

**CUSC Alternative Form – Non Charging**

# CMP434 Alternative Request 17:

**Overview:** Alternative to element 18 and minor, stronger, wording update to Element 12. A new process, potentially codified (where applicable), to address how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria.

**Proposer:** Grant Rogers, Qualitas Energy

☒ I/We confirm that this Alternative Request proposes to modify the non - charging section of the CUSC only

## What is the proposed alternative solution?

Include an in the Proposal a new, preferably codified (where possible), process, for Element 18 to address how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria.

## What is the difference between this and the Original Proposal?

The original proposal suggests in Element 18 relying on the existing BAU e.g., proposed that DNOs and transmission connected iDNOs will utilise the existing Project Progression/Transmission Impact Assessment (TIA).

This existing process is not fit for purpose as shown by the issues with the current system with regards to timing and turnaround of these (some DNO's taking over 12 months to submit to the ESO).

The alternative is for clearer wording relating to this process within Element 12 and within Element 18 a new process, ideally codified (if applicable) that aligns with this wording and the Gated process to ensure fair and equal treatment across DNO's/iDNO's and the ESO.

### Element 12 changes to wording.

"Projects that are related to either a Relevant Embedded Small or a Medium Power Station will need to notify their DNO / transmission connected iDNO once they have met the Gate 2 criteria. If the DNO / transmission connected iDNO agrees that they have met the Gate 2 criteria, the DNO / transmission connected iDNO should then submit a Gate 2 application in the next Gate 2 application window to the ESO, which will be assessed within the relevant Gate 2 tranche, as above. The assessment of these projects within Gate 2 will be on the same basis as a request for Project Progression/Transmission Impact Assessment".

Propose this is changed to clearer and defined wording;

"Projects that are related to either a Relevant Embedded Small or a Medium Power Station will need to notify their DNO / transmission connected iDNO once they have met the Gate 2 criteria. The DNO / transmission connected iDNO will assess if the project has met the Gate 2 criteria, if the criteria is met the DNO / transmission connected iDNO will ensure to submit the relevant Gate 2 application within the live application window prior to gate close, to the ESO, which will be assessed within the relevant Gate 2 tranche, as above. The assessment of these projects within Gate 2 will be on the same basis as a request for Project Progression/Transmission Impact Assessment".

This change in wording makes it clear that the expectation of ESO is DNO's/iDNO's will assess the Relevant Small or Medium Power Station notification within the live gate period and submit the relevant Gate 2 application within this live gate period.

The above then sets out clear alignment with the re-baselined proposal that allows DNO's/iDNO's a 10-working day window to submit data received up to the Gate window deadline.

E.g., re-baseline states "DNOs and transmission connected iDNOs will have a maximum of 10 business days after the closure of the Gate 2 window to submit their fully completed Gate 2 application including Data Registration Code (DRC) / technical data. This recognises that DNOs and transmission connected iDNOs are required to produce additional information as part of their application to the ESO. This information is collated based on Relevant Embedded Small/Medium Generation applications. This approach is

intended to allow embedded generators to have a similar Gate 2 window duration to Transmission applications.”

It is understood this rebaseline is set out on the wider understanding/expectation that DNO/iDNO's expect to receive Gate 2 data up to the same Gate 2 deadline as the ESO Gate 2 deadline and submit within this deadline. However, the existing wording within the baseline proposal does not clearly indicate this expectation or requirement.

The suggested wording adds vitally important clarity for all stakeholders. It clarifies to DNO's/iDNO's and Relevant Embedded Small and Medium Power Stations of the ESO's intended process and clear expectations on DNO's/iDNO's.

### **New, clear, preferably codified process to replace BAU in Element 18**

As indicated as-is BAU is not fit for purpose and fundamentally contradicts the intended process stated in Element 12 – BAU falls foul of this with each DNO currently submitting data to the ESO at varied timescales from receiving Customer information, from 3 months to as long as 12 months plus.

The preferred ideal is codification of a process that aligns with the intent stated in Element 12 however with timescale constraints and the lack of clarity on how ESO could enforce code changes to effect distribution licensees may make this difficult.

While codification is preferable in the interest of rapid turnaround an interim/fall back is to ensure clear and concise wording that aligns with the intent of the proposal.

Element 18 and the proposal of reliance on business as usual is not fit for purpose.

