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Code Administrator 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@nationalenergyso.com by **5pm GMT on 26 November 2024**. Please note that any responses received after the deadline or sent to a different email address will not be accepted.

If you have any queries on the content of this consultation, please contact cusc.team@nationalenergyso.com

Respondent details	Please enter your details	
Respondent name:	Bilal Arif	
Company name:	Statkraft	
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Phone number:	07422905933	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input checked="" 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 Panel or the industry for further consideration*)

For reference the Applicable CUSC (non-charging) Objectives are:

a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and 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;

c) *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.*

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Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions																		
1	Please provide your assessment for the proposed solutions against the Applicable Objectives?	<p>Mark the Objectives which you believe the proposed solutions better facilitate:</p> <table border="1"> <tbody> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input type="checkbox"/>c <input checked="" type="checkbox"/>d</td> </tr> <tr> <td>WACM1</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input type="checkbox"/>c <input checked="" type="checkbox"/>d</td> </tr> <tr> <td>WACM2</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input type="checkbox"/>c <input checked="" type="checkbox"/>d</td> </tr> <tr> <td>WACM3</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input type="checkbox"/>c <input checked="" type="checkbox"/>d</td> </tr> <tr> <td>WACM4</td> <td><input type="checkbox"/>a <input type="checkbox"/>b <input type="checkbox"/>c <input type="checkbox"/>d</td> </tr> <tr> <td>WACM5</td> <td><input type="checkbox"/>a <input type="checkbox"/>b <input type="checkbox"/>c <input type="checkbox"/>d</td> </tr> <tr> <td>WACM6</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input type="checkbox"/>c <input checked="" type="checkbox"/>d</td> </tr> <tr> <td>WACM7</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input type="checkbox"/>c <input checked="" type="checkbox"/>d</td> </tr> </tbody> </table> <p>The WACMS offer improved efficiency, and transparency in the connection process alongside optimising grid capacity and supporting the transition to renewable energy.</p> <p>WACM5 - Project Designation is required to balance the network mix of technologies for CP2030 however the qualification, process and decision making must be clear and fair and not allow designation of projects that would normally be assessed and aligned with the government clean power 2030 plan.</p>	Original	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input checked="" type="checkbox"/> d	WACM1	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input checked="" type="checkbox"/> d	WACM2	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input checked="" type="checkbox"/> d	WACM3	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input checked="" type="checkbox"/> d	WACM4	<input type="checkbox"/> a <input type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d	WACM5	<input type="checkbox"/> a <input type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d	WACM6	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input checked="" type="checkbox"/> d	WACM7	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input checked="" type="checkbox"/> d
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2	Do you have a preferred proposed solution?	<p> <input type="checkbox"/>Original <input type="checkbox"/>WACM1 <input type="checkbox"/>WACM2 <input type="checkbox"/>WACM3 <input type="checkbox"/>WACM4 <input type="checkbox"/>WACM5 <input type="checkbox"/>WACM6 <input checked="" type="checkbox"/>WACM7 <input type="checkbox"/>Baseline <input type="checkbox"/>No preference </p>																

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We support the WACM 7 approach as we find it beneficial of introducing a pause for market self-regulation to allow competitors to adjust their plans based on better visibility of other projects. This can reduce overlapping or conflicting applications, improve coordination, and potentially streamline the connection process. It helps ensure that only the most viable projects proceed to the network assessment stage, saving time and resources for both developers and NESO/TOs.

3 Do you support the proposed implementation approach?

☒ Yes
☐ No

Yes, we support the proposed implementation approach as it is important for developers to be able to apply more than once a year. We have concerns over NESOs ability to resource it particularly where windows overlap. It is critical confirm outcomes in a shorter time scale to retain developer progress and investor confidence.

We don't believe that an additional transitional fee should be charged for transitional arrangements and the mod app fee for the application of Gate 2 should not be higher than the original application.

4 Do you have any other comments?

Element 4 signification modification application, NESO have proposed a new guidance document, however, we have not received that yet. Developers need to review this.

It is understood Gate 1 will not be mandatory for new applications nor will developers have to stay in Gate 1, how will NESO have a longer-term pipeline view which is necessary to develop SSEP and refill phase 1 and 2 pots due to attrition? An alternative process should be considered.

Element 7 – this is a new process and there will be disagreement or unintended consequences in the early days and NESO need to fast track resolution process as it is necessary to avoid congestion.

Connections already accepted to Government support mechanisms such as CFD, CM, HAR should

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also be excluded from the strategic alignment with CP need 2030 to avoid conflict policy.

Element 13 – We agree Gate 2 assessment as proposed, however, we are concerned by the implications if DNO doesn't complete submission or submits incorrect data which could affect our position in the pot.

Connection point and capacity reservation may be required to balance the network mix of technologies for CP2030 however the qualification, process and decision to do so it must be clear and fair and not allow reservation for projects that would normally be assessed and aligned with the government clean power 2030 plan. We support the reservation should be subject to development milestones by the connectee.

We recognised the need for queue milestones to ensure projects move forward as agreed with CMP376. The change to earlier presents problems with 2031-2035 decisions needing to submit planning ahead of need and risks expiry before the connection date.

For multi-staged projects, any changes in connection dates or differing outcomes for a technology types will disrupt the entire project and may make the successful element of the project unviable. The process to treat each stage differently needs to be reconsidered to avoid such unintended consequences.

Whilst there is a clear need for reform to manage the inflated grid connections queue it must be implemented carefully to avoid damage to investor confidence and a continued pipeline of projects. The oversubscription is not applicable to all technologies and so bespoke rules and messaging should be applied to avoid a slowdown in development and construction hiatus inversely affecting the CP2030 generation targets.

Successful implementation of Connections reform requires a clear and fair process set out in

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		the methodologies but must also be able to manage unintended consequences from unforeseen connection scenarios, so an escalation / resolution process is critical to keep developed projects in process. There is also a need for the methodologies to be refined as lessons learned. Developers still lack clarity as to regional needs >2031 and by not including any attrition in the phases to 2035 there is an important need to keep developers engaged to backfill the pipeline to deliver longer term SSEP.
5	Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Yes, I agree that the EBR Article 18 will not be directly affected by the implementation. The aim behind CMP434 is to improve Connection processes.