

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	
Respondent name:	Sarah Kenny-Levick	
Company name:	NGED	
Email address:	Sarah.kenny-levick@nationalgrid.com	
Phone number:	07500 987785	
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 checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input checked="" type="checkbox"/>D</p> <p>The Original proposal better facilitates objectives A, B and D (objective C is classed as neutral). Whilst the proposal does drive some improvements to Objectives A, B and D we feel that that the proposal must go further in the move towards a first ready first connected approach, otherwise there will still be a long queue of projects that have met gate 2 with little progress in terms of reduction or prioritisation. We also believe that a 'first needed' approach should be integrated into the gate 2 criteria.</p> <p>We also think that the industry should be working towards a Net Zero target approach for network design and evolution. This would require the ESO, Ofgem and the industry to define the pathway and signal the technology, location and capacity needed to meet the targets. How this is implemented, would need to be defined.</p> <p>We recognise that there is a need to make changes as soon as possible and therefore would propose that further changes are developed in parallel to the TMO4+ proposals.</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>NGED are concerned about the timescales for implementation at this point. NGESO has not provided sufficient information for us as a DNO to determine the impact to our processes and to our customers. The proposed timescales only state that the process will differ for embedded generation. However, there has not been any further information provided in relation to this. If the ESO significantly reorders the transmission queue, we may also have to significantly reorder the distribution queue to ensure we do not have a conflicted overall queue, where some developers have secured firm distribution offers but not firm transmission offers, and vice-visa. There have not been any proposals shared which explain when this could happen in the process.</p> <p>NGED are yet to see a draft version of the legal text and therefore we will need reasonable time to consider how we can implement this in our existing customer contracts, especially given that licence obligation changes and/or DCUSA changes might be necessary. We ask that ESO give us 2 months to implement, following the final publication of the legal text to enact TMO4+.</p>
3	Do you have any other comments?	

	<p>We believe that TMO4+ could go a step further in relation to applying the first ready first connected process, by identifying which of the projects that have met the gate 2 criteria have progressed the furthest in relation their queue management milestones. Those that have developed their projects the most, regardless of whether they have requested an accelerated date or not, would then be the ones that receive earlier connection dates. This would ensure that it is shovel ready projects that receive the earlier connection dates.</p> <p>As an interim step for the existing queue (as stated in CMP435), we would add some additional DNO criteria to facilitate acceleration of projects that offer benefit to the distribution network. These should be projects that are flagged by the DNOs which would offer a reduction in constraints at a particular location and should be accelerated ahead of others adding to constraints.</p> <p>We would like to see some further justification on the proposed self-certification approach given that DNOs currently review evidence for every stage of the current ENA milestone for their long-contracted queues. Our concern is false mis-use of this certification and a potential backwards step from a DNO governance perspective. The ESO would only need to check the direct Transmission customers in any case. Adopting a self-certification approach for gate 2 could compromise the key instrument aimed at reducing the transmission queue.</p> <p>We believe the ideal position would be the industry moving as soon as possible to signalling what capacity, generation technology and in what location projects should connect, based on Net Zero system evolution targets. This would mean that the network will be developed on a targeted, efficient and deliberate basis. Recognising this would take longer, we believe this should be developed in parallel to TMO4+.</p> <p>In relation to Queue Management Milestones, forward-facing milestones will likely create extra bureaucracy for all parties and will further burden an overloaded planning system, leading to further delays. Milestones should be applied flexibly, based upon the proposed connection dates as per the ENA guidance document for DNOs and as per CMP 376 for Transmission connected parties. Having Milestone M1 (submit planning consent) as a forward-facing Milestone could lead to projects having to submit their planning consent before they need to, and therefore could risk planning consent expiring before the project is ready to start construction. If the planning permission were to then expire, the customer may struggle to achieve consent again for the project, which would then require us to re-design our queue.</p> <p>We also have concerns in relation to GC0117 (reducing definition of large power station) to potentially 10MW) and the impact that this would have on the Connection Reform project and wider processes, as it would narrow down the volume of DG schemes that we are able to accelerate as DNOs.</p>
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for</p> <p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No</p>

the Workgroup to consider?	
Click or tap here to enter text.	

Specific Workgroup Consultation questions

5	<p>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?</p>	
	<p>Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Allows for greater flexibility and less onerous processes where rapid change and agility is needed. It may be necessary that after a trial period, the methodologies are codified. We would also advocate for network companies to propose changes to the methodologies, rather than Ofgem alone.</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>We agree with the need for an annual process. However consideration needs to be taken into account as to whether some groups of customers may be disadvantaged at having to wait a year to go through the process.</p>	
	<p>Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>It is important that all customers are treated fairly throughout this process. Careful consideration needs to be given around BEGA/BELLA sites for large power stations to ensure this new process does not disadvantage/advantage distribution BEGA connections that may need to go through the primary process. We need to ensure that a coordinated T-D queue is maintained. It may be necessary that in the future, embedded demand is also included in the criteria to ensure aligned assessment of the realistic capacity.</p>	
	<p>Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>It would be very difficult for the ESO to define a robust set of criteria for this process. There would be a great risk that the scope would keep expanding and therefore a large number of Modification applications would then meet these criteria. It is also unclear how this process would work for project progressions.</p>	
	<p>Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

