

CUSC Alternative and Workgroup Vote

CMP328: Connections Triggering Distribution Impact Assessment

Please note: To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

Stage 1 - Alternative Vote

If Workgroup Alternative Requests have been made, vote on whether they should become Workgroup Alternative CUSC Modifications (WACMs).

Stage 2 - Workgroup Vote

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) If WACMs exist, vote on whether each WACM better facilitates the Applicable CUSC Objectives better than the Original Modification Proposal.

2c) Vote on which of the options is best.

Terms used in this document

Term	Meaning
Baseline	The current CUSC (if voting for the Baseline, you believe no modification should be made)
Original	The solution which was firstly proposed by the Proposer of the modification
WACM	Workgroup Alternative CUSC Modification (an Alternative Solution which has been developed by the Workgroup)

The applicable CUSC 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.

*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

Workgroup Vote

Stage 1 – Alternative Vote

Vote on Workgroup Alternative Requests to become Workgroup Alternative CUSC Modifications.

The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.

Should the majority of the Workgroup OR the Chairman believe that the potential alternative solution may better facilitate the CUSC objectives than the Original proposal, then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.

“Y” = Yes

“N” = No

“-” = Neutral

Workgroup Member	Alternative 1 – Enhance Third-Party Works process	Alternative 2 - Using applicability criteria rather than blanket 1MW threshold
Charles Deacon	N	-
Andrew Colley	N	N
Grahame Neale	Y	Y
Joanna Knight	N	N
Jack Scoffham	N	-
Wendy Mantle	N	N
Matthew Paige-Stimson	-	Y
Michael Clark	Not present at vote	Not present at vote
Nuno Fonseca	N	N
Paul Andrews	Not present at vote	Not present at vote
Robert Longden	N	-
WACM?	WACM1 – saved by Chair as, in their opinion Enhancing the Third Party Works process may be better than the Original to address the Defect	WACM2 – saved by Chair as, in their opinion, using criteria based approach may be better than the Original (using capacity threshold) to address the Defect

Stage 2a – Assessment against objectives

To assess the original and WACMs against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

ACO = Applicable CUSC Objective

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Charles Deacon - Renewable Connections Developments Limited					
Original	Y	Y	-	Y	Y
WACM 1	Y	Y	-	Y	Y
WACM 2	Y	Y	-	Y	Y
Voting Statement:					
<p>Any improvement in the TPW process will better facilitate Applicable CUSC Objective A. As a customer who has had to utilise the TPW process for tertiary winding connections impacting on the DNO, we agree with the Proposer that it is not fit for purpose. Having a clear process, with outputs, inputs, timelines and responsibilities will speed up this process resulting in quicker and more efficient connections to the system. At present, the TPW process is not fully understood or being applied efficiently by all parties, resulting in hold ups to projects and delays in delivery. Without a guaranteed timescale for response, some parties are not responding in a timely manner, resulting in customer milestones being missed. TPW is “absolute” and applies best to physical works and does not provide adequate mechanisms for enduring/active solutions nor sharing works amongst parties. This goes against the Regulator’s drive for more efficient use of existing assets, in a whole system approach. As a result, TPW does not result in the most co-ordinated or efficient approach to connect to the system and can act as a deterrent for choosing transmission.</p> <p>Following on from the above, the clear process will reduce barriers to selecting a transmission connection and thus facilitate Applicable CUSC Objective B. It is our view that this is not complete without the implementation of DCP392 which will allow for fair cost apportionment of works on the distribution system. At present, the cost falls in full to the triggering party, regardless of their impact. This is a distortion which favours choosing a distribution connection. The benefits of CMP328 will be realised fully by this complementary change. A clear process, understood by all parties (like Statement of Works) will facilitate competition in generation across networks, as the impacts of choosing either option could be assessed properly at the outset.</p> <p>We do not possess enough exposure to Applicable CUSC Objective C to answer this question.</p> <p>As mentioned above, we believe any improvement or replacement of TPW will present more efficient implementation of the CUSC arrangements, allowing smoother relationships and quicker connections. From an industry perspective, the current TPW arrangements have been</p>					

the biggest barrier to timely connections to the transmission system. This is particularly pertinent with the advent of tertiary winding connections, for which it is clear that the failings of TPW were not fully assessed at the outset. For this close interface with the DNO system, the DIA is a much more sensible method to assess impacts. To navigate the current TPW system to find an acceptable outcome, we have had to resort to code modifications and negotiations of bespoke, shared connection solutions with TOs and other parties. This has delayed delivery of projects for over a year in some cases at cost to us and the network operators.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Andrew Colley – SSE Generation Ltd.					
Original	Y	Y	-	Y	Y
WACM 1	Y	Y	-	Y	Y
WACM 2	Y	Y	-	Y	Y
Voting Statement: [No Voting Statement provided]					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Grahame Neale – National Grid ESO					
Original	-	Y	-	N	Y
WACM 1	-	Y	-	Y	Y
WACM 2	-	Y	-	N	Y

Voting Statement:

In respect of Applicable CUSC Objectives A & C, we believe all options presented by the workgroup are neutral (in relation to these objectives) as they neither held nor hinder NGESO's compliance with its licence or the Electricity Regulation (and any relevant legally binding decision of the European Commission and/or the Agency).

