

**Workgroup 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@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by **5pm on 06 August 2024**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

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<b>Which best describes your organisation?</b>	<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 checked="" 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 Workgroup, Panel or the industry for further consideration*)

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

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- 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;*
- 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.

### Standard Workgroup Consultation questions

1	Do you believe that the Original Proposal better facilitates the Applicable Objectives?	Mark the Objectives which you believe the Original solution better facilitates: Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
<p>With a current connections contracted background of over 700GW across GB's transmission and distribution networks, SP Energy Networks (SPEN) is fully supportive of the need for connections reform, in order to streamline the process and accelerate customer connection dates, where possible, whilst providing a level-playing field for differing technologies and projects with direct or embedded connections.</p> <p>We are supportive of CMP435 as an initial step towards a connections process that addresses the significant over-capacity in the current connections queue and achieving Net Zero targets. The proposed TMO4+ model will move us from a 'First Come, First Served' to a 'First Ready, First Connected' approach. Whilst this is a welcome development, we are strongly of the view that the latest connections reform proposals, particularly addressing the extent of the current connections queue, will not go far enough to facilitate the acceleration of connections and drive the make-up and development of the network needed to meet the Government's Clean Power 2030 and Net Zero targets.</p> <p>We are particularly supportive of the 'Gate 2 to Whole Queue' revision as set out in CMP435. Given the significant over capacity of the current contracted connections queue, reassessment of the queue is an imperative exercise to undertake next year, if we are to address the problems deriving from the scale of the current connections queue. There must be a focus on ensuring that speculative projects are removed from the queue and that the revised connections queue is made up of projects, not only able to evidence their progression, but that they also align with Government's Clean Power 2030 and Net Zero targets. The outputs from the CMP435 revision exercise are important to provide us with the certainty that we need to confidently deliver on our connections-driven network plans.</p> <p>However, whilst supportive of the principle of the need for the 'Gate 2 to Whole Queue' exercise, SPEN is strongly of the view that the current proposals in CMP435 do not go far enough to appropriately address the scale of the current connections queue and to ensure the important objectives of Connections Reform are delivered.</p>		

The current proposals within CMP435 risks leaving us with a large and growing connections queue which will require further intervention to ensure alignment with Clean Power 2030 and Net Zero goals. Therefore, we feel it is imperative that the Gate 2 criteria is revisited prior to the implementation of CMP435. In order to do this, SPEN is advocating for a technology-specific cap to be applied to the Gate 2 criteria, ensuring that the outputs of the 'Gate 2 to Whole Queue' assessment aligns with Government ambitions and that the revised connections queue has the required make-up of technologies, necessary to meet 2030 and Net Zero targets.

To ensure that we can continue to provide the best service for our customers and to deliver these ambitious targets, the current Connection Reform implementation timelines must be considered immediately in light of the accelerated Clean Power target. The ESO will need to work closely with the TO's to prepare a clear, ambitious and realistic plan on when improved connections offers will be provided for projects aimed at Clean Power 2030 and beyond. A significant amount of work remains to be undertaken regarding key methodologies, roles and responsibilities of key players including the ESO, TO's and DNO's, to drive the TM04+ model. Additionally, the accompanying licence changes and Guidance documents, which all have yet to be developed. Bearing in mind the enormous workload pressures the connections reform proposals have already placed on all players across industry, in particular the ESO and TO's, it is imperative that the implementation timelines be reviewed, evidence based, and updated accordingly, to ensure that the ESO and TO's alike have fair and realistic timelines to undertake the extent of work and analysis which still has to be undertaken to deliver the TM04+ model.

The TM04+ model will only deliver the much-needed reforms and outputs to the current connections model and associated connections queue if the ESO and TO's have adequate timelines to undertake the required network analysis to deliver the 'Gate 2 to whole queue' exercise and subsequently assess the applications under the proposed Gate 1 and Gate 2 windows, as part of the TM04+ model.

**Objective A** ('efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License') – **Positive**

The TM04+ proposals introduce a gated process prioritising projects based on readiness. This is welcome as it will facilitate the design of a more coordinated system and free up network capacity for projects proven to be progressing, helping us to deliver upon Clean Power 2030 and Net Zero ambitions.

