

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 usc.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 usc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Cameron Gall	
Company name:	Energiekontor UK Ltd.	
Email address:	Cameron.gall@energiekontor.com	
Phone number:	Click or tap here to enter text.	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" 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 type="checkbox"/>B <input checked="" type="checkbox"/>C <input checked="" type="checkbox"/>D</p> <p>Objectives (a) and (b) are not met by this proposal as currently formulated, since it does not allow the readiest projects to connect first. Reference to queue management milestones M1 and M2 must be added to the Gate 2 to Whole Queue process to prevent projects with planning applications submitted, or with permission already secured, being stuck behind projects that have only land rights. See our comments on Element 11 and Element 19 for more detail.</p>
2	Do you support the proposed implementation approach? (see pages 59-61)	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>We have concerns with the proposed implementation approach, particularly regarding the decision in some instances to codify only high-level concepts and enforce changes via Guidance and Methodologies. Although we recognise the benefits to this approach, namely the ability to more quickly implement proposed changes, our concern is that there will be a lack of opportunity for feedback from the wider industry. Parallel to this, is the concern that once implemented, the Authority may make further changes to Methodologies without due consideration or input from the wider industry. We would want to see an approach that strikes a balance between efficient implementation and opportunity for industry input. (add in a line about abiding by the new system)</p>
3	Do you have any other comments?	
	No	
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/>Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/>No</p>
	Click or tap here to enter text.	

Specific Workgroup Consultation questions

5	Do you agree with the elements of the proposed solution? Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification CM095 . Please provide rationale for your answer and any suggestions for improvement to each element?	
	Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	As per our answer to Question 2, there needs to be some ability for industry to raise new and/or comment on proposed Methodologies, especially if the current Gate 2 criteria does not achieve the desired effect and need to be tightened up.	
	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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We are happy with the proposed application window and formal gates, and their frequency.	
	Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
	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 type="checkbox"/> No
	Click or tap here to enter text.	
	Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
	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 type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
	Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
We agree with the implementation of a 3-year Longstop Date.		
Element 9: Project Designation (see pages 17-18, 48-49)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

<p>We are concerned that queue acceleration for designated projects creates an uneven playing field. Moreover, as outlined on page 17 of the consultation, the criteria for Project Designation are proposed to be a non-codified Methodology, and therefore, which projects qualify as a Designated Project will be at the discretion of the Authority and ESO. As aforementioned, this raises concerns that increased Project Designation may limit the ability of non-designated projects to progress. The principle of “first ready, first connected” should be given more prominence than currently proposed. Carve-outs for specific technologies, such as off-shore wind, should be avoided to allow the most mature projects and technologies to connect first.</p>	
<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 6-10https://www.nationalgrideso.com/document/322801/download)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>As mentioned above in Element 9, there are concerns that reserving capacity and connection points may create an uneven playing field in which certain projects are prioritised above others, despite the intention to only exercise this in “limited circumstances”. Does the Proposer envisage limits on the amount of capacity that could be reserved? CMP434 aims to implement a “first ready first served” approach, however, to what extent will Project Designation and capacity reservation undermine the Primary Process and its aim to reform the queue, and instead lead to a situation in which “ready” projects are held back by Designated Projects and Capacity Reservation?</p>	
<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)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Queue Management Milestone M1 should be forward facing, however, M2 should remain back-calculated from the date of completion. Planning determination timeframes are incredibly variable and hard to predict. Developers should not be penalised for failing to secure a decision that is not in their gift to expedite.</p>	
<p>Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Click or tap here to enter text.</p>	
<p>Element 15: Changing the offer and acceptance timescales to align with the Primary Process timescales (e.g. a move</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

	away from three months for making licenced offers) (see pages 29, 42-46)	
	Click or tap here to enter text.	
	Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	As raised above, there needs to be some ability for industry to raise new and/or comment on proposed Methodologies, especially if the current Gate 2 criteria does not achieve the desired effect.	
	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 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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	It will be useful for developers to have an overview of the available capacity at specific GSPs.	
	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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Interactions between DNOs and the ESO regularly falls short of customer expectations under the current system. The new primary process – introducing a ‘moving queue’ – will require much more complex coordination and communication between these parties, raising concerns that issues will arise.	
6	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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Click or tap here to enter text.	
7	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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Click or tap here to enter text.	
8	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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	<i>The Gate 1 step should help inform and support wider grid strategy decisions for the ESO.</i>	
9	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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>The process appears to favour offshore wind projects and other 'designated projects', so that they may skip Gate 1, or reserve capacity at particular locations across the grid. This creates bias and has the potential to disadvantage others in terms of locations and grid queue position. While some discrimination for very long-term strategically critical projects is understandable, the principle of "first ready, first connected" should be given more prominence than currently proposed. Carve-outs for specific technologies, such as off-shore wind, should be avoided to allow the most mature projects and technologies to connect.</p>	
10	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).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p><i>a) Forward Looking M1 Milestone takes into account expected decision timelines and validity of such planning consent with the idea that planning does not expire before planning conditions are discharged.</i></p> <p>- Agree this is the most appropriate solution.</p> <p><i>b) Consider using the 10% developer spend route that the Low Carbon Contracts Company use for CFD Contracts.</i></p> <p>- We do not consider grid spend prior to planning consent appropriate.</p> <p><i>c) Forward Looking M1 Milestone time period only starts from when the TO have confirmed the location of their substation, where this is reasonably required for the developer to prepare and submit their planning application. Note this only applies in England and Wales as in Scotland typically, the Transmission Owner consents the cable route.</i></p> <p>- Agree</p> <p><i>d) The M1 Milestone remains backwards looking from the Completion Date if a project's Completion Date is more than X years away.</i></p> <p>- Disagree. If a project's completion date is a long way into the future, it should be discouraged from entering the queue until such a time as the completion date is closer. Allowing a backwards-looking M1 for projects that have distant completion dates will encourage gaming of the system whereby the grid queue expands beyond year X. As year X gets closer, projects that have waited to submit Gate 2 applications and receive forward-looking M1 dates, will not be able to secure their desired connection date as the queue is full of projects that secured backwards-looking M1 dates several years ago.</p>	

	<p><i>e) Include a rectification period for a developer to resubmit their application for planning (M1) if the permission expires before the Completion Date.</i></p> <p>- Agree, but only at the ESO's discretion in circumstances where the decision could not be implemented. For example, due to a suspensive planning condition.</p>	
11	<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>This will not only help to support wider grid planning but also provide developers with a rough guide on capacity available on the distribution network.</p>	
12	<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>We understand that some criteria are proposed to be set via Guidance and Methodologies; having the Gate 2 Criteria set in this way raises the most concern. As per our comments on Question 2 and Element 1 of this consultation, there needs to be some ability for industry to raise new and/or comment on proposed Methodologies, especially if the current Gate 2 criteria do not achieve the desired effect.</p>	