For Applicable CUSC Objective B, we believe all the options presented are positive as they remove a distortion in the treatment of distribution and transmission generation applications and which networks are assessed when connecting to 'the grid' to ensure a whole system impact of connecting is understood.

Applicable CUSC Objective D is more complicated and varies between the options.

In our view, the Original is negative in respect of objective D as it will introduce highly inefficient additional steps in the process to connect to the transmission system which is likely to double the cost and time required to provide a connection offer to the Transmission system. This conflicts with the work undertaken via the ENA to reduce the timescales for connections to the distribution system. It is not clear how this process will introduce efficiencies over and above the current Third Party Works Process other than providing a single point of contact for DNOs and

Transmission applicants to contact each other via the ESO. In addition, we believe it is the responsibility of the applicant (not the ESO) to determine what is best for the applicant's project and the outcome of a DIA will be a key factor in this, therefore having the ESO as the 'post box' in the process will dilute this. We believe a whole system connection process is required and the Original seeks to achieve this by 'bolting on' to an existing process which is not designed to provide whole system outcomes. Fundamentally, if a review of the connections process is undertaken (which may be required given the ongoing reviews of Access & Forward Looking Charges SCR, Offshore co-ordination and Competitively Appointed Transmission Owners), the Original would result in a significant amount of wasted time/effort by industry to implement a process which would be superseded.

WACM2 suffers many of the same issues as the Original in this regard and so is negative against objective D too, however it is 'less negative' than the Original due to some key differences. Firstly, the provision of the DIA as a report (as opposed to a contract in the Original) provides minor processes efficiencies (simpler contract management, avoids potential duplication of liabilities etc) with no detrimental effects as NGESO will have a CUSC obligation to translate this report in to a contract for DNOs. Additionally, the GSP Criterial provides a better 'whole system' view of the effect of the application the Original (as it considers things other than MVA) and so is a more robust/enduring solution at the expense of slightly more input required from the DNOs.

Only WACM1 is positive when assessed against Objective D. Whilst this option is a 'sticking plaster' solution until a review of connection processes is undertaken, it facilitates and defines an existing process more so that it can be more effectively applied – especially since there is a difference of opinion in the industry as to whether the DNO's requirements can be met by the Third Party Works process with minor changes; this is especially pertinent due to the inconsistent application of the Third Party Works process by the DNOs. This means WACM1 has no downside compared to the other options and is therefore a least regret option.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Joanna Knight - SSE Power Distribution Limited					
Original	Y	Y	-	Y	Y
WACM 1	Y	Y	-	Y	Y
WACM 2	Y	Y	-	Y	Y

Voting Statement:

In respect of Applicable CUSC Objectives A, B & D, we believe that all options better facilitate the relevant objectives as compared to the current arrangements. The current Third-Party Works process is not fit for this purpose, as detailed in the SEPD proposal. Concerning the Applicable CUSC Objective C, we are neutral as the options do not affect NGESO's compliance with its licence or the Electricity Regulation.

Overall, we believe that the Original proposal better facilitates the objectives than the two alternatives. WACM1 is an update of the Third-Party Works process which does not address or resolve the issues which have already arisen due to the ESO offering tertiary windings

connections over the past two years. A key issue with both versions of the TPW process is that there is no codification of the ESO's responsibilities or involvement in that process and therefore we suggest this is not wholly in line with the 'whole system approach.' Whilst WACM2 is similar to the Original proposal, a significant difference concerns the document received by the ESO from the DNO detailing the works required. Under WACM2, the DNOs will be mandated to provide a report to the ESO which will not be contractually binding and therefore cannot be formally accepted. The ESO would then issue an updated BCA (a process which could take up to 90 days) to cover this contractual shortfall. This approach will mean that the documents initially issued to the ESO will be significantly different to all other customer formal offers issued by DNOs and will make the administration of processes like interactivity and queue management problematic for all customers involved. The Original proposal will provide the ESO with a standard connection offer in line with those received by all other customers which can be accepted under the same universal terms.

