

CUSC Alternative Form – Non Charging

CMP434 WACM6: Obligation to Codify the Methodologies and Guidance Documents under Connection Reform

Overview: This alternative introduced the following obligations on NESO:

- To carry out a review of the Methodologies and Guidance Documents associated with the reformed connections process.
- To publish the review outputs and present them at the CUSC Modification Panel who shall determine whether the outputs should be submitted to a Standing Group to consider whether a subsequent CUSC code modification should be raised.

This should be completed within 18 months of the start of the first gated application and offer run.

Proposer: Claire Hynes, RWE Renewables & RWE Supply & Trading

☒ I/We confirm that this Alternative Request proposes to modify the non - charging section of the CUSC only

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What is the proposed alternative solution?

This proposal requires NESO to have in place for the purposes of transparency, published methodology and guidance documents listed under CMP434 for 'go live' of the new transmission connection process as verbally agreed with the Working Group.

The solution aligns with the Original Proposal, but in addition requires a review of the following Methodologies and Guidance Documents:

- Gated Methodologies:
 - Gate 2 Criteria Methodology
 - Connections Network Design Methodology
 - Project Designation Methodology
- Guidance Documents:
 - Gated Modification Application Guidance
 - LoA Guidance
 - Queue Management Guidance
 - Modification Guidance
 - Material Technology Change Guidance

This review (the Gated Review) will take place 12 months after the start of the first gated application and offer run. The outputs of the Gated Review should be published online within 4 months of commencing it, and the should also be presented by NESO to the Transmission Charging Methodology Forum and CUSC Modification Panel within 2 months of publication. Following presentation the CUSC Modification Panel shall determine whether to submit the output of the Gated Review to a Standing Group to consider the benefits of a CUSC code modification to codify documentation considered within the Gated Review.

What is the difference between this and the Original Proposal?

The methodologies and guidance documents give the NESO an unprecedented level of control over the makeup of the connection queue and how the connection process works, whilst leaving developers with little/no input into a methodology which significantly affects their projects. This relative imbalance of power in the long term could provide additional risk to project development due to changes unchecked by industry experts in their field which may then translate to increased consumer cost.

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This pragmatic proposal places an obligation on NESO to review the appropriate methodologies that are core to the new transmission connection process and present the outputs within 18 months of the first gated application run to CUSC panel, who will subsequently decide whether a Standing Group is required to determine the benefits of codifying the methodologies and guidance documents.

The System Operator will carry out an initial run of the new 12 month connection process and review the operation and application of the methodologies and guidance documents to see the degree to which this has achieved the stated aims and ambitions of the connection reforms (TMO4+). This process should produce more effective and efficient methodologies and guidance to assist the NESO with administering these new connection arrangements. It also introduces a road map to potential codification of the methodologies that may give some reassurance to parties.

Ofgem's Open letter on the '*Reformed Regulatory Framework on Connections*'

On the 16th of September, Ofgem published it's Open letter on the '*Reformed Regulatory Framework on Connections*' which advised that the proposed governance arrangements under the licence for the three core methodologies to be suitable.

We maintain that this alternative option was not on the table for Ofgem's consideration at the time of the publication of this letter and that it did not preclude any of the methodologies being moved under open governance in the CUSC at a later date.

Whilst NESO may be required to maintain, develop and consult on these methodologies under the licence, once the solution is fully formed, it may be deemed appropriate for certain methodologies such as the Gate 2 methodology which is core to the User's experience of the new transmission connection process to sit under open governance in the CUSC.

What is the impact of this change?

This pragmatic proposal ensures NESO will perform a review of Methodologies and Guidance Documents creating alongside CMP434 and subsequently submit the outputs of this review so that consideration can be given to the value of further codification. By allowing the methodologies and guidance documents to sit outside of the CUSC during the outlined timeframe this proposal ensures the most efficient version of the connection process is codified should this be the ultimate route decided upon.



Proposer's Assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	Positive: This proposal will ensure that the appropriate methodologies and guidance are considered for codification under a single code allowing NESO to better manage the full range of connection arrangements under the transmission licence.
(b) 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;	Positive. Obligating a review ensures the Methodologies and Guidance Documents utilised by the newly reformed connections process are fit for purpose with respect to meeting the stated aims of TMO4+.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	None: We are not aware of this change having any impact on compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive: Ensures a review of Methodologies and Guidance Documents is carried out and presented to CUSC Modification Panel (and subsequently a Standing Group) who can utilise this the outputs of the review to consider the benefits of codification of these documents.
*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.	

Public

When will this change take place?

Implementation date:

Same date as the Original proposal.

Implementation approach:

Same as the Original proposal.

Acronyms, key terms and reference material

Acronym / key term	Meaning
NESO	National Energy System Operator
TO	Transmission Owner

Reference material:

[Open letter on the reformed regulatory framework on connections \(ofgem.gov.uk\)](https://www.ofgem.gov.uk/open-letters/open-letters-on-the-reformed-regulatory-framework-on-connections)