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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:	Laura Henry	
Company name:	National Grid Electricity Distribution (NGED)	
Email address:	Laura.Henry@nationalgrid.com	
Phone number:	07970333738	
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 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?	<div>Mark the Objectives which you believe the proposed solution(s) better facilitates:</div> <table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>a <input checked="" type="checkbox"/>b <input checked="" 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 checked="" type="checkbox"/>c <input type="checkbox"/>d</td> </tr> </table> <div>Click or tap here to enter text.</div>	Original	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d	WACM1	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input type="checkbox"/> d
Original	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d					
WACM1	<input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input type="checkbox"/> d					
2	Do you have a preferred proposed solution?	<div> <input checked="" type="checkbox"/>Original <input type="checkbox"/>WACM1 <input type="checkbox"/>Baseline <input type="checkbox"/>No preference </div> <div>Click or tap here to enter text.</div>				

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3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4	Do you have any other comments?	<p>However, we do have concerns in relation to the proposed implementation approach, as it does not consider the timescales that DNOs require to collate evidence, create a new queue, and submit all of the evidence and information to NESO.</p> <p>While NGED is supportive overall of CMP435, we have concerns with the implementation timeframes associated with CMP435 and are keen to continue working with NESO on this. NGED have some concerns relating to how specific elements of CMP435 will work for embedded customers, e.g.,</p> <ul style="list-style-type: none"> those projects that could be exempt from CMP435 to allow more clarity for specific groups of customers going through the process; how project designation and capacity reservation will work for embedded customers; and how customers falling into different groups will be treated following the CMP435 window. <p>NGED have several comments relating to how the legal text will work throughout the process for embedded customers. Please see below more information in relation to these points.</p> <p>Element 3 (Clarifying which projects go through the Gate 2 to Whole Queue Process (Primary Process)):</p> <p>NGED believes there should be several exceptions to the CMP435 whole queue to Gate 2 & CP30 filtering. Whilst we believe that they should all meet the Gate 2 criteria, there are some which should not needlessly be filtered from the queue when they are in construction or have other reasons to proceed.</p> <p>We support the proposed policy that any projects in construction by 2025 (have met milestone M6 & M8) and due to complete by 2025/2026, should be exempt from CP30 filtering. The cut-off date should be 31/05/2025 to meet milestone M6 & M8 as this is in line</p>

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with the reform implementation timescale. **Providing a detailed guidance document to the industry, or additional details within CNDM would help with developer confidence and reduction of needless administration.**

NGED also believes the customer types listed below should be considered for exemption from CP30 filtering (not land rights). This will help with investment certainty and support connections teams with reducing unnecessary workload to re-issue contracts.

Project type	Completion date	Reason to exempt from CP30 filter
With CFD contract	N/A	<ul style="list-style-type: none"> Already defined as strategic – should perhaps be a designated project.
Technical Limits	2025-2026 (tech limits date, not enduring firm date)	<ul style="list-style-type: none"> There are no transmission delays preventing connection. Already route for termination through queue management - already subject to aggressive milestones and commitment to progress. Customers have already expressed an interest to accelerate and likely to have started constructing.
No Transmission works	2025-2026	<ul style="list-style-type: none"> There are no transmission delays preventing connection. Already route for termination through queue management - already subject to milestones and commitment to progress
Behind the meter (embedded generation or storage where there is already demand)	Any date	<ul style="list-style-type: none"> These are local communities and businesses decarbonising and should not be subject to filtering from the queue.
Connection of additional generation behind existing export connection without change to export	Any date	<ul style="list-style-type: none"> No change to existing export – should be unaffected