The Original proposal seeks to promote collaborative working between the ESO, the transmission customers and the DNO by providing an initial definition of relevant transmission connections subject to the DIA process with a provision that that definition can be adjusted as appropriate. This provision will be at the DNO's discretion based on the current status of the distribution network but the reasoning of the DNO will be fully transparent to the ESO and the relevant transmission customer(s). The Original proposal will ensure that the ESO, the transmission customer(s) and the DNO work together throughout the connection process with the basis of a contractual offer to ensure all rights are protected. It will also ensure via contractual recognition between the ESO and the DNO that any enduring network requirements are met.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Jack Scoffham - Northern Powergrid					
Original	Y	Y	-	Y	Y
WACM 1	Y	Y	-	Y	Y
WACM 2	Y	Y	-	Y	Y
Voting Statement: [No Voting Statement provided]					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Wendy Mantle - SP Manweb plc					
Original	Y	Y	-	Y	Y
WACM 1	Y	Y	-	Y	Y
WACM 2	Y	Y	-	Y	Y
<p>Voting Statement:</p> <p>Regarding Applicable CUSC objectives A, B & D, we believe that the Original and WACM2 better facilitate the relevant objectives compared to the current process that utilises the Third Party Works process. WACM1 is a slight improvement on the current process but does not address the main issues that have arisen when Distribution network assessments are required for connections to the transmission network. We consider that all options are neutral for Objective C.</p> <p>We believe the original option is the best solution as it provides a clear process and ensures appropriate ownership and contractual relationship with the appropriate parties. The process largely mirrors that for generators connecting to the distribution network that might impact on the Transmission system thereby providing consistency and fairness. We believe the original proposal will simplify the process for transmission connecting customers, removing confusion and unnecessary delays.</p> <p>WACM1 continues to use the third party works process which is intended for low volume, one off works with no ongoing requirements and not for the type and volume of transmission applications as a result of, for example, connections to tertiary windings. To date our experience of the ESO using the third party work process has been negative, introducing confusion and inconsistency. We have experienced difficulties in obtaining the necessary technical information for the increasing number of assessments required and the lack of ownership and defined timescales has hindered the process and introduced delays and negativity for the connecting customer. WACM1 does not address these issues and therefore we <u>do not support this option</u>.</p> <p>WACM2 is a better solution than the baseline and WACM1, however the requirement to provide such regular, detailed information in addition to existing obligations places a significant burden on the DNO. The original proposal allows a threshold to be agreed and will help to address the issue of unnecessary DIA applications being made.</p> <p>To conclude, we support the original proposal as it provides a clear process, with ownership and timescales clearly defined. The process will be transparent and easily understood by all parties whilst supporting collaboration and aiding whole system design.</p>					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Matthew Paige-Stimson – NGET					
Original	Y	Y	-	N	N
WACM 1	-	-	-	N	N
WACM 2	Y	Y	-	Y	Y
<p>Voting Statement:</p> <p>The Original proposal and WACM2 are based upon the ESO taking the lead in 3rd Party impact discussions with affected DNOs. WACM2 better meets Objective A than the Original by virtue of WACM2's more targeted referral criteria-based approach. The Original based on 1MW referral we feel would be detrimental to Objective A counterbalancing the benefit of ESO co-ordination, and therefore not leading to as efficient discharge of licensee duties as WACM2. We believe WACM1 to be neutral in respect of Objective B as being little different to the baseline.</p> <p>The activity being led by the ESO under the Original and WACM2 is also beneficial in avoiding distortion in competition in generation, through independent management of the process by transmission licensees, and as a result the Original and WACM2 are more likely to better meet Objective B. Relative to baseline we believe WACM1 to be neutral in respect of Objective B.</p> <p>The Original, WACM1 and WACM2 are we believe all neutral in respect of Objective C.</p> <p>In respect of Objective D, the Original, based on 1MW referral threshold, is inefficient due to lack of proportionality in referral criteria. This will lead to unnecessary referrals at cost and with loss of time to the parties concerned. We believe the lack of detail in the revised Original on how a replacement threshold (in place of 1MW) is to be determined is a significant omission from the Original solution and makes the Original unworkable due to highly material and wasted administrative volume of effort that would arise from a 1MW referral threshold. Compared to baseline, the Original therefore does not better meet Objective D and is significantly defective due to absence of clarity on the means to flex the referral threshold.</p> <p>WACM1 leaves the User leading on impacted DNO communications which has been shown to lead to delays or absence in impact assessments being provided, pointing to WACM1 likely not better meeting Objective D. However the absence of a prescribed threshold in WACM1 is beneficial in providing some administrative flexibility on referrals.</p> <p>WACM2 utilises a more proportional GSP specific criteria-based referral, based on DNO network data, and this is most likely to avoid unnecessary referrals, saving on cost and time, whilst at the same time being based on data transparency that will confer more confidence in proceedings. WACM2, for these reasons, better meets Objective D.</p>					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Nuno Fonseca – UK Power Networks					
Original	Y	Y	-	Y	Y
WACM 1	-	-	-	Y	-
WACM 2	-	Y	-	Y	-

