closer IDNO engagement in the development of items such as DFTC – rather than channelling all distribution code impacts via the ENA only.</p> <p>We also have concerns over some of the reforms being contingent on methodologies developed outside of the code governance process. This includes CNDM which could create uncertainty in capacity re-allocation. Without clear guidance this could undermine developer confidence. Given that the principle of reform was “first come first connected” we believe that industry would expect capacity to be re-allocated to the next viable Gate 2 project.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/>Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/>No</p>

	We have been made aware of the WACMs being proposed by Low Carbon, which we would support.
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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 checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>While we don't disagree with the use of methodologies in principle and appreciate the need for expedience, the lack of open governance being proposed in their implementation is concerning. This could create uncertainty for developers and reduce a right of challenge, if ESO and Ofgem are able to decide and regularly change the methodologies effectively behind "closed doors". These methodologies should be developed transparently and be codified to ensure correct application.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>See response to Q9 below</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>Large embedded demand should be included, this could be all projects that require a submission to NGESO when SGT headroom is limited. This includes projects such as data centres. Without this, these could contract via a DNO or IDNO, trigger transmission works and not be held to the same standard as other projects.</p> <p>There is also a concern on new GSPs triggered by small or medium embedded generators, particularly via IDNOs. While these triggered by BEGAs will have their works "linked" and thus be subject to Gate 1 offer criteria with no securities during this period; small and medium generators must obtain the supply point BCA first, before a Project Progression can be submitted. This leaves an interim period of 3-6 months where their host DNO/IDNO will ask them to secure against this new supply point on a Final Sums basis, whilst they don't have a generation contract. This appears to be discriminatory. All supply points that are "triggered by" generation should be treated the same, and on GUC, or an option to make a Project Progression/DFTC submission concurrently with the supply point application.</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

The criteria here need clarifying robustly, in terms of works and spend. We should also consider significant Mod Apps as a result of embedded demand to be in scope.	
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
As mentioned below, we believe all projects should have the chance to apply straight to Gate 2 if they are able to.	
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 type="checkbox"/> Yes <input type="checkbox"/> No
No specific comments, however the strategic nature of interconnectors for the system may need to be considered, perhaps via the designation process.	
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
Click or tap here to enter text.	
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 checked="" type="checkbox"/> No
Agree in principle to investigate this, but this shouldn't mean that such a process should go ahead regardless. This process should be scrutinised via the usual transparent processes and proceed/not proceed on its individual merits. This may also include a political angle for certain larger projects.	
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Agreeing with the decision to handle this via CM095. We would caution that offshore projects are not unduly given preference in reserving capacity, when holistic network design is the aim of this modification for all projects.	
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 checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agree in principle with the land elements, however an element of planning progress should be required to enter Gate 2 – which industry would seem to have expected when the	

