

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:	Graham Pannell	
Company name:	BayWa r.e. UK	
Email address:	Graham.pannell@baywa-re.co.uk	
Phone number:	07823432508	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network <input type="checkbox"/> 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*

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.

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?	<div>Mark the Objectives which you believe the Original solution better facilitates:</div> <div> <input type="checkbox"/> Original <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D </div>
<p>The proposal is entirely without key documentation. Without key documentation on implementation and policy, it is impossible to make meaningful assessment; furthermore, the <i>uncertainty</i> makes this proposal worse than baseline. Without key documentation the proposal cannot be seriously considered for fairness, competence, completeness, nor mitigation against undue discrimination.</p> <p>We would welcome reconsideration when key documentation drafts are published.</p> <p>This proposal has:</p> <ul style="list-style-type: none"> No CNDM documentation <ul style="list-style-type: none"> No connection sharing detail No queue (re)allocation detail No Gate 2 Methodology documentation. No Project Designation Methodology. No guard-rails of fairness, no agreeable dispute resolution (noting the key documentation is to sit outside CUSC). No process for staged TEC. <p>A meaningful impact assessment is therefore impossible, and any decision taken by the regulator could be highly susceptible to challenge.</p>		
2	Do you support the proposed implementation approach? (see pages 59-61)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>(same as box 1) The proposal is entirely without key documentation. Without key documentation on implementation and policy, it is impossible to make meaningful assessment; furthermore, the <i>uncertainty</i> makes this proposal worse than baseline.</p> <p>We would welcome reconsideration when key documentation drafts are published.</p>		

	<p>This proposal has:</p> <ul style="list-style-type: none"> • No CNDM documentation <ul style="list-style-type: none"> ○ No connection sharing detail ○ No queue (re)allocation detail • No Gate 2 Methodology documentation. • No Project Designation Methodology. • No guard-rails of fairness, no agreeable dispute resolution (noting the key documentation is to sit outside CUSC). • No process for staged TEC. <p>A meaningful impact assessment is therefore impossible, and any decision taken by the regulator could be highly susceptible to challenge.</p>	
3	<p>Do you have any other comments?</p> <p>The <i>goal</i> is a move from ‘<i>first-contracted first-connect</i>’ to ‘<i>first-ready first-connect</i>’. However, to be clear, this proposal offers first connection to ‘<i>first-with-a-3y+-land-option-and-some-checks-on-timely-planning</i>’. We agree that’s a step closer to ‘first-ready’, but is not identical and don’t believe it should be claimed as such; further iteration may yet be necessary.</p> <p>For example, consented projects have no queue priority over projects preparing a planning application, under this Proposal. This is not to conclude on appropriateness, but to warn against claiming this is ‘first-ready first-connect’.</p>	
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p>	<p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section)</p> <p><input checked="" type="checkbox"/> No</p> <p>It is difficult to raise an alternative when so much of this proposal is not properly defined, i.e. while all the key documentation remains absent.</p> <p>We hope the Original will be updated, but if not, we would support a WACM which moves the 3-year Gate 1 longstop to end on “meets Gate 2 criteria (and requests Gate 2 offer)” rather than “accepts Gate 2 offer”. The original puts undue pressure on accepting a Gate 2 offer regardless of its content or complexity; in our experience time extensions are frequently needed to correct mistakes in connection offers as much as negotiate appropriate content, and the Original would seem to force developers to accept sub-optimal or incorrect offers to meet the cut-off. “Meet Gate 2 (and request a Gate 2 Offer)” as a benchmark is cleaner, it cuts out the complexity of offer negotiation.</p> <p>We hope the Original will be updated, but if not, we would support a WACM which enhances duplication checks of LoAs and RLBs at Gate 1 and Gate 2. Necessary to rationalise the queue with relatively low administrative burden.</p>

We hope the Original will be updated, but if not, we would support a **WACM which limits how early planning milestone dates can be set against target grid dates being offered**. See our answer to 'Element 11' below.