CMP435 will, to some extent, address the current connections queue which continues to grow on a monthly basis. However, whilst the current TM04+ proposals are an improvement on the current connections process, SPEN is strongly of the view that these proposals, in particular the proposed Gate 2 criteria, are not ambitious enough, to address the scale of the current connections queue in a way which better aligns with Clean Power 2030 and Net Zero ambitions. The outputs of internal analysis undertaken by SPT, is compounded by the outputs from the ESO's recent Request For Information (RFI) exercise on projects aligning

with Gate 2, which we expect will further aggravate challenges already faced by the TOs:

- The Gate 2 criteria is too easy to achieve, particularly for smaller projects and some technologies (such as short-term Battery Energy Storage Systems (BESS) and solar). This will bring those projects to the front of the queue, only for the connections queue to continue to grow in the near term, removing only a minority of projects.
- The Gate 2 criteria promote a rush for land amongst developers. Where for some technologies, land will be sought as close to TO strategic substations, as possible. This will hinder the TOs' ability to deliver future connections and the expansion of strategic substations to facilitate additional connection capacity.
- The proposed indicative timelines for the introduction and operation of TM04+ are in no way evidence based and fail to consider the extent of TO input and complex network analysis required for 'Gate 2 to Whole Queue' exercise and the processing of applications during the Gate 1 and Gate 2 processes, currently proposed to overlap each other.

The proposals introduce an increasingly complicated package of reforms, with significant parts still to be agreed upon and implemented, including the 'Gate 2 to Whole Queue' exercise as set out in CMP435.

**Objective B** ('facilitates effect competition in the generation and supply of electricity) – **Neutral**

Whilst a move from a 'First Come, First served' to 'First Ready, First Connected' could indeed provide earlier connection dates for those demonstrating readiness, the proposals introduce a number of aspects which could reduce competition.

- SPEN's transmission and distribution networks are over capacity and severely constrained. Connections will still be part of a sizeable transmission connections queue and dependent on the delivery of significant network reinforcement, limiting the extent of acceleration to existing connection dates.
- Given the currently proposed low Gate 2 criteria, smaller, more agile projects will secure Gate 2 queue positions and capacity ahead of projects with longer development timelines.
- The revised barriers to entry associated with self-declaration and Gate 2 evidence checks along with forward facing Queue Management M1 milestone, add risk for the TO for projects being over-ambitious in their plans and therefore terminating at a later stage in their development.
- The TM04+ proposals, including the 'Gate 2 to Whole Queue' exercise represent a complex package of reforms, which whilst are planned to be supported by extensive Guidance, will challenge for customers to understand within the proposed implementation timescales.

	<p><b>Objective C</b> ('Compliance with the Electricity Regulation...') - <b>Neutral</b></p> <p><b>Objective D</b> ('Promoting efficiency in the implementation and administration of the CUSC arrangements') - <b>Positive</b></p> <p>SPEN is supportive of the 'Gate 2 to Whole Queue' exercise which will go some way to addressing the rapidly growing connections queue, by removing speculative and stalled projects. However, SPEN is strongly of the view that the proposed Gate 2 criteria are not ambitious enough, to address the scale of the current connections queue in a way which better aligns with Clean Power 2030 and Net Zero ambitions.</p> <p>Potential options to enhance the proposed Gate 2 criteria include:</p> <ul style="list-style-type: none"> <li>• Enhance the Gate 2 criteria to have a strategic element to align with decarbonisation targets.</li> <li>• SPEN is therefore advocating for a technology-specific cap to be applied to the Gate 2 criteria, ensuring that the outputs of the 'Gate 2 to Whole Queue' assessment aligns with Government ambitions and that the revised connections queue has the required make-up of technologies, necessary to meet 2030 and Net Zero targets.</li> <li>• A technology-specific cap could be aligned with a 'stacking' approach to enhance the Gate 2 criteria, where projects are assessed based on 'network need', relative to decarbonisation targets. Those projects which at present are surplus to requirements would be placed in a 'stack', prior to receiving a full Gate 2 offer. Where a contracted project terminates, those projects within a regional 'stack' would be offered the available capacity.</li> </ul> <p>To ensure certainty for customers and investors, it is imperative that an exercise to reduce the connections queue is performed only once. Therefore, SPEN is strongly of the view that the Gate 2 criteria should be revised prior to the implementation of CMP434 and CMP435.</p>	
2	<p>Do you support the proposed implementation approach? (See page- 57-58)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>We cannot support the implementation approach based on our current understanding of the proposed timelines. We no longer consider the 'go-live' date of the 1 January 2025 to be realistic, given the current delays to the Connections Reform code modification programme. Our understanding of the latest timelines suggests that, following an Ofgem decision on the proposals, there will be at best a small window over the festive period to implement and embed the new TM04+ processes within our organisation. The majority of the TM04+ processes depend on outstanding Methodologies and Guidance which are still being developed and agreed.</p>