<p>reforms were trailed – as this is a firm offer that the TOs will plan around, but which still will carry planning risk.</p> <p>We welcome the introduction of the “earlier of” date, to incentivise those requesting a Gate 2 offer to have already done some planning work as “working back” milestones are often far out. To reduce Gate 2 attrition and abortive work, it may be sensible to require more planning progress to request Gate 2 entry in the first place. If not a full submission, something like a positive pre-app, scoping opinion or clear set of planning surveys undertaken. It should be considered whether advancement can only be requested following successful planning approval.</p> <p>Another consideration is holding TOs to account on their programme, while reducing timelines. If a new supply point is required, the TO is responsible for the planning work. Developers will need more certainty of their likely POC earlier in the lifecycle of the project, than is currently available, to submit planning with confidence. Element 14 and M1 mitigations addresses this somewhat. Even so, a year may be tight to submit a planning application after confirmation of the POC, particularly if there for seasonal surveys such as wintering birds.</p> <p>Finally, the allowable change guidance needs to be developed. Making reference to the original LOA is important (and duplication checks should occur as at distribution), to maintain the value of the LOA. We welcome allowances of pragmatic land changes, 50% seems sensible, however it would make sense to ensure that the requirement to change land is based on sound reasons (planning, land rights breaking down etc) rather than lack of due diligence at the outset. This would align with DNO processes better.</p>	
Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We would suggest that 100% of evidence on all applications is checked against publicly available information and the documentation provided, as is done at distribution. There are numerous land software tools available for this. This is especially important to avoid duplication, where we would suggest the interactivity process is used in this instance, or a request for a connection declined if the land is already earmarked for another development – as is the case at distribution.</p>	
Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>This is sensible, but we will need to consider conflicts with the ENA’s Allowable Change guidance for DNO connections which would prohibit this. This would give transmission customers an unfair advantage if not. Care should be taken that this doesn’t encourage developers to seek out “new” substations to get additional time.</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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Click or tap here to enter text.		
Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)		<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The Capacity Re-allocation Mechanism should allow DNOs to move projects in and out of particular Project Progression/Gate 2 offers also.</p> <p>We have concerns of this methodology being developed outside of code, which limits transparency and also gives ESO/Ofgem additional power to change this guidance – increasing uncertainty. The expectation from industry was that the capacity would go to the “next” viable Gate 2 project. We see no reason why this shouldn’t be the over-arching principle, if it is not to be it needs industry consultation.</p> <p>We would also request more visibility of the work of the ENA SCG to re-order distribution queues. If distribution queues are not re-ordered/allocated in-line with new transmission queue positions, this carries much less value. Whole system queue approach. We would welcome this to apply to projects without transmission impacts also.</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)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
See response to Q11 below		
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)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Appropriate solution for Minimum Viable Product. It would be good if all DNOs could move to Appendix G and accept batched submissions, which is not currently possible in Scotland.		
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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	each of your responses if applicable)	
	See response to Q11 below and concerns raised with elements 1, 2, 3, 9, 11, 16 and 17 above.	
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
	Mentioned above – inclusion of significant embedded demand; re-ordering of DNO queues; closing the discrimination on new supply points with small/medium generators; codification and publication of proposed supporting guidance.	
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
	The opportunity to go straight to Gate 2 should be allowed. The Gate 1 process in its current form is problematic, in that it provides only 1 opportunity per year, which could lead to unintended consequences e.g. regarding costs of specialist resources needed to prepare the applications, the acquisition of land rights / LoAs, increased land speculation costs, increased workload and chance for errors in NGESO, huge impact if window is missed due to errors during gate 1 submission and assessment etc. Developers who have shown commitment go to straight to Gate 2 should see the benefit.	
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
	<ul style="list-style-type: none"> Small and Medium Embedded Power Stations appear to have a significant advantage over applicants having to follow the Primary Process, in that they can proceed direct to the next Gate 2 (3 openings a year) once they are ready. Whilst they should have made a DFTC submission first, it doesn't appear to be a necessity. PP applicants must wait for the annual window to Gate 1 before they can progress. Similarly, Primary Process customers seeking to apply directly to Gate 2 (1 opening a year) are particularly disadvantaged when compared to others 	

