Public

Nadir Hafeez

Ofgem

By email

Claire Huxley

Acting Independent Chair CUSC Panel

Ren Walker

CUSC Panel Technical Secretary

17 January 2025

CMP446 request for Urgency letter

Dear Nadir,

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP446: Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment (TIA).**

On 14 January 2025, NESO raised **CMP446**. The Proposer sent a request to the CUSC Panel Secretary for this modification to be treated as urgent.

The current connections process can be improved to facilitate the timely connection of distribution projects that have minimal impact on the Transmission Network to help meet net zero and Clean Power 2030. CMP446 proposes to raises the lower threshold at which an Evaluation of Transmission Impact Assessment (TIA) must be undertaken.

All documentation for this modification can be located via the following link:

https://www.neso.energy/industry-information/codes/cusc/modifications/cmp446-increasing-lower-threshold-england-and-wales-evaluation-transmission-impact-assessment-tia

The CUSC Modifications Panel ("the Panel"), on 17 January 2025, considered the change of governance route for **CMP446** and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for Urgency against Ofgem's Urgency criteria **(a)** which is as follows:

a) A significant commercial impact on parties, consumers or other stakeholder(s).

- We are requesting urgency to align with the connection reform timeline as there is significant commercial benefit for impacted DG of aligning the potential approval of this Proposal with the implementation of CMP435. This proposal is expected to impact existing 1-5MW E&W DG currently in the combined Transmission and Distribution queue. This is estimated to be ~400 DG projects with ~850MW of mainly renewable and storage potential capacity. This will likely include community-based projects as typically community-based projects are smaller than the average DG going through the Evaluation of Transmission Impact Assessment process. In addition, it will also include commercial premises installing larger roof top solar arrays to reduce their demand. These projects will help meet the Government's 2030 Clean Power targets.
- As the NGET analysis demonstrates, the existing Evaluation of Transmission Impact Assessment process imposes CUSC obligations on 1-5MW DG in E&W that are disproportionate to their impact on the Transmission System. In addition, there is significant commercial benefit for these developers in not being within scope of the Evaluation of Transmission Impact Assessment process as amended through connections reform. For example, the amended Evaluation of Transmission Impact Assessment process will obligate them to meet Gate 2 requirements and be aligned to Clean Power 2030 targets. It will also impose substantial delay if the Evaluation of Transmission Impact Assessment process links the DG projects to Transmission Networks reinforcements. These delays have sometimes been by as much as 10 years. This uncertainty creates risk for project developers and investors and could make projects unviable.
- There is also the added benefit that this Proposal increases the efficiency of the Evaluation of Transmission Impact Assessment process by allowing networks (TOs and DNOs) to focus resources on the projects that have the bigger impact on the Transmission Network. This efficiency gain will help implement connections reform which would help given the considerable amount of rework needed by CMP435 to reorder the queue to bring forward connection dates for the benefit of end consumers.
- If urgency is not granted it would mean the above benefits may not be realised. It may result in a less efficient connection process with a resource impact on networks (Transmission and Distribution) and developers disproportionate to the impact of these projects on the network. It will also likely delay the impacted projects connecting to the network with the obvious potential consequence to meeting the Governments 2030 Clean Power target.

Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to Ofgem Guidance on Code Modification Urgency Criteria. The **unanimous** view of the Panel is that **CMP446 does meet** Ofgem's

Urgency criteria[1]. Therefore, the recommendation of the Panel is that **CMP446 should be** treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- Panel members agreed with the Proposer's rationale for urgency
- Increasing the TIA threshold will have a material commercial impact on projects that are >1MW, the existing threshold, and the new threshold (proposed to be 5MW). These projects will not be subject to the cost or timelines of transmission reinforcement in England and Wales. This is likely to bring forward connection dates by several years, even if CMP434 and CMP435 are implemented.
- NESO estimates 850MW (400 projects) of projects will no longer be subject to a TIA if this modification is approved, these projects will not be included in the Clean Power Plan 2030 capacity pots. This would increase the chances that other projects >5MW (or other agreed threshold) will be included in Phase 1 (Pre-2031) of the Clean Power Plan 2030, and therefore have a material commercial impact on those projects as well.
- If urgency is not granted it would mean the above benefits may not be realised for 12-24 months depending on the modification timeline. NESO and TOs would be required to do a significant amount of rework to offers impacted by the removal of the 850MW from the transmission queue and the Clean Power Plan 2030 if CMP446 is implemented after CMP434 and CMP435. A later implementation may result in a less efficient connection process with a resource impact on networks (Transmission and Distribution) and developers disproportionate to the impact of these projects on the network. It will also likely delay the impacted projects connecting to the network with the obvious potential consequence to meeting the Governments 2030 Clean Power target.
- Given the urgent timetable for the implementation of the connection mods, it is important that the many smaller generators that can avoid a Transmission Impact Assessment are able to.

