

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:	Charles Deacon	
Company name:	Eclipse Power Networks Limited	
Email address:	Charles Deacon	
Phone number:	07815466968	
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*

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 checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input checked="" type="checkbox"/>C <input checked="" type="checkbox"/>D</p> <p>Click or tap here to enter text.</p>
2	Do you support the proposed implementation approach? (See page- 57-58)	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Tight timescales, so robust industry consultation needed. We should also tie in CMP417 and other inflight complementary code mods into this roadmap. This should not proceed without the ENA SCG's work on allocation of DNO queues being complete and scrutinised, as well as that on contingent methodologies.</p>
3	Do you have any other comments?	<p>We would also wish to see the results of the informational RFI from NGESO to be published, so that industry can assess the impact of these changes. We also need to see the outcome of the ENA SCG work to re-order DNO queues, without which this proposal has less value and could result in incongruous situations where projects are higher in transmission queues but blocked in DNO queues by gate 1 projects. There needs to be far closer alignment with the ENA and INA to allow the DNO changes to move concurrently or the reforms may not be able to be implemented effectively for DNO customers. We would also welcome closer IDNO engagement on matters that will affect them – rather than channelling all distribution code impacts via the ENA only.</p> <p>We welcome the publishing of the results of the NGESO earlier RFI so that industry can assess impact of the changes. Further impact assessments should be done by DNOs, NGESO on their contracted queue using existing data that they hold on milestone progression.</p> <p>NGESO/DNOs should publish connection queues and whether they have already met Gate 2 criteria (based on existing milestone management) so that customers can assess whether advancement is likely and whether it is worth staying in a long connections queue.</p>
4	Do you wish to raise a Workgroup Consultation	<p><input type="checkbox"/>Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/>No</p>

Alternative Request for 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 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>	
	<p>Element 1: Proposed Authority approved methodologies and ESO guidance (see Page 8-10,29)</p>	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>While we don't disagree with the use of methodologies in principle and appreciate the need for expedience, the lack of open governance being proposed in their implementation is concerning. This could create uncertainty for developers and reduce a right of challenge, if ESO and Ofgem are able to decide and regularly change the methodologies effectively behind "closed doors". These methodologies should be developed transparently and be codified to ensure correct application.</p>	
	<p>Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>Large embedded demand should be included, this could be all projects that require a submission to NGESO when SGT headroom is limited. This includes projects such as data centres. Without this, these could contract via a DNO or IDNO, trigger transmission works and not be held to the same standard as other projects.</p> <p>There is also a concern on new GSPs triggered by small or medium embedded generators, particularly via IDNOs. While these triggered by BEGAs will have their works "linked" and thus be subject to Gate 1 offer criteria with no securities during this period; small and medium generators must obtain the supply point BCA first, before a Project Progression can be submitted. This leaves an interim period of 3-6 months where their host DNO/IDNO will ask them to secure against this new supply point on a Final Sums basis, whilst they don't have a generation contract. This appears to be discriminatory. All supply points that are "triggered by" generation should be treated the same, or an option to make a Project Progression/DFTC submission concurrently with the supply point application.</p>	