	<p>who may have a Gate 1 offer and then subsequently apply for Gate 2 (3 openings a year).</p> <ul style="list-style-type: none"> • This obviously cannot be justified. A move to 2x6-monthly combined G1 and G2 windows would assist. • Large embedded demand should be included, this could be all projects that require a submission to NGESO when SGT headroom is limited. This includes projects such as data centres. Without this, these could contract via a DNO or IDNO, trigger transmission works and not be held to the same standard as other projects. This is a potential loophole. • Transmission customers would have a right to move land, if element 14 is not applied to DNO customers too, keeping ENA allowable change guidance in mind. <p>There is also a concern on new GSPs triggered by small or medium embedded generators, particularly via IDNOs. While these triggered by BEGAs will have their works “linked” and thus be subject to Gate 1 offer criteria with no securities during this period; small and medium generators must obtain the supply point BCA first, before a Project Progression can be submitted. This leaves an interim period of 3-6 months where their host DNO/IDNO will ask them to secure against this new supply point on a Final Sums basis, whilst they don’t have a firm generation contract. This appears to be discriminatory. All supply points that are “triggered by” generation should be treated the same, or an option to make a Project Progression/DFTC submission concurrently with the supply point application.</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 checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Some sensible mitigations, particularly in c). Even then the 1 year timeline may be tight if there are seasonal survey requirements such as wintering birds. d) is also suitable, but X must be considered to ensure that it ties up with planning expiry and no longer. Consideration should also be given to delays in LPAs in providing a decision and any amendments/conditions that must be discharged. e) is sensible. We do not agree with a) unless a firm connection date is given that would be after planning expiry – otherwise this weakens existing provisions. We do not see how b) is workable or would ever be used.</p>

11	<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>
<ul style="list-style-type: none"> • Could the reformed connections process function without the DFTC? Yes. • A lot of time was taken up in the urgent CMP434 review workgroups, from an initial lack of clarity in what was being proposed, and how it would be governed. The DFTC itself seems reasonable, but it has been derived via a trade association for the DNOs, and whilst impacting IDNOs too, they have not been part of the process. • The DFTC aims to fill a need for ESO and the TOs to be able to assess DNO/IDNO applications being made at Gate 1. However, the controls and reconciliation around changes post-DFTC submission appear to be less rigorous than for applications going through the Primary Process. Will the ESO and TOs get sufficiently meaningful data to work with, or is there a risk that PP applications may have been adversely impacted if high DFTC submissions don't materialise? In essence it is similar in position to the Guidance documents proposal in Element 1, except that the ENA does not have the same broad industry perspective as the ESO. • Customers also have had no input, so if it is to remain in CMP434 going forwards, the governance and stakeholder involvement in the process needs to be reconsidered. • DFTC will have limited impact other than allowing DNOs to give more "complete" offers, with the assessment done at Gate 2 – which introduces similar Project Progression style delays. The ideal approach is this assessment across all networks is done at original application to the DNO. • DNOs have also failed to consistently process Project Progressions in a timely manner, with 12-18 months, or longer, not unheard of in waiting for a response. We would need robust methodology in forecasting DFTC that is available for scrutiny. We also need more collaboration and visibility between DNOs, TOs and NGESO to resolve any issues with these post-offer. • All DFTC and Gate 2 PP submissions must be time bound by a codified obligation, as lack of this has made the existing Project Progression process problematic. This requested has existed from industry for some time. • Moving all GSPs to an Appendix G and publishing details of previous Project Progression/Gate 2 responses (times, works, costs, number of parties) as well as a forward looking view of additional works for extra generation connections would fulfil the outputs of DFTC for developers without additional administrative burden for DNOs/IDNOs. • If DFTC is to be approved, the data could be retrieved from ECRs (a licence requirement) with a forecast overlaid for future trends. 		

12	<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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> • The intention behind this is good – giving some flexibility in the future when inevitably changes need to be made. However, by not having these in one place, in the CUSC, the risk of misalignment increases for users. Keeping track of multiple documents is more challenging, with each change having the potential to impact user contracts. Very tight version control will be needed, as well as a means for all users of the CUSC and the associated documents to be able to see whether they are keeping up with developments. • Keeping this outside of the CUSC also limits transparency and governance and can increase uncertainty for developers over future changes. • While we appreciate the need for expediency, industry should not be excluded from scrutinising these outputs – the fast-track code governance process exists for a reason. • Ideally we would need as much codified as possible to give surety to industry and right of recourse if incorrectly, or perceived to be, incorrectly applied. • The ENA SCG's work on re-ordering DNO queues also needs to be made available and applied consistently across the networks or these proposals will have limited impact – i.e. a Gate 2 transmission contract sitting behind distribution reinforcement triggered by a series of Gate 1 projects. 		