Procedure and Timetable

The Panel discussed an appropriate timetable for **CMP446** in the instance that urgency is granted.

The Panel agreed that **CMP446** subject to Ofgem's decision on Urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of

[1] Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

a) A significant commercial impact on parties, consumers or other stakeholder(s); or

b) A significant impact on the safety and security of the electricity and/or gas systems; or

c) A party to be in breach of any relevant legal requirements.

this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritise this high in the prioritisation stack.

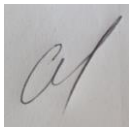
Panel noted that if urgency is required, there would be;

- A Workgroup Consultation period of less than 15 Business Days
- Code Administrator Consultation period of less than 15 Business Days
- There would be less than 5 clear Business Days between publication of the Draft Final Modification Report and Panel's recommendation; and
- There would be less than 5 clear Business Days for Panel to check that their Recommendation Vote had been recorded correctly

Under CUSC Section 8.24.4, we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely



Claire Huxley

Acting Independent Chair of the CUSC Panel

Ren Walker

CUSC Panel Technical Secretary

Appendix 1– Urgent Timeline

Modification Stage	Date
Modification presented to Panel	17 January 2025
Workgroup Nominations	17 January – 22 January 2025
Ofgem grant Urgency	22 January 2025 (5pm)
Workgroup 1 – Workgroup 3 (assuming Ofgem have granted Urgency)	24 January 2025 30 January 2025 03 February 2025
Workgroup Consultation (4 business days)	07 February 2025 – 13 February 2025

Workgroup 4 – Workgroup 6 (Assess Workgroup Consultation Responses and Workgroup Vote)	19 February 2025 24 February 2025 26 February 2025
Workgroup Report issued to Panel (2 business days)	05 March 2025
Panel sign off that Workgroup Report has met its Terms of Reference	10 March 2025
Code Administrator Consultation (5 business days)	10 March 2025 - 17 March 2025
Draft Final Modification Report (DFMR) issued to Panel (2 business days)	24 March 2025
Panel undertake DFMR recommendation vote	28 March 2025
Final Modification Report issued to Panel to check votes recorded correctly	28 March 2025
Final Modification Report issued to Ofgem	28 March 2025
Ofgem Decision	29 April 2025
Implementation Date	02 May 2025

Appendix 2 – Standard Timeline

Modification Stage	Date
Modification presented at Panel	17 January 2025
Workgroup nominations (15 business days)	17 January – 07 February 2025
Workgroup 1 – Workgroup 4	24 February 2025 17 March 2025 31 March 2025 16 April 2025
Workgroup Consultation (15 business days)	28 April – 19 May 2025
Workgroup 5 – Workgroup 8	03 June 2025 17 June 2025 30 June 2025 07 July 2025
Workgroup Report issued to Panel (5 business days)	17 July 2025

Panel sign off that Workgroup Report has met its Terms of Reference	25 July 2025
Code Administrator Consultation (15 business days)	28 July – 11 August 2025
Draft Final Modification Report (DFMR) issued to Panel (5 business days)	21 August 2025
Panel undertake DFMR recommendation vote	29 August 2025
Final Modification Report issued to Panel to check votes recorded correctly	29 August 2025
Final Modification Report issued to Ofgem	08 September 2025
Ofgem Decision	TBC
Implementation Date	01 April 2026

Appendix 3 – Panel Urgency Vote

See separate attachment