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
	<p>Without seeing a draft, it is hard to say whether more of the proposal requires codification. The undetailed general concept alone leaves too high a risk of undue discrimination to be able to offer support (as per our answer to question 1). In general, the criticality of this issue to the value of contracts suggests codification, because of the need for open governance and better holding ESO to account, but we are open to seeing work done to convince us otherwise.</p> <p>Bluntly, the idea of accepting the concept and “<i>don’t worry, we’ll detail it in guidance later</i>” gives no confidence of fairness, competence nor protection against undue discrimination.</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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>Broadly agree. <i>Except for:</i></p> <p>3-year longstop for Gate 1 should end on “meets Gate 2 criteria (and requests a Gate 2 offer)”, see answer to Q4.</p> <p>Gate 1 necessitates duplication checks of LoAs, to prevent inflation of Gate 1 capacity and the potential for ‘black market’ in LoAs.</p> <p>We need to see a better articulation of why Gate 1 is restricted to once per year? Given these users do not occupy queue position, and take little to no TO time for offer preparation, it’s hard to see why there are not more – either (a) open all the time, with the ESO applying a continually updated risk margin – or (b) multiple windows per year to align with the Gate 2 windows (this would mitigate distortions between transmission-connected and DFTC capacity in how soon each can approach the ‘next’ Gate 2 window).</p>	
	Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
No objection.		
Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

No objection.	
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
<p>There remains considerable uncertainty over how this proposal integrates with existing arrangements for distribution-connected customers (e.g. Transmission Impact Assessment, Project Progressions, Technical Limits, ENA queue management milestone updates) – this proposal must not be implemented <i>ahead</i> of relevant clarity in this regard.</p> <p>There is a particular concern over securities and capital contributions for GSP works – these may fall disproportionately on very few distribution-connectees (even if only for an interim period) pending the detail of how queue rationalisation is performed.</p> <p>Furthermore, we note the challenge of relevant small/medium embeddeds, which enter Gate 1 under DFTC and therefore can enter Gate 2 at every Gate 2 window (3x per year as proposed), unlike transmission-connected or BEGA/BELLA projects, which can only enter once per year in line with the Gate 1 window. We feel this element of the proposal needs some further evidence-supported work to ensure this does not cause undue discrimination.</p>	
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 checked="" type="checkbox"/> No
<p>Gate 1 needs duplication checks, to prevent artificially inflated Gate 1 capacity (which would give a poor basis for the anticipatory investment needs case plans, which is the alleged benefit of Gate 1 capacity). Duplication checks are a relatively low administrative burden for the queue management benefit they would bring.</p>	
Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The outlined fast-track process would be very welcome. In the absence of a fast-track process, some of the benefits of this modification will not be realised in time to meet national ambitions for renewables deployment.</p> <p>We are therefore disappointed this element has been descoped.</p>	
Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>3-year longstop for Gate 1 should instead end on “meets Gate 2 criteria (and requests Gate 2 offer)”, see answer to Q4.</p>	
Element 9: Project Designation (see pages 17-18, 48-49)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>We would need to see a draft to consider this. The undetailed general concept gives too high a risk of undue discrimination to be able to offer support.</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)	<input checked="" type="checkbox"/> Yes

