

Workgroup Consultation Response Proforma**CMP434: Implementing Connections Reform**

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 06 August 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 cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input checked="" 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 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 Workgroup, Panel or the industry for further consideration)

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 facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <p>Original <input type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D</p> <p>We are supportive of reform and fully in agreement that we need to make some (significant) change.</p> <p>With regards to point A (efficient discharge of Obligations) we are not sure that this is even a neutral response and the rationale is not compelling.</p> <p>With regards to point B (facilitating effective competition) while the rationale is not great we would suggest this is at least neutral and probably positive overall.</p> <p>With regards to point C (Compliance with the Electricity Regulation) we would agree with the proposer that this is neutral.</p> <p>With regards to Point D (Promoting efficiency in the implementation and administration of the CUSC arrangements) we would agree that there are potential benefits in batching, but increased administration and reduced customer focus and impact of the process on individual schemes (timeline, cost, complexity) offset this to neutral (especially when we consider the impact on the more nimble Small and Medium embedded schemes</p>
2	Do you support the proposed implementation approach? (see pages 59-61)	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Generally yes, in principle, however, the detail of implementation and cutover, especially for embedded remains a little unclear. Time is also unlikely to be able to remain as presented. An implementation date of 1st January 25 following a decision date of 13th December 2024 gives no viable time for industry to implement. We should all be cognisant of the potential impact to Customers of the reduced timescales between decision date and implementation date.</p>
3	Do you have any other comments?	<p>The impact on small and medium embedded schemes is significant for the customers and can be seen as a potential blocker both commercially and in terms of time to connect. Returning DFTC to its initial purpose – issuing Gate 2 offers via the DNO for small and Medium schemes - would be a significant step forward. Lifting the lower threshold for Transmission Impact Assessment (the lower entry threshold for TMO4+ Process). 1MW is too low and seriously impacts the viability and connectability of smaller generations schemes, typically those that are adding</p>

	<p>Solar PV behind the meter (warehouse roof top for example) or local community schemes. In these cases the impact on the transmission network must be limited – they are embedded three layers down on the DNO HV network – and the cost and time elements for the TIA/TM04+ process will often be more significant than the rest of the connection element. The lower limit should be raised to take such beneficial (and quick responding schemes) out of the process (and therefore the pipeline) and we would suggest a lower threshold of 10-12MW would clear such HV schemes.</p> <p>We believe that a periodic review as to the benefits and success of the revised process is required to ensure successful delivery and subsequent modification if needed.</p>	
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p>	<p><input checked="" type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section)</p> <p><input type="checkbox"/> No</p>
<p>Raising the lower threshold</p> <p>Changing classification to be by capacity rather than Grid Code Definitions</p>		

Specific Workgroup Consultation questions

5	<p>Do you agree with the elements of the proposed solution?</p> <p>Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification CM095.</p> <p>Please provide rationale for your answer and any suggestions for improvement to each element?</p>	
	<p>Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
<p>While we accept it would be a more responsive process than a full CUSC and this has merit, we would need clarity that we could raise a change request to ensure comfort</p>		
	<p>Element 2: Introducing an annual application window and two formal gates, which are known as Gate 1 and Gate 2 (i.e. the Primary Process) (see pages 11, 35-36)</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>Gate 1 window (annual) would only apply to embedded projects at 100MW and above which would be ok. But due to current definition (use of “Large”) there is a risk of reduction possibly to 10MW which would be inappropriate for those customers. We would propose the specific use of a “100MW or larger” threshold to secure comfort for customers</p>		
	<p>Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
<p>While we have no concern about the sectors that are covered as being in scope, indeed we agree with them; we have a concerns about the use of Grid Code references – Small, Medium and Large – whose capacity could be change with limited or no consultation</p>		

(outside of CUSC) and would look to see defined limits by capacity to alleviate these concerns	
Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
While we are not certain on the significant impact or otherwise of this we are clearly concerned that, at a fundamental level, from the customer view, it will not be clear to them, whether or not a change has, for example, a “considerable impact” on the design of the transmission system.	
Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Again, concerns are not with the clarification of the different customer groups and how they will pass through the process, the concern is with the use of Grid Code References (references defined outside of modification which defines this process) and would potentially allow future change, either intentionally or unintentionally. Would prefer to see the groups defined by capacity range for embedded schemes.	
Element 6: Setting out the process and criteria in relation to Application Windows and Gate 1, including introducing an offshore Letter of Authority equivalent as a Gate 1 application window entry requirement for offshore projects (see pages 15-16, 39-40)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
No concerns with the element as proposed, in terms of defining the Gates and Application Windows. We can see the potential benefits of batched network studies following an application window. Generally, we feel that for embedded schemes which are often nimbler and more responsive, a window-based process is not customer centric or appropriate. This is addressed for schemes under 100MW at Gate 1 but not Gate 2 following the changes in definition to DFTC	
Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
No Further Comment	
Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We support the need for a time limit for transition from Gate 1 to Gate 2. We believe however that this would be better defined as being from acceptance of the Gate 1 offer to submission of a valid Gate 2 compliance notification. This would be simpler to understand, simpler to monitor and would be in the control of the Developer alone. Having it to the acceptance of a Gate 2 offer adds a number of additional variables and potential challenge points. The time frame could then be shortened to 2 years.	