We understand that offshore projects have different processes to obtain land and therefore a different process for obtaining land rights is suitable. Everything other than obtaining land rights should be the same for all projects throughout the process.	
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
We agree with the proposals set out under element 6, but it may be necessary for embedded generation to be included in the criteria. Please can the ESO confirm how this will work with DNO agreements.	
Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	<input type="checkbox"/> Yes <input type="checkbox"/> No
N/A, this proposal is no longer applicable to the consultation	
Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We believe the long stop date should be a maximum of 18 months. Whilst projects sitting at gate 1 are not holding capacity with an indicative offer, they can remain there indefinitely – increasing the administration burden and the chances of speculative applications.	
Element 9: Project Designation (see pages 17-18, 48-49)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We understand the need for project designation to operate the system effectively. However, for this to work, the methodology will need to be clearly defined with no exceptions to prevent a number of projects from trying to fit into this category. In addition to the proposals under element 9, the scope of this section should be expanded further so that DNOs/DSOs can also have the ability to nominate distributed generation schemes to be accelerated (queue position and connection date) that are critical to the network security, system operation and/or may reduce network constraints. This would mirror the above for transmission and would give the DNOs the opportunity to present projects which the DNO believes meets these criteria to the ESO so that they can be prioritised in the same way as those projects mentioned in element 9.	
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 https://www.nationalgrideso.com/document/322801/download)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
N/A as covered as part of the STC code modifications. However, in general, we support these proposals noting our response to element 9 and that we feel that DNOs/DSO should also have access to capacity reservation.	

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>In relation to Queue Management Milestones, forward-looking milestones will create extra bureaucracy for all parties and will further burden an overloaded planning system leading to further delays. Milestones should be applied flexibly based upon the proposed connection dates as per the ENA guidance document for DNOs and as per CMP 376 for Transmission connected parties. Having Milestone M1 (submit planning consent) as a forward-facing Milestone could lead to projects having to submit their planning consent before they need to and therefore could risk planning consent expiring before the project is ready to start construction. If the planning permission were to then expire, the customer may struggle to achieve consent again for the project, which would then lead to us having to re-design our queue. This process also increases the financial burden on customers unnecessarily.</p> <p>We also believe there is an opportunity in element 11 to align the material change process at DNO level to the material change process at transmission level and would welcome the opportunity for this to be explored further.</p> <p>Our position on customers who do not meet the gate 2 criteria would be that they should automatically be considered as a new application once again.</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
We agree with the proposals in element 12	
Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Self-certification of the Gate 2 criteria represents a risk to the whole process and weakens the proposal. The percentage of submissions checked needs to be as close to 100% as possible. We appreciate that it will require more resources, however it is the only way to ensure that the process will have maximum impact.</p> <p>NGESO needs to provide clear guidance for developers, DNOs and IDNOs for each part of the process.</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>Element 14 adds further complications to the process and could create challenges for projects progressing within the queue. If a Gate 2 location is not appropriate for the project, then the customer would be able to let the offer lapse and apply again. We appreciate that this is not the desired outcome of the process however the proposals in Element 14 would not work against a fluid connections queue.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No

We need more information on element 15 before we can make an informed decision on this.		
Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We support the CNDM methodology and the proposal for it to not be codified. After a trial period, it may be optimal for industry frameworks if some elements are codified, ensuring that the timeframe is still conducive to swift implementation.		
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
As per our response to element 5, we agree with the benefit of a DNO generation forecast (effectively DFTC). However, we believe this needs to form part of a Grid Code change. This has been agreed with the DFTC working group and we are currently working with the GC0139 (enhanced T-D data exchange) working group to look at integrating into this process. The reason for this is that providing this additional data best sits within existing data exchanges (week 24/42). GC0139 is looking to enhance this data and include DFTC. For the interim position (until GC implementation), TOs can provide an indicative date/location without the need for a DFTC forecast as the queue will not have been reformed and indicative dates/locations are unlikely to change.		
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
Click or tap here to enter text.		
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The timescales should be based on a staged approach to implementation with adequate time to implement each stage. Element 11 – should not change the M1 milestone Element 14 – no change to the site location		

	Element 4 – we do not support this element Self-certification – this should be full certification	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> - Extra milestone checks – and prioritisation of further readiness based on additional milestones achieved - System benefit prioritisation – flagged by DNOs - Full 100% certification of the Gate 2 criteria - Aligning the T & D processes – including indicative and firm offers, application fees, T&D milestones 	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Gate 1 should be optional. The aim is to accelerate connections, so there is no benefit in holding customers back unnecessarily to go through a rigid 2 step process. If a project meets Gate 2 criteria it should be able to progress.	
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>Depending upon the approach taken with capacity reallocation for DNOs, the Gate 1 and Gate 2 processes would likely give an advantage to smaller projects. This should be seen as a positive - these customers can be ready first so should not be held back.</p> <p>The proposal still allows any scheme <1MW to connect without assessment with no changes proposed to this limit. The current proposed approach will allow some Distribution connected projects to apply for Gate 2 sooner than Transmission Connected projects if the Transmission connected projects are required to go through Gate 1.</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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	<p>their development cycle (with the risk this consent could expire and any extension from the Planning Authority is not automatic).</p>	
	<p>Whilst points (a) to (e) look to mitigate some of the concerns that we have in relation to Milestone 1 becoming a forward-looking Milestone, there is still the risk that Milestone 1 is applied for too early and therefore the project then struggles to get an extension to their planning consent. Our milestones should align with the ESO so there is only one set of milestones per project that the project team must meet.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
	<p>As per our response to element 17.</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 are supportive of this approach as per our response to element 1, but we would like to add the ability for network companies to propose changes to the methodologies as well as Ofgem.</p>	