

CUSC Alternative Form

CMP376 WACM7:

Queue Management milestones to be applied to all construction agreements

Overview:

This alternative proposes to apply the Queue Management Process and milestones to all signed construction agreements (where the completion date is more than two years away), as well, as per the original solution, to any new applications and Modification Applications submitted to NGESO after the implementation date.

The original solution looks to apply the Queue Management Process and milestones only to new applications and Modification Applications submitted to NGESO after implementation.

**Proposer:** Rein de Loor, National Grid Electricity System Operator [NGESO]

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## What is the proposed alternative solution?

NGESO wishes to raise an alternative to the CMP376 Original solution, where Queue Management milestones will be applied to all Construction Agreements within 2 years following Authority Decision, as well as to any new applications and modification applications as per CMP376 Original.

The rationale for this alternative is that NGESO believes it better meets the CUSC Applicable Objectives, as it ensures even treatment between users and achieves better effectiveness of the policy by ensuring all projects have an obligation to adhere to the Queue Management milestones, given the volume of parties already contracted, rather than only new projects and those who submit a Modification Application.

NGESO believes this is a forward-looking implementation approach, ensuring that all agreements are in line with the CUSC as per Clause 15 on Variations in all agreements.

### **Proposed implementation approach**

NGESO will issue a notice to all customers with a Construction Agreement (where CMP376 is to be applied) as soon as CMP376 is implemented to inform them how the policy will affect them:

#### **Customers with a contracted Completion Date of less than 2 years from the CMP376 implementation Date will face no change to their agreements**

- These customers will not be issued with an ATV or be asked to submit a Modification Application.
- Customers need to be actively developing their projects and provide evidence to maintain compliance with their existing agreement.
- If a customer's project is no longer progressing, they will be expected, as per the normal process, to submit a Modification Application to change their Completion Date and (as per CMP376 Original) the Queue Management process milestones will be added to their agreement. If they do not submit a Modification Application they will be treated as a customer with a contracted Completion Date of 2 years or more from CMP376 implementation.

#### **Customers with a contracted Completion Date of 2 years or more from CMP376 implementation to be offered two options:**

##### **Option 1:**

- They can submit a Modification Application to move their Completion Date further into the future;
- Queue Management milestones will be added to their agreement, aligned to the new Completion Date in their offer (following the timescale columns in the CMP376 Original, and using the date the Modification is offered as the offer date).

- The new offered Completion Date will be provided by the TO and ESO – there is a risk for the customer that this may be significantly later than their existing contracted Completion Date.
- A standard Modification Application fee would be charged for this option.

### Option 2:

- If they don't make a Modification Application, NGESO will issue an ATV to modify their Construction Agreement and add Queue Management milestones aligned to their existing Completion Date (following the timescale columns in the CMP376 Original, using the date the ATV is offered as the offer date).
- If users are already compliant with some or all the milestones when they sign the Agreement, these will be recorded by the NGESO and marked as compliant (as per the CMP376 Original process, ongoing compliance will be required).
- No Modification Application fee would be charged for this option.

### What is the difference between this and the Original Proposal?

The Original solution looks to apply Queue Management milestones only to new applications and Modification Applications submitted to NGESO after CMP376 implementation.

Through this approach it will take longer to apply milestones equally to all Construction Agreements and see the benefits of the policy. It would rely solely on customers submitting Modification Applications to have milestones included into existing agreements.

This alternative allows application of Queue Management to all Construction Agreements in a set timescale and for all customers to be treated equally, ensuring effective delivery of the policy and the CUSC Applicable Objectives.

### What is the impact of this change?

Proposer's Assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	<b>Positive:</b> This alternative will provide clarity on the timescales by which this CUSC Modification will be implemented to all parties in line with Licenced timescales
(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;	<b>Positive:</b> This change will better support effective competition, by making it easier for parties to connect to the NETS swiftly and

	economically where they are able to progress, as well as through equal treatment of all users compared to the CMP376 Original implementation approach.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>Neutral</b>
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	<b>Positive:</b> This alternative will ensure a time-bound implementation window of CMP376, rather than leaving it open-ended through ongoing Modification Applications. It will clarify a consistent process for proactively managing connection offers, thereby reducing ambiguity, and promoting efficiency in contract management.
<p>*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.</p>	

## When will this change take place?

### Implementation date:

From 10 days after Authority Decision up to 2 years to amend all agreements.

### Implementation approach:

Will apply to all parties with a CUSC Construction Agreement that has a Completion Date of 2 years or more from CMP376 implementation date (except Bilateral Embedded Generator Agreements (BEGAs), DNOs associated with Distributed Generation ("DG") or demand customer connections; and shared works for non-radial offshore connections and any Offshore Transmission System User Development Works (OTSDUW)).

Customers will have 6 months to decide whether to keep their existing Completion Date and accept the Agreement to Vary or to submit a Modification Application to change their Completion Date.

Ahead of implementation, the NGESO has invited all parties with connection agreements listed on the TEC register to confirm whether they would be willing to either reduce their TEC or terminate their Construction Agreement at minimal or no cost. The window for customers to express an interest in this TEC Amnesty is open until 30 April 2023.

In terms of process, NGESO will be engaging with customers throughout the connections process to ensure that impacts and expectations are understood. NGESO will be publishing a Queue Management User Guide to support CMP376 implementation. NGESO will propose an amendment to the latest ENA Queue Management guidance to make it clear that Transmission projects will henceforth (if CMP376 is implemented) be covered by the CUSC provisions (as the current document applies, in principle, to both Distribution and Transmission).

### Acronyms, key terms and reference material

Acronym / key term	Meaning
ATV	Agreement to Vary
BEGAs	Bilateral Embedded Generator Agreements
CUSC	Connection and Use of System Code
DG	Distributed Generation
NETS	National Electricity Transmission System
NGESO	National Grid Electricity System Operator