Element 9: Project Designation (see pages 17-18, 48-49)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>While we can see the benefits to some degree of project designation, we do not believe that this is part of the MVP and that the outcome could be secured through the existing derogation process, where the Authority would be able to confirm such a request – especially if the volume of such designated projects is small. If the proposer considers that the use of this would be of a frequency that means the derogation process may not be sufficient, we believe that the definition and control of process is insufficient.</p>	
Element 10: Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification CM095 – see pages 18-20 and the CM095 Workgroup Consultation , pages 6-10)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Generally supportive of this being included in the code definition. There should be a methodology to monitor, track and report where reservation so there is visibility for other developers on what is currently reserved, where and for what?</p>	
Element 11: Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (see pages 20-24, 42-46)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The setting of gate 2 criteria outside of CUSC, through an Authority Approved Methodology may well provide more responsiveness and ability to adapt the process to the current needs but to secure confidence we would need to know that we could also propose modification/change to the methodology if or as needed.</p> <p>Further there is clearly a balance to be sought between sufficient evidence that a scheme is progressing vs the level of investment that is needed to be made on the basis of an indicative proposal. While an option is possibly/probably more appropriate than a fully secured lease, is three years sufficient of a stage hurdle.</p> <p>We are supportive of M1 being a forward looking milestone initiated at Gate 2</p>	
Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Clarity is required however, on the trigger date for queueing of Gate 2 requests in the subsequent design process and allocation of firm capacity and connection date. The process needs to ensure that the Small and Medium schemes that submit their information to a DNO (or transmission connected iDNO) are not disadvantaged compared to the Large Embedded and Directly Connected schemes that will seek Gate 2 directly through the ESO. The window needs to close for developers on the same date with sufficient time for the DNO/iDNO to collate and submit to the ESO.</p>	
Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	<input checked="" type="checkbox"/> Yes