	<p>Furthermore, the proposals constitute a complex package of reforms that stakeholders will also need to review and understand in the same short window following an Ofgem decision. Customers will need time and support from the ESO, TOs and DNOs to familiarise themselves with the new processes and requirements, which must be factored into an updated implementation timeline.</p> <p>SPEN is strongly of the view that the proposed indicative timeline in no way accounts for the scale of the work required by the TOs in the 'Gate 2 to Whole Queue' design and updating of TOCOs exercise. These discussions are still ongoing as part of the Connections Network Development Methodology (CNDM) working groups. The agreement of the timeline for this important exercise should be evidence based, following agreement of the outstanding CNDM, and assessed using the ESO's RFI data and SPTs T3 project data to inform the number of projects we expect to meet the Gate 2 criteria, to be studied as part of the 'Gate 2 to Whole Queue' design exercise. In addition, the success of the 'Gate 2 to the Whole Queue' design exercise is dependent on the ability of ESO and TOs to rework the connections queue and associated works to put us in the best possible position to move forward from this exercise. Experience and lessons learned should be drawn from NGET's recent Transmission Works Review (TWR) exercise and there must be contingencies in the plan to account for current unknowns.</p> <p>Following the 'Gate 2 to Whole Queue' exercise it should be noted that securities and liabilities are likely to change for existing contracted projects, as the current contracted connections queue is reworked. However, CMP435 is currently proposed that only those projects requesting an advanced connections date will be subject to a revision of their securities and liabilities, as part of this process. This seems unfair to those projects keen to retain their current connections date and will only act as a further incentive for projects to request an advanced date, when they may not necessarily be best placed to deliver it to advanced timelines, which may lead to a greater number of projects terminating at a later date.</p> <p>We should not underestimate the time to review and agree the proposed legal text as part of this proposal which will rightly be subject to significant scrutiny, given the significance of the CMP435 proposals.</p>
3	<p>Do you have any other comments?</p> <p>In Element 11, we set out our concerns with respect to the proposed Gate 2 criteria. Following the introduction of TMO4+ and the recent ESO RFI exercise (supported by our own RIIO-T3 project data), SPEN continues to hold the view that the proposed Gate 2 criteria is too low a barrier for certain technologies (in particular, BESS and solar) to receive a firm offer and queue position. In order to do this, SPEN is advocating for a technology-specific cap to be applied to the Gate 2 criteria, ensuring that the outputs of the 'Gate 2 to Whole Queue' assessment aligns with Government ambitions and that the revised connections queue has the required make-up of technologies, necessary to meet 2030 and Net Zero targets.</p>

	<p>The proposed CMP435 proposals may initially reduce the connections queue but it will not have the intended impact of accelerating connection dates and will leave us with a continuing rapidly growing queue that will not align with Clean Power 2030 and Net Zero targets. The Gate 2 criteria must therefore be strengthened, prior to implementation of CMP435, to avoid a second exercise to further consolidate the queue at a later date, that risks being damaging for customers and investors.</p>	
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p>	<p><input type="checkbox"/> Yes (the request form can be found in the <a href="#">Workgroup Consultation Section</a>)</p> <p><input checked="" type="checkbox"/> No</p>
<p>Click or tap here to enter text.</p>		