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		capacity – not affected.		
		<p>Note – it is also important that customers held up in the 2-step offer process are finalised and placed in the queue ahead of the CMP345 process starting. This will avoid unnecessary challenge from customers that could be disadvantaged by not being submitted for consideration in the re-ordering exercise.</p> <p>Element 9 (Project Designation):</p> <p>We ask that the proposal states that DNOs can assign embedded projects within their region, with equal criteria with a reporting framework to transmission, and that the process for this is clear within the final report.</p> <p>Element 10 (Connection Point and Capacity Reservation):</p> <p>It is not clear if DNOs can take part in this process or not. We ask that the proposal confirms if there will be a section on the self-declaration form where customers can request to be considered for capacity reservation. We assume DNOs cannot take part as capacity reservation is realised through Gate 1, which distribution customers cannot access. This means there is a risk, particularly for embedded onshore wind CP30 targets, that the technology does not exist and is not reserved in the areas that is most suitable for wind. This would suggest that policy intervention is necessary to allow capacity reservation at Grid Supply Points (GSPs) which lend themselves to wind, being near suitable land. We would ask that NESO considers their position on this.</p> <p>Element 11, section 11.3 (Ongoing Gate 2 Compliance – Land Requirements):</p> <p>We would welcome clarification on how this process will work for DNO customers. Can you clarify that our assumption that DNO customers will not be expected to follow this process and that the ENA Allowable Changes guidance (which is already used at DNO level) will be used instead?</p> <p>We also ask for clarification on whether ongoing checks are expected at DNO level for the Gate 2 compliance, as this is not</p>		

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	<p>clear in the document. Given that DNOs already follow a published allowable changes process we would not be looking to do anything different in this area.</p> <p>Element 13 (Gate 2 Criteria Evidence Assessment):</p> <p>Can NESO clarify, other than the duplication checking, which part of the Gate 2 evidence that the DNOs have already checked will be then checked again by NESO. We note that this is also unclear in the Gate 2 criteria methodology.</p> <p>Element 16 (Introducing the proposed Connections Network Design Methodology):</p> <p>Although the CUSC does not govern the distribution use of system, we suggest that this element refers to the fact that the DNOs will also use the CNDM to ‘undertake connections network design’, this will ensure the signalling and linkages are clearer.</p> <p>Element 19 (Contractual changes):</p> <p>This refers to the fact that a Bilateral Embedded Generator Agreements (BEGA) will receive a Gate 1 agreement. However, it does not refer to the fact that only Large BEGAs can have a Gate 1 Agreement. For group 1 (Projects have not met the Gate 2 criteria), it again refers to the fact that Gate 1 will be replicated. This needs to be clearer for embedded customers.</p> <p>Where Element 19 states that the status of Gate 2 will be changed to “not Gate 2”, will a new definition be created for this, and will there be any other changes to the Appendix G?</p> <p>LEGAL TEXT</p> <p>Section 18.5.7:</p> <p>This should be amended to read: "For the avoidance of doubt, a Bilateral Connection Agreement (or Modification or variation to it) with an owner/operator of a Distribution System and any associated Construction Agreement are not Existing Agreements where such</p>
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	<p>agreements are <u>not</u> triggered by one or more Embedded Power Stations."</p> <p>Section 18.8: A 15 Business Day post-Existing Agreement Request Window period should be included for any DNO EA Requests (for small / medium Embedded Generation customers) and Existing Agreement Request acknowledgements (for large Embedded Generation customers) in line with the Section 17 Distribution Embedded Generation Related Applications.</p> <p>Section 18.8.4: Can NESO clarify what form the required 'acknowledgement' by a DNO of a large Embedded Generation Customer's Existing Agreement Request will take.</p> <p>Section 18.8.4: Can NESO clarify who will be required to make the Modification Application (and pay the associated fee) for any Advancement - the large Embedded Generation customer, or the DNO? Note that the Gate 2 Criteria Methodology only provides that any Advancement requested by small / medium Embedded Generation customers' needs to be confirmed as agreed / able to be accommodated by the DNO, but that this doesn't seem to be the case for large Embedded Generation customers. Would NGED be expected to input into this, including whether it can be accommodated from a Distribution perspective, or would you be comfortable to just 'acknowledge' such request? If the former, a further comment should be included accordingly in the legal text response, and also potentially in any response to the G2 Criteria Methodology itself.</p> <p>Section 18.8.4/5: Can NESO include an obligation on NESO to notify a DNO / transmission connected iDNO as soon as reasonably practicable of any Existing Agreement Request received by an Embedded Generation customer by way of a Modification Notice in line with Section 17.6.4.</p>
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5	Do you agree with the Workgroup's assessment that the	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?	Click or tap here to enter text.
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