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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 cust.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 cust.team@nationalenergyso.com

Respondent details	Please enter your details	
Respondent name:	Ed Birkett	
Company name:	Low Carbon (owner of Gate Burton Energy Park Limited and Beacon Fen Energy Park Limited)	
Email address:	Ed.birkett@lowcarbon.com	
Phone number:	07356 110 715	
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)

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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?	<p>Mark the Objectives which you believe the proposed solution(s) better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input type="checkbox"/>c <input 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 type="checkbox"/>d</td> </tr> </table> <p>Given the uncertainty over the content of the Methodologies, we believe that both options score negatively on Objective (d).</p>	Original	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d	WACM1	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d
Original	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d					
WACM1	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d					
2	Do you have a preferred proposed solution?	<p><input 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>We believe that WACM1 offers the best solution, as more projects will drop out of the grid queue before the batch assessment exercise begins.</p>				

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3	Do you support the proposed implementation approach?	<div data-bbox="611 392 697 425"><input type="checkbox"/> Yes</div> <div data-bbox="611 456 684 490"><input checked="" type="checkbox"/> No</div> <div data-bbox="611 584 1264 618">Concern over timeline being unachievable.</div> <div data-bbox="611 647 1385 759">We note that NESO has not provided a proposed timeline for the studying and issuance of grid offers under the CMP435 “Gate 2 to Whole Queue” exercise.</div> <div data-bbox="611 788 1369 900">A timeline was previously provided that, based on the revised Implementation Date, would see grid offers issued in Q1 2026 at the earliest.</div> <div data-bbox="611 929 1394 1120">We note that NESO has now committed to issue revised grid offers in Q4 2025, and the Government and Ofgem have published an Open Letter stating that they wish to see updated grid offers issued “<i>as soon as possible in 2025</i>”.</div> <div data-bbox="611 1149 1401 1301">We are concerned that there is no timeline presented to suggest that Q4 2025 is achievable, and we have not seen comments from the Transmission Owners (TOs) stating their views on this.</div> <div data-bbox="611 1330 1394 1402">We therefore are concerned that grid offers are likely to be reissued in H1 2026, 13+ months from today.</div> <div data-bbox="611 1431 1342 1543">Even issuing offers in Q4 2025 would cause a huge investment hiatus at exactly the wrong time for the Government’s Clean Power 2030 Mission.</div> <div data-bbox="611 1572 1385 1684">We therefore believe that well-advanced projects must be exempted/grandfathered from the scope of CMP435.</div> <div data-bbox="611 1769 1366 1841">Need for grandfathering to prevent an investment hiatus.</div> <div data-bbox="611 1870 1385 1982">CMP435 appears to capture all projects that are energised on the Implementation Date. We note that the draft CNDM states that there will be no detrimental</div>
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		<p>impact on projects that are both under construction <u>and</u> scheduled to connect in 2026 or earlier.</p> <p>Given the long period for offers to be reissued (Q4 2025 earliest), we believe that this proposal risks causing an investment hiatus until grid offers are reconfirmed.</p> <p>We therefore recommend that, either in CMP435 or the CNDM, that NESO hugely expands the scope of the proposed exemptions/grandfathering.</p> <p>NESO has stated that its primary concern is storage projects, and that this is driving the limitations of protections being offered to existing customers.</p> <p>We therefore propose that NESO extends the grandfathering to cover project that have:</p> <ul style="list-style-type: none"> - Submitted planning permission or more advanced; AND - Are not storage-only projects; AND - Have existing connection dates of 2030 or earlier. <p>If NESO does not agree to this, then we would like NESO to publish analysis showing that this would have a detrimental impact on achieving the Clean Power 2030 Mission (as we're struggling to see a justification).</p> <p>Concern over impact on DNO-connecting projects</p> <p>Per our response to the CMP434 CAC, we remain very concerned about this, as key questions have not yet been answered – for example:</p> <ol style="list-style-type: none"> 1. Will projects be assessed individually or in project progression batches? 2. Will DNO queues (e.g. curtailment LIFO) be reordered to match the revised transmission queues? 3. What happens if some projects in project progression meet Gate 2 and/or want to advance, and others don't?
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4	Do you have any other comments?	Click or tap here to enter text.
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
		Click or tap here to enter text.