### Specific Workgroup Consultation questions

5	<p>Do you agree with the elements of the proposed solution for CMP435? <i>Please note that the application of these elements may be different to <a href="#">CMP434</a>, therefore please answer the questions in respect to CMP435.</i></p> <p>Elements 2,4,6,7,12,15,17 and 18 are not part of the CMP435 Proposal and is only part of the <a href="#">CMP434</a> Proposal. Element 10 is proposed to be codified within the STC through modification <a href="#">CM095</a>.</p> <p>Please provide rationale for your answer and any suggestions for improvement to each element?</p>	
<p><b>Element 1:</b> Proposed Authority approved methodologies and ESO guidance (see Page 8-10,29)</p>		<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>Given the tight timelines that we are working to for connections reform, we accept the proposal in this instance that the three Methodologies: Gate 2 Criteria Methodology, Project Designation Methodology and Connections Network Design Methodology should sit outside of the CUSC and be approved by the Authority, at this point. This will provide an appropriate balance between flexibility and governance, allowing timely changes to the reformed connections process as it continues to develop, and the current working level discussions continue.</p> <p>The ESO's Connections Reform proposals represent a Minimum Viable Product, it is uncertain what unintended consequences or behaviours the reformed process could drive, which may require further revisions to the Methodologies to be made. Furthermore, with likely additional requirements to deliver Clean Power 2030, maintaining a higher degree of flexibility will be important.</p>		

<p>The proposed consultation and approvals process will mitigate concerns around the ESO pushing through changes without proper industry scrutiny. The proposed consultation and approvals process for the Methodologies will have to account for an appropriate period of feedback to inform changes to the Methodologies. Ideally, the proposer should ensure this process is completed prior to the annual pre-application window to ensure all parties involved are clear of the changes.</p> <p>While broadly supportive of the Governance around the Methodologies, we have concerns when and how the ESO will engage with the TOs on all three Methodologies. We feel there are very strong arguments for the ESO to actively engage with the TOs and we set out the reasons for this in our response to Elements 9, 11 and 16.</p> <p>We agree that the proposed CMP435 process is dependent on the Gate 2 Criteria Methodology and the CNDM, not Project Designation. If these are not approved by the Authority by the 'go-live' date of the new connections process, and the relevant licence changes introduced, then the 'go-live' date would need to be delayed. We do not believe it should be possible for Gate 2 Self declaration and advancement request to commence prior to agreement of the CNDM.</p> <p>Methodologies and Guidance need to be issued to TOs, DNOs and developers well in advance of the "go-live" date and should be of sufficient detail to drive consistency.</p>	
<b>Element 3:</b> Clarifying which projects go through the Primary Process (See pages 10-11,29-31)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We are comfortable with the groups of customers to go through the Primary Process.	
<b>Element 5:</b> Clarifying any Primary Process differences for customer groups (See pages 11-12,32)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
We are in agreement that The Crown Estate and Crown Estate Scotland will play an important role in acknowledging the progression of offshore projects progressing through the connections process.	
<b>Element 8:</b> Longstop Date for Gate 1 Agreements (See pages 12-13, 32-33)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We recognise there is a need to balance encouraging projects to enter Gate 1, whilst ensuring they do not remain in Gate 1 indefinitely. The balance must be guided by the signal that we wish them to send for strategic network design activities and future anticipatory network investment purposes. Therefore, we support the introduction of a long stop date to remove projects which are clearly not progressing. However, the proposed 3-year limit places emphasis on projects progressing quickly to Gate 2 which may have unintended consequences:</p> <ul style="list-style-type: none"> <li>• It risks placing an administrative burden on the ESO, where they exercise discretion to extend this timeframe.</li> </ul>	



<ul style="list-style-type: none"> <li>It risks forcing projects through Gate 2 and onto QM M1 in advance of network reinforcements being available.</li> </ul> <p>The combined timeline of Gate 1 to connection date should be considered. We would recommend a review following any initial anticipatory investment and the timelines identified in annual window 1.</p> <p>Any long-stop date therefore needs to recognise the reinforcements required and the indicative connection date, three years may not be appropriate given connection dates of 2037 have recently been given for embedded connections. Mitigation for this could be the M1 Milestone remains backward looking from the completion date.</p>	
<b>Element 9:</b> Project Designation (See pages 14-15, 33-34)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We are supportive of the introduction of the Project Designation Methodology based on our experience of previous Pathfinder competitions. The proposed criteria for Project Designation being those projects critical to Security of Supply, and/or critical to system operation, and/or materially reducing system/network constraints are all obligations where the TOs play a central role. Therefore, we would expect the TOs' expertise in designing the Transmission Network to be incorporated into the Project Designation Methodology, ensuring that the TOs have a role to play in the development of the scope of any future network competitions to ensure efficient, cost-effective and optimal network outcomes.</p> <p>It is not clear that this Methodology will be ready in time and play a part in the implementation of CMP435, given CMP434 states <i>"It would be possible (albeit undesirable in the view of the Proposer) to proceed with go-live in the event that the proposed Project Designation Methodology were not approved prior to the go-live date"</i>. Where we have existing projects under existing arrangements, such as Pathfinder projects, clarity will be needed on how these projects be dealt with.</p>	
<b>Element 11:</b> Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (See pages 16-21, 34-39)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>SPT's own RIIO-T3 project data, along with the ESO's RFI (including submissions by SPM and SPD to embedded generators), indicates that the number and capacity of projects expected to meet Gate 2 by the 'go-live' date will be significant, with high volumes of smaller projects and in particular BESS and solar projects, likely to meet this Gate 2 criteria by the end of 2024. Consequently, we feel the Gate 2 criteria (11.1) is currently set too low, potentially leading to the following issues:</p> <ul style="list-style-type: none"> <li>The Gate 2 criteria is too easy to achieve, particularly for smaller projects and certain technologies (such as short-term Battery Energy Storage Systems (BESS) and solar). This will bring those projects to the front of the queue, only for the connections queue to continue to grow in the near term, removing only a minority of projects.</li> </ul>	