### **Updated wording**

The process for how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small/Medium Power Stations which meet the Gate 2 criteria is largely based around BAU as it is today with the addition of added clarity of the ESO's expectations Gate 2 criteria received by the DNO's/iDNO's within a Gate 2 window will be submitted within that same Gate 2 window.

It is proposed that DNOs and transmission connected iDNOs will utilise the existing Project Progression/Transmission Impact Assessment (TIA) process to submit a Gate 2 Application to the ESO on behalf of their embedded customers. A Project Progression can continue to contain multiple applications or one Project Progression submission per project, as is currently the case.

DNOs and transmission connected iDNOs will submit a completed Project Progression template and Data Registration Code (DRC) data, to include all Embedded Small or Medium Power Station projects that have submitted compliant Gate 2 Criteria data to the ESO within the same live Gate 2 application window. As is today, there will be an application fee (to be paid by the DNO or transmission connected iDNO to the ESO) for this submission by the DNO or transmission connected iDNO and this payment of the application fee forms part of the competency checks, undertaken by the ESO, for the Gate 2 application.

An embedded customer's project will have to meet the Gate 2 criteria to go into the Gate 2 Application process; the Distribution connection offer a project has with the DNO or transmission connected iDNO, will have to be accepted before the DNO or transmission connected iDNO submits a Gate 2 application on behalf of that customer's project.

When an embedded customer's project provides the evidence to the DNO/transmission connected iDNO, the expectation is that the DNO or transmission connected iDNO submit that data before the close of the live will include them in the next available Gate 2 application window.

Each DNO and transmission connected iDNO will assess if an embedded customer's project has met the Gate 2 criteria on behalf of the ESO. This will require a change to the Project Progression submission template, as the DNOs and transmission connected iDNOs will need to capture the date and time a project has met the Gate 2 criteria i.e., the date they actually secured the requisite land rights.

Where a Relevant Embedded Small/Medium Power Station requesting a BEGA has put in a BEGA Gate 2 application direct to the ESO via the Primary Process at Gate 2, the DNO/transmission connected iDNO will, when they put the project through the Gate 2 application process, will notify the ESO via the Gate 2 application process of the date the project met Gate 2 criteria.

Details of what the Gate 2 criteria is for Relevant Embedded Small/Medium Power Stations can be found above in the "Gate 2 Criteria Evidence" (as per Element 13 above).

DNOs and transmission connected iDNOs will have a maximum of 10 business days after the closure of the Gate 2 window to submit their fully completed Gate 2 application including Data Registration Code (DRC) / technical data. This recognises that DNOs and transmission connected iDNOs are required to produce additional information as part of their application to the ESO. This information is collated based on Relevant Embedded Small/Medium Generation applications. This approach is intended to allow embedded generators to have a similar Gate 2 window duration to Transmission applications.

The proposals above intend to address the clear disconnect between the intended process and the existing Element 18 that suggest reliance on BAU without clear updates to the expectations of BAU.

As noted, the preference would be clarity and a codified process however it is appreciated it is not clear where this codification sits as it would, ideally, sit due to the requirement sitting with DNO's/iDNO's but the baseline process being an ESO proposal.

In the interest of time the above proposal, that does not require codification, would add similar clarity and benefit in the interim.

This clarity and ensuring there are no contradiction of the proposed process and the existing processes to be utilised. Without addressing this contradiction there risks a lack of clarity and varied interpretation from each DNO/iDNO and Relevant Embedded Small/Medium Power Stations Customers.

## What is the impact of this change?

Proposer's Assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	<b>None:</b>
(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;	<b>Positive:</b> This will have a strong positive effect in facilitating effective competition ensuring no bias towards distribution or transmission connection Customers.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>None:</b>
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	<b>None:</b>
*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.	

## When will this change take place?

### Implementation date:

January 2025 or in line with implementation of CMP434 if the start date is delayed.

### Implementation approach:

Look to implement this process in line with the progress of CMP 434 towards implementation. If codified this may need to be addressed after implementation however the process should go-live in line with the CMP434 go live date.

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BAU	Business As Usual
DNO	Distribution Network Operator
DRC	Data Registration Code
ESO	Electricity System Operator
iDNO	Independent Distribution Network Operators
TIA	Transmission Impact Assessment