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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 checked="" type="checkbox"/> Storage <input checked="" 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 type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM1	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM2	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM3	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		WACM4	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		WACM5	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D

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	<p>The Original modification better facilitates Applicable CUSC Objectives a), b) and d) in our view, when compared to the baseline and anticipated changes that will be delivered as part of wider connection reform.</p> <p>We agree with the view of the proposer that a more efficient Transmission/Distribution interface will better enable the efficient discharge of network licence obligations (NESO, NGET and DNOs); thus facilitating ACO a).</p> <p>We agree with the view of the proposer that the modification will enable smaller scale projects with no Transmission System impact to connect more expeditiously in support of Net Zero policy goals; thus facilitating ACO b).</p> <p>We agree with the view of the proposer that the change in process removes unnecessarily burdensome obligations on 1MW to 5MW distributed generation, such obligations being disproportionate to their impact on the Transmission System; thus facilitating ACO d).</p> <p>WACM1 has all the positive attributes of the Original set out above, which are enhanced by being based on the Export Capacity rather than Registered Capacity. Export Capacity better reflects the potential network effects (from a planned new connection to the distribution system) that determines whether a TIA is warranted and required. WACM1 in our view better facilitates ACOs a), b) and d) when compared to the baseline.</p> <p>WACM2 has all the positive attributes of the Original, with the further enhancement of improved transparency of the GSP data. As has already been established, transparency of energy data will result in a more efficient network and better outcomes for</p>
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	<p>end consumers. WACM2 in our view better facilitates ACOs a), b) and d).</p> <p>WACM5, as a combination of WACM1 and WACM2, has all the positive attributes of the Original proposal, and, in addition, all the benefits of Export Capacity (better reflecting potential network effects that warrant a TIA requirement); as well as all the benefits of improved transparency of the GSP data. Therefore, this WACM better facilitates ACOs a), b) and d).</p> <p>WACMs 3 and 4 are near identical, except for the treatment of capacity (Registered v Export) and we have considered them together, as the capacity difference does not in our view outweigh the negative aspects these two proposals.</p> <p>These two proposals do have positive merits in terms of Applicable Objective (b) (that are at least equal to the Original, plus WACMs 1 and 2) whilst being neutral in terms of (d).</p> <p>However, we believe that the limitations per GSP will be unnecessarily restrictive on Network Operators and will therefore negatively impede ‘the efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence’. We consider therefore that these two WACMs are negative in terms of Applicable Objective (a).</p> <p>Overall, we believe that WACMs 3 and 4 are negative when compared to the current baseline.</p>
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2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input type="checkbox"/> WACM1 <input type="checkbox"/> WACM2 <input type="checkbox"/> WACM3 <input type="checkbox"/> WACM4 <input checked="" type="checkbox"/> WACM5 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		<p>WACM5, as a combination of WACM1 and WACM2, has all the positive attributes of the Original proposal, and, in addition, all the benefits of Export Capacity (better reflecting potential network effects that warrant a TIA requirement); as well as all the benefits of improved transparency of the GSP data.</p> <p>WACM5 is therefore our preferred solution.</p>
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Click or tap here to enter text.</p>
4	Do you have any other comments?	<p><u>Transparency</u></p> <p>We would wish to highlight the need for much greater transparency; on the part of the NESO, TOs and DNOs; of many of the items that the Workgroup have been examining, if the benefits of CMP446 are to be fully realised.</p>

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	<p>In this regard, we are mindful that the UK Government and Ofgem established the Energy Data Taskforce, noting that:</p> <p>“The government and Ofgem have endorsed the Energy Data Taskforce’s recommendations.”</p> <p>Modernising Energy Data - GOV.UK</p> <p>In this respect, as noted in the Introduction to the Energy Data Taskforce report:</p> <p><i>“At the core of the Taskforce recommendations are the principles that the sector should be Digitalising the Energy System and that in order to maximise value, <u>Energy System Data should be Presumed Open</u>” [emphasis added]</i></p> <p>As the Energy Minister noted, in the Forward to the Taskforce report:</p> <p><i>“Data is fundamental to the future of our economy, which is why it is the focus of one of the Grand Challenges in our Modern Industrial Strategy. In the power sector, it is the key to unlocking system and consumer benefits and managing the fast approaching challenges of flexibility, resilience and costs in the most efficient way”</i></p> <p>Of particular relevance to our colleagues from the network community is the following, from the Taskforce:</p> <p><i>“Energy System Data that has value to the wider system and has been generated by monopoly or consumer subsidy should be available for the benefit of the ‘system as a whole’.”</i></p> <p>In summary the Taskforce identified many benefits from data transparency, examples of which include:</p> <ul style="list-style-type: none"> <li>(i) <i>Improving operation of the system,</i></li> <li>(ii) <i>Optimising operation of the system,</i></li> </ul>
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	<p>(iii) <i>Optimising across energy vectors,</i>          (iv) <i>Unlocking the flexibility market,</i>          (v) <i>Enabling clarity across the multiple actors in the system,</i>          (vi) <i>Securing the new Energy System,</i>          (vii) <i>Regulatory oversight and risk assessment,</i>          (viii) <i>Optimising procurement and cost reduction</i>          (ix) <i>Opening the system to new markets and better price discovery,</i>          (x) <i>Data visibility creates opportunity for all, and</i>          (xi) <i>Attracting new players to the sector.</i></p> <p>The Taskforce helpfully also identified the detrimental effects of not providing full transparency, examples of which include:</p> <p>(a) <i>Slower more expensive transformation,</i>          (b) <i>Fragmented datasets reducing efficiency,</i>          (c) <i>Increased risk to system stability, and</i>          (d) <i>Reduced innovation.</i></p> <p>The negative effects, from a lack of energy data transparency, was summarised by the Taskforce, in the following terms:</p> <p><i>“The value of data is not being maximised: innovation is being stifled, the system is less efficient, and the consumer is worse off”</i></p> <p><u>Capacity Register</u></p> <p>In terms of the Embedded Capacity Register (ECR), we note that at recent meetings of the DCUSA Standing Issues Group (SIG) in November 2024 and</p>
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5	<p>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?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>