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Code Administrator 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@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.

Please be aware that late responses will not be accepted.

If you have any queries on the content of this consultation, please contact elana.byrne@nationalenergyso.com and catia.gomes@nationalenergyso.com or cusc.team@nationalenergyso.com

Respondent details	Please enter your details	
Respondent name:	Barney Cowin	
Company name:	Nadara Bluefloat Partnership	
Email address:	Barnaby.cowin@nadara.com	
Phone number:	07858 363966	
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 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*)

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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.*

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 solution(s) against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution(s) better facilitates:
		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
		Original The original proposal, as supported by WACM1, better facilitates the Applicable Objectives. We do have some concerns about the proposal and also about the lack of certainty and definition of other key industry interactions, such as the Government's decision following the CP2030 advice, and the outcome of the

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		<p>supporting methodologies, supporting guidance and potential introduction of a financial instrument. It is difficult to fully assess the impacts and understand the scope of unintended consequences without knowing the outcomes of these initiatives. However, we do acknowledge that the current connections process is not fit for purpose and that timescales are extremely compressed, so believe that this represents the best available option at this point in time.</p> <p>We welcome in particular the introduction of strategic alignment as a key consideration of the connections process, although have some concerns about the scope and implementation, which we will outline in our response to the methodologies.</p> <p>WACM1 – This WACM provides a pragmatic approach to implementation, allowing industry an opportunity to assess project viability on the basis of the published results of the compliance checks.</p> <p>We have some specific concerns in relation to the methodologies, which we will outline in full in a separate response to that consultation. However as the methodologies have not been finalised yet and this is the enabling consultation which might result in significant impacts on connection agreements and the queue it is appropriate to highlight them here also:</p> <ul style="list-style-type: none"> - Key information is missing from documentation referenced in this modification, which might result in projects being classified incorrectly and removed from the queue. As an example, offshore specific information in the energy density table under the Gate 2 readiness criteria (offshore variation). This creates uncertainty in how the criteria, and thus how this modification, will be applied. - Information is inconsistent within documentation referenced in this modification, which might result in projects being classified incorrectly and removed from the queue. As an example, in CP30 advice both floating and fixed offshore are included in the capacity figures, but in FES 2024, there is a separate. This creates uncertainty in the application of the queue
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		<p>management process and how this modification will be applied.</p> <ul style="list-style-type: none"> - Documentation referenced in this modification has not been finalised, which might result in projects being incorrectly excluded and removed from the queue. In particular the CP30 advice from Government, the three methodologies and the financial instrument proposal, which again creates uncertainty in the application of this modification. - In the absence of any of the methodologies being finalised or tested, there is a risk that key initiatives referenced through this modification are misapplied, resulting in projects being incorrectly excluded from the queue. In particular the Project Designation methodology and Connection Point and Capacity Reservation processes, which whilst we broadly support the processes, there is nonetheless a risk that they might be misapplied by NESO, resulting in projects being incorrectly excluded from the queue. Full transparency in how these processes are applied is critical. - The Project Designation Methodology includes reference to new technologies and/or highly innovative projects. It is noted that in the CP2030 or in CMP435 or this code modification no explicit reference is made to INTOG projects. There is a risk that projects contracted through the INTOG process might be excluded from the queue (see below), resulting in exclusion of important innovation in the sector. - For INTOG projects, provision of an option is dependent on the outcome of the Sectoral Marine Plan for Offshore Wind Energy which is delayed, and it is not expected to be published prior to implementation of CMP434 and CMP435. This means it would be impossible to provide the required evidence for Gate 2 despite developers progressing the projects in good faith, unless the existing Exclusivity Agreements for INTOG projects were considered sufficient.
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2	Do you have a preferred proposed solution?	<p><input checked="" type="checkbox"/> Original</p> <p><input checked="" type="checkbox"/> WACM1</p> <p><input type="checkbox"/> Baseline</p> <p><input type="checkbox"/> No preference</p> <p>Click or tap here to enter text.</p>
3	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Yes with the reservations and concerns outlined in section above</p>
4	Do you have any other comments?	See above
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?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>