Element 5: Clarifying any Primary Process differences for customer groups (See pages 11-12,32)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We believe that impacts on offshore users, such as interconnectors, needs to be better understood.	
Element 8: Longstop Date for Gate 1 Agreements (See pages 12-13, 32-33)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 9: Project Designation (See pages 14-15, 33-34)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Agree in principle to investigate this, but this shouldn't mean that such a process should go ahead regardless. This process should be scrutinised via the usual processes and proceed/not proceed on its individual merits.	
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 checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Agree in principle with the land elements, however an element of planning progress should be required to enter Gate 2 – which industry would seem to have expected when the reforms were trailed – as this is a firm offer that the TOs will plan around, but which still will carry planning risk.</p> <p>The date for removal of the minimum option length should be those signed earlier than the decision date, to prevent unnecessarily short options being signed to retain Gate 2 position.</p> <p>We welcome the introduction of the “earlier of” date for planning, to incentivise those requesting a Gate 2 offer to have already done some planning work as “working back” milestones are often far out. To reduce Gate 2 attrition, it may be sensible to require more planning progress to request Gate 2 entry in the first place. If not a full submission, something like a positive pre-app, scoping opinion or clear set of planning surveys undertaken.</p> <p>Another consideration is holding TOs to account on their programme, while reducing timelines. If a new supply point is required, the TO is responsible for the planning work. Developers will need more certainty of their likely POC earlier in the lifecycle of the project, than is currently available, to submit planning with confidence. Element 14 and M1 mitigations addresses this somewhat. Even so, a year may be tight to submit a planning application after confirmation of the POC, particularly if there for seasonal surveys such as wintering birds.</p> <p>Finally, the allowable change guidance needs to be developed. Making reference to the original LOA is important (and duplication checks should occur as at distribution), to maintain the value of the LOA. We welcome allowances of pragmatic land changes, 50% seems sensible, however it would make sense to ensure that the requirement to change land is based on sound reasons (planning, land rights breaking down etc) rather than lack of due diligence at the outset. This would align with DNO processes better.</p>	

	Element 13: Gate 2 Criteria Evidence Assessment (See pages 22-23, 39-40)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	We would suggest that 100% of evidence on all applications is checked against publicly available information and the documentation provided, as is done at distribution. There are numerous land software tools available for this. This is especially important to avoid duplication, where we would suggest the interactivity process is used in this instance.	
	Element 14: Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	This is sensible, but we will need to consider conflicts with the ENA's Allowable Change guidance for DNO connections which would prohibit this. This would give transmission customers an unfair advantage if not.	
	Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>The Capacity Re-allocation Mechanism should allow DNOs to move projects in and out of particular. Project Progression/Gate 2 offers also.</p> <p>We would also request more visibility of the work of the ENA SCG to re-order distribution queues. If distribution queues are not re-ordered in-line with new transmission queue positions, this carries much less value. Whole system queue approach. We would welcome this to apply to projects without transmission impacts also.</p>	
	Element 19: Contractual changes (See pages 26-28, 43-46)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>We would assume that no fee is charged for a transitional offer, or that the total of the transitional and mod app fees is no more than the current full application fee, or this would be unfair. It would be fair if a fee is only levied for advancement should NGESO believe it would be possible following an expression of interest.</p> <p>To be legally watertight, we would suggest all contracts are formally varied if they are moved to gate 1, rather than being "deemed" to be as such, without a change of terms.</p>	
	Element 20: Cut Over arrangements (See page 28, 47)	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>In principle, yes, however introducing further delay to the connections process should be avoided if possible. This should also be communicated to industry as it is not clear that this has been widely publicised.</p> <p>Will this also apply to new IDNO/DNO supply points? If not, then you could disadvantage some customers by forcing them to secure these on Final Sums in the absence of them being able to submit their concurrent generation application. It could also provide a workaround for large demand to continue to be assessed by going via this route.</p>	
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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	the existing contracted background (as opposed to the process for new applicants via CMP434)? If yes, please provide supporting justification.	
	Taking into account justifications provided on the elements above.	
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. As explained in Q5 large embedded demand that has a transmission impact must be in scope; as must supply points associated with small/medium generators.	<input checked="" 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 checked="" type="checkbox"/> No
	However specific exemptions from the Secretary of State should be available for strategic projects already underway – such as nuclear, interconnectors or gigafactories.	
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
	Yes, as mentioned in Q5 it provides preferential treatment for large embedded demand with transmission impacts to secure capacity, and potentially detriments them if they cannot apply for advancement; it also discriminates against small and medium generators who require new supply points, particularly via IDNOs. It also discriminates against transmission users, as DNO customers can apply to the DNO all year round and have 3 windows for Gate 2. Transmission users must wait for the annual window and go via gate 1 first. Harmonising in 2x annual windows for all users would be better, as well as an option to go straight to gate 2.	