

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 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

Respondent details	Please enter your details	
Respondent name:	Ross Thompson	
Company name:	UK Power Networks	
Email address:	ross.thompson@ukpowernetworks.co.uk	
Phone number:	07875 110 403	
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 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 checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D Yes, we believe the proposal better facilitates the applicable objectives, in particular objectives A and D.
2	Do you support the proposed implementation approach? (See page- 57-58)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We are supportive of this work and its intention to make best use of available capacity to connect those projects that are ready. We believe the proposed implementation approach broadly supports this objective but will need to be mindful of consequential impacts which we have identified against Element 19 as detailed below.
3	Do you have any other comments? N/A	
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No Click or tap here to enter text.

Specific Workgroup Consultation questions

5	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 CMP434, therefore please answer the questions in respect to CMP435.</i> Elements 2,4,6,7,12,15,17 and 18 are not part of the CMP435 Proposal and is only part of the CMP434 Proposal. Element 10 is proposed to be codified within the STC through modification CM095 .
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Please provide rationale for your answer and any suggestions for improvement to each element?	
Element 1: Proposed Authority approved methodologies and ESO guidance (see Page 8-10,29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 3: Clarifying which projects go through the Primary Process (See pages 10-11,29-31)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 5: Clarifying any Primary Process differences for customer groups (See pages 11-12,32)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 8: Longstop Date for Gate 1 Agreements (See pages 12-13, 32-33)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 9: Project Designation (See pages 14-15, 33-34)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 11: 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 13: Gate 2 Criteria Evidence Assessment (See pages 22-23, 39-40)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 14: Gate 2 Offer and Project Site Location Change (See pages 23-24, 40-41)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (See pages 24-25, 41-42)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Click or tap here to enter text.	
Element 19: Contractual changes (See pages 26-28, 43-46)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>We broadly agree with this element and appreciate it is one of the fundamental elements that will put into effect the changes that need to happen for this reform to realise benefit.</p> <p>Mindful that the proposed solution will impact accepted distribution customer quotes, we believe a strong line of sight between the Authority and Government</p>	

decisions leading to this solution is important. This will provide clarity and certainty to customers that are potentially impacted by the solution including a full understanding of the reasons why distribution customer quotes may need to be varied. This will become increasingly important given the pace of change to connection arrangements.

As this solution will require all DNOs to implement it, we believe a clear instruction for all DNOs to comply with the requirements of the solution should be included in the proposed legal text for the CUSC modification of CMP 435 (and 434). This is of particular importance given the retrospective nature of the new requirements. We are happy to assist in developing appropriate drafting to provide this clarity.

In addition, as acknowledged in the working group considerations, thought needs to be given to the consequential impact of a connection agreement of an embedded generator being converted to a Gate 1 agreement. It's important to keep in mind that the ultimate goal of this reform and the true benefits it will deliver come from connecting developments that are ready to energise as soon as possible. One of the actions that can be taken to achieve this is to remove projects that are not progressing from being a blocker to those that are, but this should not inadvertently affect the progress of associated schemes which are otherwise viable and progressing.

Very often there will be multiple distribution customer quotes associated with each Project Progression (and resulting connection agreements with the ESO). These distribution customers will be sharing the costs and liabilities associated with the upstream agreements with the ESO and any change to the status of one customer can have a significant commercial impact on those remaining. The solution being proposed must directly deal with this to ensure it remains aligned with the intent of the Connections Action Plan and results in true benefit to the system and all users.

We welcome the acknowledgement of this issue in the consultation but are concerned that the proposed approach is for it to be dealt with outside of the CMP435 solution. We do not believe this is appropriate for such a material issue and the responsibility for developing a solution that is fit for purpose remains with the proposer, with the full support of the working group, to address material consequential impacts such as this.

Given the potential impact on embedded customers, we are committed to working with the proposer and the wider working group to explore this in detail and delivering an appropriate solution.

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Element 20: Cut Over arrangements (See page 28, 47)

☒ Yes

☐ No

Click or tap here to enter text.

6

Are there any elements of the proposed CMP435 solution - as per Q5 - which you believe are not appropriate to include when you

☐ Yes

☒ No

	consider how to most effectively implement TMO4+ to projects in the existing contracted background (as opposed to the process for new applicants via CMP434)? If yes, please provide supporting justification.	
	Click or tap here to enter text.	
7	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. Please see our response to Element 19 under Q5 above.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8	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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Click or tap here to enter text.	
9	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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Click or tap here to enter text.	