	<input type="checkbox"/> No
<p>Supportive of the process of a Directors Self Declaration and the high-level proposal for assurance checks. However, these need to be clearly defined and structured to ensure consistency. The option to change the percentage of checks (through the Authority) has some merits but the impact on this on to the time taken to undertake the Gate 2 checks before submitting into a window.</p> <p>We do not support the strict requirement on red line duplication checks – for energy usage. We are not clear as to why there can not be co-located generators so long as they still meet the energy density requirements. For example, an embedded solar farm established within the footprint of a larger transmission connected onshore windfarm.</p>	
Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>We do not agree with this provision. It creates too much misalignment between processes and between windows. While we accept that this creates a situation, outside of the developer's immediate control, that could make the scheme unviable, the best process for the overall picture (all schemes) would be for the scheme to reapply. It also does not work for embedded schemes and does not align at all with DNO process / ENA Best Practice.</p> <p>For clarity we strongly advocate that if a final connection solution is not viable for an application, they need to reapply with a revised site location (or any other change).</p>	
Element 15: Changing the offer and acceptance timescales to align with the Primary Process timescales (e.g. a move away from three months for making licenced offers) (see pages 29, 42-46)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
No Further Comment	
Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The CNDM is a key document and will determine how projects get their date. We would need confidence that we would be able to propose a change if deemed required and also have sufficient engagement on the implementation of the changes proposed by others. We think that the principles and/or objectives need to be set out in either CUSC or the ESO licence not just the context and governance arrangements. We note that reference is made to potential interactivity changes due to CMP434, we would note that this is related to Transmission Capacity and does not relate to the need for an interactivity in a Distribution process.</p>	
Element 17: Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission process for Distribution Network Operators (DNOs) and transmission connected Independent Distribution Network Operators (iDNOs) to forecast capacity on an	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	<p>anticipatory basis for Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations aligned to the Gate 1 Application Window (see pages 30-33, 51-53)</p>	
	<p>Support the sharing or provision of information (DFTC) to allow wider understanding of the future pipeline. However, need to highlight the accuracy of any forecast is reduced as the disaggregation of the data is increased. Would fully support the publicising of indicative dates for GSP's (via an ESO Portal) which would give Gate 1 information for Small and Medium Embedded. We have concerns over the use of Small, Medium and Large definitions and also the minimum level threshold for entry to the process. Our comments have been references on this earlier.</p> <p>We would like to highlight that the original purpose of DFTC would provide a robust proposal that would help facilitate nimble low impact embedded schemes to progress, but this has been removed from consideration.</p>	
	<p>Element 18: Set out the process for how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria (see pages 33-34, 51-53)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>Generally as BAU, however, we need to ensure that payment of the Gate 2 fee is not a blocker to the timely delivery of / does not compromise the Gate 2 process. Including payment as part of the compliance checks has unnecessarily delayed Project Progressions in the past, which will become more critical here. We could suggest a process similar to that applied by DNO's – payment in arrears where the offer lapses after a defined period if payment not received. Some proposals within CMP298 may also help.</p> <p>We also need to define the process for queue position allocation within the Gate 2 design process, make this clear and transparent for all and ensure that embedded customers are not disadvantaged by having a two-step submission process. We agree that they should evidence Gate 2 compliance to their DNO and we are comfortable with the Gate 2 windows, however, we will need to compile and submit to the ESO and this period should not be taken out of the developers time window.</p>	
6	<p>Are there any elements of the proposal which you believe should not be included as part of this proposed solution, which the Proposer believes represents the 'Minimum Viable Product' reforms required to the connections process? If not, why not? (Please note the element number in each of your responses if applicable)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>Fundamentally we believe Element 14 should be removed from the proposal completely.</p> <p>We also believe that both DFTC and Designated Projects could be removed from the MVP and completed later</p>	
7	<p>As per question 6, are there any additional features which you believe should be included as part of Minimum Viable Product reform to the connections process?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	<p>We believe that thought should be given (again) to a significant financial incentive on developers at Gate 2. As part of Gate 2 application, they would need to put in place a large non-refundable deposit that is lost if the project does not build out. This is not cost reflective and would need primary legislation change / government intervention.</p> <p>We</p>	
8	<p>Do you agree that the Gate 1 process should be a mandatory process step, or do you think Gate 1 should be an optional process step with projects being able to apply straight into the Gate 2 process if the project meets both the relevant Gate 2 and Gate 1 criteria?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>Making Gate 1 (single annual window) optional and allowing schemes to apply to gate 2 directly (three annual windows) would have the potential to misalign the process and undermine the entire concept. You have already established a process for a Gate 2 compliant scheme that will follow through from the Gate 1 process and require one of the annual Gate 2 windows to be aligned as such. In addition, this would, at first view, require the Small and Medium embedded schemes to have access to the old DFTC process where the DNO could issue a Gate 2 offer with their D offer. Otherwise, these schemes would be required to go through Gate 1 (along with their D offer) before requesting Gate 2 putting them at potential disadvantage to Large and Directly Connected schemes.</p>	
9	<p>Do you believe that the proposed Gate 1 and Gate 2 process could duly or unduly discriminate against any types of projects? If so, do you believe this is justified?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>We have heard that the process may benefit embedded schemes, however it would not discriminate between similar schemes, and this would be consistent with the agility of said schemes and general first ready concepts. Indeed, to artificially slow them down to the speed of larger more complex schemes could be considered discriminatory.</p> <p>We also acknowledge / note that for Large Embedded schemes the revised process may seem slightly more restrictive than the current process, as they will be required to apply to the ESO in the single annual window. However, again, this process will be applied equally across all similar projects and will be aligned with the larger Directly Connected Transmission schemes.</p>	
10	<p>Please provide your views on the proposed options ((a) to (e) on page 45) to mitigate the risk of requiring a developer to submit their application for planning consent earlier than they would in their development cycle (with the risk this consent could expire and any extension from the Planning Authority is not automatic).</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>Selected "NO" as the obvious solution is not to add a variation and stick with the original forward-looking milestone. We feel that it important to ensure that schemes at Gate 2 are viable and are moving forward, not introducing opportunities to slow down or delay. That said we do understand that some projects are more complex in their delivery than others and especially in securing planning consent. We feel that M1 (Submission of Planning Application (not securing)) needs to be forward looking (as does the associated M2). Rather than build in multiple levels of complexity we could follow the ENA DNO guidance where</p>	

	a customer can request based on specific project needs a 12 month extension (this was effectively for additional birds/bats surveys etc). Our preference or priority order if an option is to be considered, is therefore... E) then A) then C) followed by B) and D) (for clarity we do not support the last two)	
11	Do you agree that DFTC should be included as part of CMP434? If not, do you believe that the reformed connections process can function without DFTC? Please justify your answer. (see pages 30-34, 51-53)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	For clarity, we feel that a full DFTC process as originally intended should be included within TM04. However, we also believe that the principle of DFTC as currently proposed needs to be outlined or introduced within CMP434, however, the detail can be formalised and structured outside of CUSC/CMP434. We also feel that it is not required as MVP – SO LONG AS the ESO publicises a set of Gate 1 Indicative Connection Dates for Small and Medium Embedded generators by GSP so that these developers can effectively get their Gate 1 offer through their DNO offer.	
12	The Proposer intends to set out supporting arrangements for TMO4+ via a combination of guidance and methodologies (e.g. DFTC, CNDM, Project Designation, Gate 2 Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	As per earlier comments on the use of Authority Approved Methodologies etc, we do not have a concern about the use of these, more so about the governance of the process and assurance the DNO's will be able to raise requests to modify as well as the ESO/NESO.	