- The Gate 2 criteria, being solely based on obtaining land, could promote a rush for land amongst developers. Where for some technologies, land will be sought as close to TO strategic substations, as possible. This will hinder the TOs' ability to deliver future connections and the expansion of strategic substations to facilitate additional connection capacity.
- Based on our analysis, we expect the capacity of solar and BESS projects meeting Gate 2 will significantly exceed the requirement to meet current FES2024 scenarios for Net Zero. The technology mix in SPT's area, based on our existing contracted queue, will continue to have significant volumes of short-term duration BESS projects.

Furthermore, there is a risk that forward-looking milestones for planning permission could result in the expiration of a project's planning permission, increasing the likelihood of a project termination. Our concerns are further detailed in Question 10, where we highlight a risk of projects terminating at a layer stage, which could negatively impact on the TOs' network delivery programmes.

Ongoing Gate 2 compliance must also account for the possibility that some, or all, of a project's site could encroach upon a TO substation. The site boundary may block cable routes or hinder future expansion of that substation. This could delay future connection timescales. Since developers will have acquired this land prior to Gate 2, and therefore in advance of TO studies and a full connection offer, it is unclear how the TO can pro-actively manage such situations.

Potential options to enhance the proposed Gate 2 criteria include:

- Enhance the Gate 2 criteria to have a strategic element to align with decarbonisation targets.
- Introduce a technology-specific cap to be applied to the Gate 2 criteria, ensuring that the outputs of the 'Gate 2 to Whole Queue' exercise aligns with Government ambitions and that the revised connections queue has the required make-up of technologies, necessary to meet 2030 and Net Zero targets.
- A technology-specific cap could be aligned with a 'stacking' approach to further enhance the Gate 2 criteria, where projects are assessed based on 'network need', relative to decarbonisation targets. Those projects which at present are surplus to requirements would be placed in a 'stack', prior to receiving a full Gate 2 offer. Where a contracted project terminates, those projects within a regional 'stack' would be offered the available capacity.

To ensure certainty for customers and investors, it is imperative that an exercise to reduce the connections queue is performed only once. Therefore, SPEN is strongly of the view that the Gate 2 criteria should be revised prior to the implementation of CMP434 and CMP435.