through modification CM095 – see pages 18-20 and the CM095 Workgroup Consultation , pages 6-10 https://www.nationalgrideso.com/document/322801/download)	<input type="checkbox"/> No																				
Broadly agree. The reservations must be transparent, well-justified and clearly communicated.																					
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>Broadly agree.</p> <p>No objection to the land requirements proposal '11.3'.</p> <p>Regarding M1 milestone ('11.4'): M1 can only be set forward-looking if the grid connection date can be practically aligned. M1 deadline must not be set to drive development unduly faster than the scheduled grid connection target. This grid connection target will be known via the Gate 2 offer design process, and a table of appropriate time periods can be put together – i.e. the earliest an M1 date could be set for each planning route ahead of the target grid connection date could be added as a third data column on the table on p24, see image below.</p> <p>The difference from queue management under CMP376, is that this check is from <i>when grid can be made available</i>, rather than from a user's choice of target date.</p> <p>The M1 target becomes the <i>latest</i> of <i>either</i> (a) +X years forward-looking or (b) -Y years from grid target date, where X and Y are read from the appropriate columns.</p> <p><i>Example for illustration only – see rightmost column for “Y”:</i></p> <table border="1"> <thead> <tr> <th>Planning Type</th> <th>Proposal, assuming some land and planning work are done in parallel</th> <th>Typical timescales based on views of some Workgroup Members</th> <th>Earliest M1 in years before target grid date</th> </tr> </thead> <tbody> <tr> <td>Town and Country Planning (Scotland/England/Wales)</td> <td>1 Year</td> <td>1.5 Years</td> <td>3.5</td> </tr> <tr> <td>Section 36 (England/Scotland)</td> <td>1 Year</td> <td>1.5 Years</td> <td>3.5</td> </tr> <tr> <td>Development of National Significance (Wales)</td> <td>1.5 Years</td> <td>2 Years</td> <td>4</td> </tr> <tr> <td>NSIP / DCO (England)</td> <td>2 Years</td> <td>3 Years</td> <td>5</td> </tr> </tbody> </table>		Planning Type	Proposal, assuming some land and planning work are done in parallel	Typical timescales based on views of some Workgroup Members	Earliest M1 in years before target grid date	Town and Country Planning (Scotland/England/Wales)	1 Year	1.5 Years	3.5	Section 36 (England/Scotland)	1 Year	1.5 Years	3.5	Development of National Significance (Wales)	1.5 Years	2 Years	4	NSIP / DCO (England)	2 Years	3 Years	5
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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																				
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Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
<p><i>Land rights must be checked with all projects to avoid the process being manipulated. Sampling will be insufficient.</i></p> <p>Otherwise Agree.</p>																					

	Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Pleased to see the work that has gone into this element. No present objection (while acknowledging the unprecedented short period for this consultation, which leaves too little time to consider meaningfully).</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
	<p>Logically follows the overall approach.</p>	
	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>We would need to see a draft.</p> <p>The undetailed general concept alone leaves too high a risk of undue discrimination to be able to offer support (as per our answer to question 1). In general, the criticality of this item to the value of contracts suggests codification, because of the need for open governance and better holding ESO to account, but we are open to seeing work done to convince us otherwise.</p> <p>Agree that it is logical to amend interactivity processes in kind.</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 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
	<p>This is really for the TOs to consider the benefit of such a forecast, and therefore for the TOs to support or oppose. It does not materially change the approach for a new generator. We are broadly supportive of helping to facilitate the needs case for anticipatory investment.</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)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Consultation period too short to meaningfully consider.</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>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Consultation period too short to meaningfully consider.</p>	

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 type="checkbox"/> No
Consultation period too short to meaningfully consider.		
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 type="checkbox"/> No
<p>Yes, agree with the broad principle that Gate 1 should be a mandated step, otherwise the batching design approach will be diminished in effectiveness.</p> <p>However, we note the challenge of relevant small/medium embeddeds, which enter Gate 1 under DFTC and therefore can enter Gate 2 at every Gate 2 window (3x per year as proposed), unlike transmission-connected or BEGA/BELLA projects, which can only enter once per year in line with the Gate 1 window.</p> <p>This would be fixed by greater frequency of Gate 1 windows, as per our answer to Element 2, above.</p> <p>We feel this element of the proposal needs some further evidence-supported work, to show whether this proposal is proportionate and free from undue discrimination, alongside consideration of the frequency of Gate 1 windows.</p>		
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 type="checkbox"/> Yes <input type="checkbox"/> No
<p>As per question 8 – some further work needed to justify this proposal.</p> <p>Risk of undue differential treatment of small/medium embedded vs all others (fixed by reconsidering Gate 1 window frequency).</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Regarding M1 milestone ('11.4'): M1 can only be set forward-looking if the grid connection date can be practically aligned. M1 deadline must not be set to drive development unduly faster than the scheduled grid connection target. This grid</p>		

connection target will be known via the Gate 2 offer design process, and a table of appropriate time periods can be put together – i.e. the earliest an M1 date could be set for each planning route ahead of the target grid connection date could be added as a third data column on the table on p24, see image below.

The difference from queue management under CMP376, is that this check is from *when grid can be made available*, rather than from a user's choice of target date.

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- 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)
- ☒ Yes
☐ No
- Yes. As per earlier answer, benefit of Gate 1 capacity is chiefly to support the needs case for anticipatory investment. DFTC is a means of achieving this.**
- 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)
- ☒ Yes
☐ No
- Dispute resolution may become more challenging, with critical key documentation sitting outwith CUSC.**