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## Code Administrator Consultation Response Proforma

### CMP446: Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment

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** on **17 March 2025**. 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 [milly.lewis@uk.nationalenergyso.com](mailto:milly.lewis@uk.nationalenergyso.com) or [cusc.team@nationalenergyso.com](mailto:cusc.team@nationalenergyso.com)

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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 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 by this 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.*

\* See Electricity System Operator Licence

\*\*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 solution(s) against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution(s) better facilitates:
		Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM1 <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM2 <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		WACM3 <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		WACM4 <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		WACM5 <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D

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	<p>We believe both <b>WACM1</b> and the <b>Original</b> better facilitate all ACOs and therefore also facilitate the objectives overall.</p> <p>We believe <b>WACM1</b> best meets the applicable CUSC objectives.</p> <p><b>Original</b></p> <p>The Original better delivers ACOs (a) and (d) by increasing the efficiency of the connections process and freeing up NESO and network time to focus efforts on projects that have a more significant impact on the Transmission System.</p> <p>ACO (b) is better facilitated by enabling a wider range of generation participants into the market – notably smaller parties, new-entrants and community energy. As demand sites looking to self-generate will be a key beneficiary, the Original will also facilitate competition in the supply market.</p> <p>ACO (c) could be positive as it removes a disincentive to the development of self-generation assets on industrial and commercial and public sector sites seeking to reduce their energy costs and decarbonise. The current 1MW threshold is a barrier to these types of projects.</p> <p><b>WACM1</b></p> <p>WACM1 better facilitates the ACOs for the same reasons as for the Original, but the benefits are enhanced. Another difference is that by referencing Export Capacity WACM1 provides small sites to make more efficient design decisions – especially demand sites looking to add behind-the-meter generation.</p> <p>We hope that the CUSC Panel will recognise that the use of Export Capacity has support from a wide</p>
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	<p>range of industry stakeholders, including generation companies and DNOs.</p> <p><b>WACM2</b></p> <p>WACM2 fails to address the defect because it removes the ‘hard coding’ of a MW value for a TIA threshold from the CUSC altogether. This means WACM2 is potentially worse than the Baseline. Additionally, it adds uncertainty and the risk that NESO could change a GSP TIA threshold at any time and for any reason.</p> <p>The description of WACM2 in the Executive Summary could be easily mis-read. WACM2 does not set a 5MW threshold. There is no backstop. The 5MW is only the default figure to be used if NESO does not decide to set something else.</p> <p>We support increasing transparency of TIA thresholds at GSPs and suggest NESO publishes the table of data described in WACM2 as part of its implementation of the Original or WACM1, for the purpose of showing where fault level headroom impacts the threshold. We believe NESO would be required to publish that data under Ofgem’s Data Best Practice Guidance.</p> <p><b>WACM3</b></p> <p>WACM3 does not address the defect. WACM3 fetters the potential for CMP446 to deliver the Connections Action Plan (CAP) action aimed at accelerating connection timescales for distribution customers, where the focus was on smaller projects key for decarbonisation and growth that have minimal impact on the Transmission System.</p> <p>Any temporary improvement WACM3 could provide under ACO (b) by allowing some queued 1-5MW projects to connect earlier is outweighed by the application of the arbitrary 25MW cap to those that</p>
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		<p>follow. In many areas the cap could be reached quickly by projects in the existing queue at the start of each 5-year period.</p> <p>We believe the concerns around gaming put forward as the rationale for WACM3 are overstated. This is because project economics will be severely impacted if developers try to divide standalone larger merchant projects into 5MW parcels, noting that these will need to have sufficient physical separation. Any concerns that the 5MW threshold could be abused would be better dealt with outside of CUSC via NESO and DNO guidance on what constitutes a separate 5MW project. Ofgem could direct the networks to produce such guidance or provide it directly.</p> <p>WACM3 is negative for ACOs (a) and (d) due to the additional complexity it adds, whilst the cap limits the potential to address to defects that the Original seeks to remedy.</p> <p><b>WACM4</b> – As for WACM3. We support the addition of ‘Export Capacity’ from WACM1, but this does not outweigh the disadvantages of WACM3.</p> <p><b>WACM5</b> – As for WACM2. We support the addition of ‘Export Capacity’ from WACM1, but this does not outweigh the disadvantages of WACM2.</p>
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input checked="" type="checkbox"/> WACM1 <input type="checkbox"/> WACM2 <input type="checkbox"/> WACM3 <input type="checkbox"/> WACM4

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		<input type="checkbox"/> WACM5 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		<p>We believe <b>WACM1</b> best meets the applicable CUSC objectives.</p> <p>WACM1 better facilitates the ACOs for the same reasons as for the Original, but the benefits are enhanced.</p> <p>WACM1's use of <b>Export Capacity</b> will be particularly beneficial to commercial and industrial, and public sector sites seeking to decarbonise and reduce energy costs to support the UK's growth and net zero objectives. This is because it will allow demand sites looking to add behind-the-meter generation to make more efficient design decisions.</p> <p>We hope that the CUSC Panel will recognise that the use of Export Capacity has support from a wide range of industry stakeholders, including generation companies and DNOs.</p>
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>We support implementation ahead of the CMP435 Gate 2 to Whole Queue exercise to allow qualifying projects to be taken out of the process. This benefits all the Applicable Objectives – for example by reducing NESO and DNO administration. It will also lead to national growth and decarbonisation benefits by allowing these projects to connect earlier.</p>
4	Do you have any other comments?	Click or tap here to enter text.

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5	Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.