**Element 13: Gate 2 Criteria Evidence Assessment**  
(See pages 22-23, 39-40)

☒ Yes

☐ No

<p>With the Gate 2 Criteria to sit outside of the CUSC it must be ensured that obligations on all parties can be enforced so that it is in fact only projects which are progressing, which are securing Gate 2 offers.</p> <p>Another concern is the sample size used to verify the Gate 2 evidence, which needs to be agreed prior to the “go-live” date. It must be sufficient to minimise the risk of projects having their Gate 2 offer removed later in their development cycle, if found non-compliant. In such cases, the TO would be exposed with respect to network delivery programme and potentially result in stranded assets. This is particularly of concern for CMP435, where timelines may put pressure on agreeing a smaller sample percentage initially given the volume of projects, this needs to be agreed prior to “go-live”.</p>	
<b>Element 14:</b> Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Across SPT's network, this element should be only applicable to those holding a 'Transitional' Offer, as they are the only projects under CMP435 which will have an 'indicative' location. Projects with existing offers will have a confirmed location.</p> <p>Flexibility regarding project site location will be crucial for optimal network utilisation, particularly following the 'Gate 2 to the Whole Queue' exercise.</p> <p>This flexibility will also be important to help align with potential future reforms, where strategic planning is based on regions as opposed to specific connection locations. However, it needs to be recognised that capacity will be held whilst this process is completed, and therefore not necessarily reflecting the “First Ready, First Connected” approach.</p>	
<b>Element 16:</b> Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>SPEN is supportive of the development of the CNDM. We are comfortable with the governance arrangements proposed. We agree that the ESO's licence would be amended to include the CNDM, however, we would not expect the TOs' licenses to be updated accordingly too. In line with the current provisions around the Network Options Assessment (NOA) methodology, we would instead expect the TOs' obligation to use the CNDM to be set out in the STC, as opposed to the licence.</p>	
<b>Element 19:</b> Contractual changes (See pages 26-28, 43-46)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>The TOs need clarity around the provision of securities to their planned transmission works, given the contract changes being undertaken as part of the</p>	

	<p>'Gate 2 to Whole Queue' exercise. In discussions, the ESO have indicated that TO works will remain fully secured with the ESO. The TOs would welcome formal confirmation of this particular point. Given the extensive and ambitious nature of our network plans, the TOs need to be able to continue to procure with confidence in order to build out network plans and it must be recognised that many of these works will be required to secure timely connections necessary for Net Zero targets.</p>	
	<p><b>Element 20:</b> Cut Over arrangements (See page 28, 47)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>Cutover arrangements commencing 10 days following the Authority decision should enable live offers to be signed before the implementation date. We consider a finalised network background to be used as a baseline for undertaking the 'Gate 2 to whole Queue' exercise as imperative for successful implementation of the CMP435 proposals. To ensure this is in no way compromised, we would encourage the proposer to consider an earlier date than the 10 days.</p>	
6	<p>Are there any elements of the proposed CMP435 solution - as per Q5 - which you believe are not appropriate to include when you consider how to most effectively implement TMO4+ to projects in the existing contracted background (as opposed to the process for new applicants via <a href="#">CMP434</a>)? If yes, please provide supporting justification.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>Click or tap here to enter text.</p>	
7	<p>In relation to Q6, are there any features which you believe are missing in the proposed CMP435 solution that would more effectively facilitate implementation of TMO4+ to the existing contracted background. If yes, please provide details and justification.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>Click or tap here to enter text.</p>	
8	<p>Do you believe any groups of projects should be exempt from the scope of CMP435 or from some elements of the proposed solution? If so, please advise on which groups and elements and provide rationale to why.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>Click or tap here to enter text.</p>	
9	<p>Do you believe that the proposed solution could duly or unduly discriminate against any particular types of projects? If so, do you believe this is justified?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>The proposed Gate 1 and Gate 2 process moves us from a 'First Come, First Served' to a 'First Ready, First Connected' approach, which we support. However, as set out under Element 11, we consider the proposed Gate 2 Criteria as too low. We see this leading to several issues that, if unaddressed as part of this proposal, will necessitate future modifications.</p>	

1. Gate 1 introduces differences between large projects and smaller more agile projects. Larger projects, with long development times, will trigger anticipatory investment in capacity which could then be taken by the smaller, more agile projects who are able to reach Gate 2 quicker. We therefore support making Gate 1 mandatory as a mitigation measure.
2. The Gate 2 criteria is too easy to achieve, particularly for smaller projects and certain technologies (such as short-term Battery Energy Storage Systems (BESS) and solar). This will bring those projects to the front of the queue, only for the connections queue to continue to grow in the near term, removing only a minority of projects.
3. The Gate 2 criteria, being solely based on obtaining land, could promote a rush for land amongst developers. Where for some technologies, land will be sought as close to TO strategic substations, as possible. This will hinder the TOs' ability to deliver future connections and the expansion of strategic substations to facilitate additional connection capacity.
4. Based on our analysis, we expect the capacity of solar and BESS projects meeting Gate 2 will significantly exceed the requirement to meet current FES2024 scenarios for Net Zero.
5. The technology mix in SPT's area, based on our existing contracted queue, will continue to have significant volumes of short-term duration BESS projects.