Voting Statement:

In respect of Applicable CUSC Objective A, we believe that the Original proposal to be positive as it clarifies the relationship between all parties and the role of the ESO in taking the lead with affected DNOs. It also presents a more robust process when compared to the current Third Party Works, with a set of timescales for the completion of the data exchanges, network impact assessments, as well as defined contractual arrangements between all parties.

We believe WACM1 and WACM2 to be neutral in respect of Objective B as they maintain a similar position to the current Third Party Works process in terms of ownership, data requirements and timescales.

For Applicable CUSC Objective B, we believe that the Original and WACM2 option presented are positive as they provide a more robust technical framework that all parties work to, equal treatment and positioning of distribution and transmission generation, ensuring that whole system impact of connecting is understood. We believe that WACM1 is neutral to CUSC Objective B as, whilst it offers a view into possible improvement in the current Third Party Works process, it lacks the clarity of what improvements can be made and how these address the issues identified by the panel members.

We believe all three options to be neutral in respect of Objective C.

We believe all three options to be positive in respect of Objective D when compared to the baseline.

UK Power Networks experience of the current process has been very negative, with difficulties seen in terms of ownership of the process, technical data requirements, multiple interpretations of the Grid Code, lack of defined timescales and lack of response from NGESO. This meant that transmission connecting customers to directly contact UKPN and provide the required clarity in order to progress applications. All three options offer an improvement, with the Original proposal offering a robust process to address all these items.

It should be noted that there is a high level of cooperation between Distribution and Transmission companies, including regular forums such as the Joint System Design Liaison meetings, that can provide further insight into issues and opportunities on the respective networks and can facilitate further information exchange to meet the Whole System Design ambition.

In summary, we support the Original proposal as it provides responses to all the issues raised by the panel members and provides an improvement to 3 of the 4 applicable CUSC Objectives.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Robert Longden - Cornwall Insight					
Original	Y	Y	-	Y	Y
WACM 1	Y	Y	-	Y	Y
WACM 2	Y	Y	-	Y	Y
<p>Voting Statement:</p> <p>The Original solution addresses the defect and is the preferred option. The alternative (WACM1) which seeks to enhance the Third Party Works process does not adequately address the core defect, but is preferable to the Baseline. The alternative (WACM2) which uses criteria could lead to complexity, administrative overhead and lacks the more rigorous contractual arrangements of the Original, although it is still preferable to both the "Enhanced TPW" and the baseline.</p>					

Stage 2b – WACM Vote (If required)

Where one or more WACMs exist, does each WACM better facilitate the Applicable CUSC Objectives than the Original Modification Proposal?

Workgroup Member	Company	WACM 1 better than Original Yes/No	WACM 2 better than Original Yes/No
Charles Deacon	Renewable Connections Developments Limited	No	-
Andrew Colley	SSE Generation Ltd.	No	No
Grahame Neale	National Grid ESO	Yes	Yes
Joanna Knight	SSE Power Distribution Limited	No	No
Jack Scoffham	Northern Powergrid	No	-
Wendy Mantle	SP Manweb plc	No	No
Matthew Paige-Stimson	NGET	-	Yes
Nuno Fonseca	UK Power Networks	No	No
Robert Longden	Cornwall Insight	No	-

Stage 2c – Workgroup Vote

Which option is the best? (Baseline, Proposer solution (Original Proposal), WACM1 or WACM2)

Workgroup Member	Company	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Charles Deacon	Renewable Connections Developments Limited	Original	a, b, d
Andrew Colley	SSE Generation Ltd.	Original	a, b, d
Grahame Neale	National Grid ESO	WACM1	b, d
Joanna Knight	SSE Power Distribution Limited	Original	a, b, d
Jack Scoffham	Northern Powergrid	Original	a, b, d
Wendy Mantle	SP Manweb plc	Original	a, b, d
Matthew Paige-Stimson	NGET	WACM2	a, b, d
Nuno Fonseca	UK Power Networks	Original	a, b, d
Robert Longden	Cornwall Insight	Original	a, b, d

Of the 9 votes, how many voters said this option was better than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	8
WACM1	7
WACM2	8