

Workgroup Consultation Response Proforma**CMP427: Update to the Transmission Connection Application Process for Onshore Applicants**

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 by **5pm on 26 January 2024**. 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 Catia Gomes catia.gomes@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details	
Respondent name:	Richard Woodward	
Company name:	National Grid Electricity Transmission	
Email address:	Richard.Woodward@nationalgrid.com	
Phone number:	07964 541743	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input 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 checked="" 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☐ 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 better facilitate the Applicable Objectives?	<p>Mark the Objectives which you believe each solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D</td> </tr> </table> <p>We support the proposed changes as they help ensure that transmission applicants are taking active steps at an earlier stage to signal the viability of their connection projects.</p> <p>In doing so, the CMP427 proposal should provide a greater level of confidence to enable Transmission Owners to make more strategic investment choices to deliver connections more economically and efficiently (better facilitating objective A) - supporting better facilitation of market competition overall (objective B).</p> <p>Objectives C&D are neutral.</p>	Original	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
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2	Do you support the proposed implementation approach?	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>We believe the modification should be implemented as soon as possible if approved by Ofgem, rather than waiting the standard 10 business days. This will ensure the benefits of applying the LoA process in CUSC can be realised sooner.</p> <p>We note the ESO are already reviewing whether this is possible, so await further updates from them at the workgroup.</p>		
3	Do you have any other comments?	<p>This proposal is a positive step forwards in establishing earlier consideration by developers of project viability for new transmission connections, helping to reduce the volume of speculative applications.</p> <p>Above and beyond the form and process for applicants to submit an LoA (i.e. as per the basic CMP427 solution), we are conscious of further development areas which would strengthen the LoA process for the long-term. These have been alluded to by the proposer during the workgroup, so we are keen (particularly noting our response to Q5) that these are defined explicitly and a</p>		

		<p>timeline set out to swiftly deliver them (e.g. prior to Connections Reform).</p> <p>We believe some level of short-term validity provision is necessary for the CMP427 proposal, and have provided a potential solution for this in our responses to Q4 and Q6. But one such area of longer-term consideration is <i>enduring</i> validity; particularly how the LoA process interacts with Queue Management M3 Lands Rights obligations.</p> <p>An additional area of further LoA policy development is land exclusivity. We accept that this topic is probably too complex to consider via CMP427, but it is an important matter for evolving the LoA process to be even more robust and relevant for facilitating swifter transmission connections.</p> <p>Applying some level of project exclusivity for applicant land area designations would better prevent speculative applications and would avoid potential risks of a 'secondary LoA market' which could be gamed.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Subject to receiving further clarity from the proposer (as noted in Q3 above), we are minded to raise an alternative to require that LoAs have a validity period up to offer signature date at least (e.g. approximately six months).</p> <p>This represents the point by which application technical competence has been confirmed, the TO has studied the User's requirements (particularly location) and formed an economic/efficient solution to connect them, and the applicant/User has agreed to these terms. These are all vital process steps which guide how the project will proceed. Therefore a supporting LoA for this time duration would provide greater confidence to all relevant stakeholders compared to the baseline or the 'as-is' CMP427 solution.</p> <p>As stated above, we believe that LoAs should ideally endure up to milestone M3 compliance, but we accept that formally stipulating as such in CUSC via CMP427 could be challenging. Our potential WACM at least ensures that TOs can make offers with some level of certainty that the User and landowner are aligned on project requirements. This would though be a major benefit of CMP427.</p>

Specific Workgroup Consultation questions		
5	Do you believe that the proposed LoA meets the objectives set out by Ofgem and DESNZ in CAP? If not, please provide your rationale.	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>In simple terms, the proposal in part discharges the direction provided by DESNZ and Ofgem by adding an LoA requirement to the transmission application process where one doesn't currently exist.</p> <p>However, our perception of the current proposed solution is that it represents a 'minimum viable product' which may not realise the longer-term benefits that DESNZ/Ofgem may have envisaged when providing their Connections Action Plan (CAP) direction.</p> <p>We believe a comprehensive LoA approach should additionally deal with technology changes, long-term validity, and land exclusivity. Currently we do not expect these to be fully decided via the scope of CMP427 (quite reasonably).</p> <p>Therefore, as advocated in Q3, we would recommend the ESO to define these additional areas of policy development for evolving the LoA concept, how these areas will be delivered (e.g. consequential code mod), and by when.</p> <p>By doing so, it will, in our view, not only strengthen the approach for CMP427, but give industry further reassurance that we are taking necessary steps to deliver on the direction of the CAP longer-term.</p>
6	Do you believe that an LoA should have a validity period? If so, please provide a timescale and your rationale.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>As per our answer for Q3 and Q4 – we believe there should be a minimum validity period for an LoA to ensure that it is robust and provides the necessary signals to Transmission Owners to produce connection offers with greater confidence than the baseline facilitates.</p> <p>An LoA which could be withdrawn by a landowner immediately after a developer's connection application (which is our understanding of the present CMP427 solution) appears to provide only minimal benefit compared to the baseline application process.</p>

7	Do you agree, in principle, with the concept of an Energy Land Density table? If not, please provide your rationale.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The inclusion of a red-line boundary and some non-binding guidance on whether the scale of projects is proportionate to the land requirement provided in the LoA is useful to ensure submissions are robust.
8	Do you agree with format and the categories proposed in the Energy Land Density table? If not, please provide your rationale.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The workgroup proposal seems logical.
9	Do you have different values that you can provide for the Energy Land Density table? If so, please provide your rationale.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Click or tap here to enter text.
10	Do you believe that the LoA should be in the form of a standard template? If not, please provide your rationale.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We believe that a standard template provides consistency of treatment of all Users in scope, and avoids any risks of undue discrimination.
11	Do you believe the use of the word “authorise” within the LoA, could have adverse legal consequences? If so, please provide your rationale.	<input type="checkbox"/> Yes <input type="checkbox"/> No We would encourage the ESO Legal team to provide a view on this point.
12	Do believe the proposed LoA template is suitable for all jurisdictions (England & Wales, and Scotland)? If not, please provide your rationale.	<input type="checkbox"/> Yes <input type="checkbox"/> No We would encourage the ESO Legal team, or relevant expert, to provide a view on this point.
13	Do you believe that the technology type should	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	be included in the LoA template? If you not, please provide your rationale.	<p>This would be consistent with the approach at distribution, and with requirements of the transmission connection application process itself.</p> <p>Whilst we understand that developers may evolve their project requirements (where permitted) during the connections journey, we believe it is important that landowners are reasonably aware of the intentions of developers even at an early stage.</p> <p>Identifying the technology type(s) of a potential connection project is an important part of those discussions with landowners. Reflecting this in the LoA seems a relatively low-level requirement which would provide greater assurance on the robustness of the submission in support of a connection application.</p>
14	Do you consider the exemption approach to deal with exceptional circumstances appropriate? If not please provide your rationale.	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>The CMP427 proposal already factors specific inclusions (e.g. reactive compensation projects) and exclusions (offshore projects). If the scope is set appropriately to begin with, there doesn't in our view appear to be a need for an exceptions process.</p> <p>There is a risk that any exceptions route could be used to unreasonably bypass the LoA process all together - undermining the benefits of the modification – and could present an additional risk of inconsistent treatment or undue discrimination of Users.</p>