

**Workgroup Consultation Response Proforma****CMP376: Inclusion of Queue Management process within the CUSC**

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](mailto:cusc.team@nationalgrideso.com) by **5pm** on **23 December 2022**. 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 [paul.j.mullen@nationalgrideso.com](mailto:paul.j.mullen@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details
<b>Respondent name:</b>	Ruth Kemsley
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**I wish my response to be:**

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

*Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.*

**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 or any of the potential alternative solutions better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe each solution better facilitates:</p> <p>Original      <input type="checkbox"/>A    <input type="checkbox"/>B    <input type="checkbox"/>C    <input type="checkbox"/>D</p> <p><i>The Original Proposal does not better facilitate any of the applicable objectives in its current form.</i></p>
2	Do you support the proposed implementation approach?	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p><i>We support a queue management process which will effectively and fairly optimise the connection queue. However, we do not support the Original Proposal for reasons detailed in responses below.</i></p>
3	Do you have any other comments?	<p><i>Automatic termination of connection contracts based on apparently missed standardised milestones is a blunt instrument which does not offer the network operators a fair, flexible or transparent mechanism for genuinely optimising the connection queue. This proposal will add project risk for most Users, many of whom may not even be contributing to the particular locational queue problems that it is attempting to solve.</i></p> <p><i>Administering the QMP and its associated Milestone assessments and contract terminations may introduce a significant additional workload for teams within NGENSO which are already suffering from resourcing challenges.</i></p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p><i>Not at present.</i></p>

Specific Workgroup Consultation questions		
1	Do you agree with the Milestone durations proposed? Please provide the rationale for your response.	<p><i>No. It is oversimplifying to generalise and standardise expected milestone timescales on the basis of the requested connection date, without taking account of the project type, its consenting strategy, and the programme planned by the User.</i></p> <p><i>The Original Proposal introduces the risk that viable projects which are progressing but which are not hitting those milestones will be unreasonably terminated.</i></p>

2	<p>Do you agree that the time period for the milestone durations should be from the contracted Completion Date back to the date the Offer is sent to the User; or from the Contracted Completion Date back to the date the Offer is accepted by the User; or from the Contracted Completion Date back to the date the Offer becomes effective; or do you have an alternative approach? Please provide the rationale for your response.</p>	<p><i>An alternative approach would be to agree project-specific milestone dates at the application stage, based on a proposed project programme submitted by the User.</i></p>
3	<p>There are differences between the arrangements at Transmission and Distribution. Do you agree with the reasons provided why there is different treatment and that these don't create undue discrimination? Please provide the rationale for your response.</p>	<p><i>The nature of the network access made available, and the User commitment required, differs between Transmission and Distribution, and so some variation between the two approaches is not unreasonable. The differences between these proposed Transmission QMP arrangements and Distribution do however create undue discrimination. This discrimination is particularly evident in the different approaches to termination rights and the definitive list of exceptions for Transmission vs a non-exhaustive list for Distribution.</i></p>

4	Do you agree with the evidence requirements proposed? Please provide the rationale for your response.	<p><i>Consideration needs to be given as to whether each evidence requirement as worded provides robust confirmation that a project is proceeding, is not too onerous for the User to produce, and will allow the ESO to confirm progression easily and unambiguously.</i></p> <p><i>Milestone 5: Contestable Design Works are not defined within the CUSC. If this Milestone is intended to encompass User Self Build arrangements it should be made explicit. Recommend deletion of this Milestone as it would not be widely applicable.</i></p> <p><i>Milestone 7: Recommend removal of Capital Contributions element - the User commitment mechanism for Transmission connections is completely different from Distribution and does not typically employ capital contributions.</i></p>
5	Do you agree that works specifically for a User, whose Construction Agreement has been terminated under CMP376, should be suspended until the outcome of the Appeal/Dispute. Please provide the rationale for your response.	<p><i>Suspension of works should be at the User's discretion. If the Appeal is successful and the Milestone is decreed to have been met, it is not fair for the User to suffer any delay due to works being placed on hold.</i></p>
6	Do you have any views on the most appropriate route for Appeals/Disputes raised by a User whose Construction Agreement has been terminated under CMP376? Please provide the rationale for your response.	<p><i>Possible options could include:</i></p> <ul style="list-style-type: none"> <li><i>Escalation to senior level within NGESO</i></li> <li><i>The Independent Engineer identified in Appendix L</i></li> </ul> <p><i>Not Ofgem because they are unlikely to be able to respond rapidly to any volume of appeals.</i></p>
7	Do you agree with the circumstances when Milestone Dates will be changed – the “exceptions”? Please provide the rationale for your response.	<p><i>We would suggest that all foreseeable delays not under the control of the User should be comprehensively included in the exceptions.</i></p>

8	Do you agree that the associated Construction Agreement will be terminated if Milestone Dates (unless covered by the exceptions) are missed and not rectified within the 60-calendar day period? Please provide the rationale for your response.	<i>No. We consider that automatic termination is an inappropriate sanction for apparent non-progression of a project assessed based on generalised milestones.</i>
9	Do you agree with the proposed impacts on Milestones for different types of Modification Applications? Please provide the rationale for your response.	<i>No comment</i>
10	Does the CMP376 Original proposal or any of the potential alternative solutions impact your business and/or end consumers. If so, how?	<i>Any process which introduces a new possibility of automatic contract termination adds additional administrative overheads, project and business risk, and the risk of abortive costs. The cost of this is likely to be ultimately passed on to the end consumer via the prices for energy or services provided to the GB market by Generation or Storage Users. The overall expected benefits of this proposal have not been presented in any detail and the disadvantages for most Users are obvious.</i>