

Workgroup Consultation Response Proforma

CMP435: Application of Gate 2 Criteria to existing contracted background

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	
Respondent name:	Jonathan Selwyn	
Company name:	Bluefield Development	
Email address:	jselwyn@bluefielddevelopment.com	
Phone number:	07748186846	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network <input type="checkbox"/> 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 checked="" 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*

d) *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.

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 type="checkbox"/>C <input type="checkbox"/>D</p> <p>a) The assessment states that the proposal will make a positive contribution to Net Zero targets but fails to clarify how the proposal will in fact speed up connections or provide any evidence of this statement. It is also silent on how the proposed projects will be ranked within the gate process in terms of their relative contribution to net zero, who makes the decision, how it is justified, whether it will be explained to applicants and how it is policed. For example, solar and battery projects can be delivered much quicker than all other technologies and therefore can make a material contribution to the accelerated 2030 targets – will this be considered in the selection of which projects will be enabled to connect first?</p> <p>b) The assessment states that the proposal will facilitate effective competition in the generation and supply of electricity but doesn't explain how the introduction of a gated process will contribute to this. No evidence is provided.</p> <p>c) No comment</p> <p>d) It suggests that the proposal 'also delivers benefits for customers and consumers as allocates capacity more efficiently to projects that are ready to proceed and studying connections applications in batches should lead to lower overall costs'. However, there is no clarity on how the capacity will be allocated, who will make the decisions and how batching will improve the process. Our experience from batching of the statement of works process is entirely negative – incredibly slow and opaque processes with no guaranteed timeframes, disputes between ESO and DNOs and no communication with customers. Why would this be any better?</p>
2	Do you support the proposed implementation approach? (See page- 57-58)	<p><input type="checkbox"/>Yes</p> <p><input checked="" type="checkbox"/>No</p>
We don't agree with CMP434 proposals, suggest this is a flawed consultation process as there has not been sufficient consultation with developers and investors		

	and don't have confidence that such fundamental changes can be achieved in the proposed timescales.	
3	Do you have any other comments? Click or tap here to enter text.	
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No
	Click or tap here to enter text.	

Specific Workgroup Consultation questions

5	<p>Do you agree with the elements of the proposed solution for CMP435? <i>Please note that the application of these elements may be different to CMP434, therefore please answer the questions in respect to CMP435.</i></p> <p>Elements 2,4,6,7,12,15,17 and 18 are not part of the CMP435 Proposal and is only part of the CMP434 Proposal. 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>	
	Element 1: Proposed Authority approved methodologies and ESO guidance (see Page 8-10,29)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	We don't agree with CMP434 proposals	
	Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Click or tap here to enter text.	
	Element 5: Clarifying any Primary Process differences for customer groups (See pages 11-12,32)	<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 12-13, 32-33)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Click or tap here to enter text.	
	Element 9: Project Designation (See pages 14-15, 33-34)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Given our experience to date of interaction with ESO via the SoW/Mod App process, we have no confidence in a fair and transparent process for project acceleration being led by ESO.	
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 16-21, 34-39)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Evidence of exclusivity and a red line boundary should be provided for gate 1. An option agreement is unlikely to be practical or cost-effective until the gate 2 offer is made	
Element 13: Gate 2 Criteria Evidence Assessment (See pages 22-23, 39-40)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
See above	
Element 14: Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>If the Gate 2 Offer is unviable for the project connection point (new substation location found several kilometres away from the development site) then the new strategic network design approach deployed through the CNDM wouldn't have any benefit. This is similar to what a large number of developers have come across recently through the ESO Step 2 Offer process,</p> <p>At first sight, the proposed solution of giving developers the option to move their project site closer to the offered connection point without losing their queue position within a 12-month window from the acceptance of a Gate 2 Offer, provided they meet the Gate 2 criteria at the new site within this period, doesn't sound practical.</p> <p>How would this solution work effectively in the wider Gate 2 strategic network design approach when Developer(s) facing an unviable connection point are not able to secure land rights within 12 months thus ending to retain 'idle' capacity for this period against other Gate 2 qualified schemes located (by luck) closer to the offered substation site?</p> <p>Our key concern is how the System Operator are going to treat existing projects and how they will prioritise projects through the Gate 2 process. It appears that application dates (even when projects have been in the distribution queue for years) will not be respected once they all enter the gate 2 process. This is fundamentally unfair and may lead to myriad legal disputes.</p> <p>For example, if there are 10 projects contracted to the same GSP including transmission all meeting Gate 2, which projects will be connected first and how will attributable costs be fairly allocated to these schemes?</p>	
Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Click or tap here to enter text.	
Element 19: Contractual changes (See pages 26-28, 43-46)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	Unclear how the released capacity will be allocated between distribution and transmission	
	Element 20: Cut Over arrangements (See page 28, 47)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	This introduces significant uncertainty to customers in the existing distribution queues.	
6	Are there any elements of the proposed CMP435 solution - as per Q5 - which you believe are not appropriate to include when you consider how to most effectively implement TMO4+ to projects in the existing contracted background (as opposed to the process for new applicants via CMP434)? If yes, please provide supporting justification.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	We are opposed to CMP 434	
7	In relation to Q6, are there any features which you believe are missing in the proposed CMP435 solution that would more effectively facilitate implementation of TMO4+ to the existing contracted background. If yes, please provide details and justification.	<input type="checkbox"/> Yes <input type="checkbox"/> No
8	Do you believe any groups of projects should be exempt from the scope of CMP435 or from some elements of the proposed solution? If so, please advise on which groups and elements and provide rationale to why.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Click or tap here to enter text.	
9	Do you believe that the proposed solution could duly or unduly discriminate against any particular types of projects? If so, do you believe this is justified?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	It gives too much power to the ESO to determine which projects should be prioritised. There is no clear indication of how the prioritisation process will be structured, who makes the decision and how it is justified, what right of appeal there will be, how long decisions will take, how they will be communicated and how the whole process will be policed. Our experience of the SoW/PP process suggests that the ESO will be unwilling to feedback any information or engage in any dialogue with distribution customers. This, together with the poor relationship between the ESO and DNOs, will inevitably result in distribution customers being discriminated against	