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## Workgroup Consultation Response Proforma

### CMP446: Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment (TIA)

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](mailto:cusc.team@nationalenergyso.com) by **5pm** on **13 February 2025**. 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 [milly.lewis@nationalenergyso.com](mailto:milly.lewis@nationalenergyso.com) or [cusc.team@nationalenergyso.com](mailto:cusc.team@nationalenergyso.com)

Respondent details	Please enter your details	
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<b>Which best describes your organisation?</b>	<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 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*)

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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 by this 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.*

\* See Electricity System Operator Licence

\*\*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 Workgroup Consultation questions		
1	Do you believe that the Original Proposal and/or any potential alternatives better facilitate the Applicable Objectives?	Mark the Objectives which you believe each solution better facilitates:
		Original <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		Alternative Request 1 <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		<p>As it stands, we do not believe that the Original or Alternative Request 1 better facilitates any of the Applicable Objectives.</p> <p>In particular, we believe that both the Original and Alternative Request 1 perform worse than the status quo on Objective B.</p> <p>This is because they introduce a market distortion to promote 4.9 MW projects, which is likely to result in unfair competition between sub-5 MW and greater-than-5MW projects. This is despite that fact that &gt;5 MW projects are likely to have greater economies of scale and therefore lead to lower energy bills.</p> <p>It is also likely to result in inefficient use of limited and valuable network capacity (including but not limited to 33kV circuit breaker bays).</p> <p>We believe that additional safeguards are needed. Without these, we believe that CMP446 should be rejected.</p>
2		<input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No

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	Do you support the proposed implementation approach?	<p>There is a lack of mechanism in place to prevent a situation where the number of 1-5MW schemes increases so much that there is an impact on the Transmission system and on contracted projects in the distribution queue.</p> <p>Without additional safeguards (some ideas in our response) we believe that this Proposal is worse than the status quo and should therefore be rejected.</p> <p>In addition, we are concerned about the Proposer's intention to rush through this modification proposal on a rapid timeline, even though clear issues and loopholes have been identified by us and others that risk undermining the wider distribution queue.</p>
3	Do you have any other comments?	No
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<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>We are considering raising Alternative Requests, as follows:</p> <ul style="list-style-type: none"> <li>Limiting the eligibility for CMP446 to projects connecting at 11kV and lower voltages. This would ensure efficient use of the network and would act as a natural limit against overuse of the proposed threshold increase and/or limit the potential for gaming.</li> <li>Preventing developers from splitting larger schemes (e.g. 20 MW) into multiple smaller schemes (e.g. 4 x 4.9 MW), including by connecting via a new, dedicated IDNO network – e.g. the IDNO could secure a 20 MW connection at 33kV and then could offer 4 x 4.9 MW connections at 11kV to the project. If this huge loophole cannot be closed, then we believe that the Modification Proposal should be rejected. We note Ofgem's October 2023 Open Letter on the arrangements for IDNO connections to Extra High Voltage (EHV) networks, and the potential review that Ofgem highlighted in that letter.<sup>1</sup></li> <li>Requiring enduring Transmission Active Network Management (T-ANM) for 1-5MW schemes, with Last In First Out (LIFO) position based on Distribution queue date – so as not to disadvantage contracted &gt;5 MW schemes that are subject to temporary T-ANM (Technical Limits) or enduring T-ANM.</li> <li>Limiting the number of 1-5 MW projects contracted at each GSP (to connect under the proposed TIA exemption under CMP446), to prevent over exploitation of this new allowance from undermining the distribution connections queue. For</li> </ul>

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		example, the allowance could be limited to 2 projects per GSP in any five-year period.
5	Does the draft legal text satisfy the intent of the modification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Click or tap here to enter text.
6	Do you agree with the Workgroup's assessment that the modification does not impact the European Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Click or tap here to enter text.

### Specific Workgroup Consultation questions

7	Do you believe that a codification of Scotland threshold is required for CMP446?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Click or tap here to enter text.
8	Is it clear that the change in threshold is cumulative not incremental?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Click or tap here to enter text.
9	Do you believe 5MW is the correct threshold and if not why and to what threshold level should it be?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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	(Providing rationale and justification for any alternative MW threshold)	<p><u>Without additional safeguards</u>, the threshold should remain as it is, i.e. 1MW.</p> <p>The issues / challenges on the Distribution and Transmission networks have historically been caused by an oversubscription in the connection queue(s). Raising this threshold would likely lead to a surge of 1-5MW applications being made and Accepted to Connect &gt;5MW projects decreasing their capacity to &lt;5MW in the Distribution queue. Subsequently this could impact the Transmission network &amp; projects which have decided to proceed under Technical Limits conditions. We don't feel there is sufficient provision to mitigate this risk.</p> <p>In addition, projects less than 5 MW are likely to suffer from worse economies of scale than e.g. 10 MW projects, and are therefore likely to raise overall energy costs.</p>
10	Are there any other generic scenarios (over and above those shown in Figure 2 and Figure 3 (Annex 7) that need to be considered by the Workgroup, please provide details of them and explain why they are relevant?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
11	It is intended that where there is a fault level headroom that is less than 1kA or zero as stated by NGET at a GSP, then a project is required to go through the TIA irrespective of the change in threshold (from 1MW to 5MW) – do you agree with this and if not, why?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
12	Do you agree that the Workgroup has identified the relevant risks if CMP446 is approved. If not, what further risks haven't been identified yet, and why are they relevant?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>For 1-5MW Accepted to Connect projects that have previously been through a TIA process but are now at a GSP where there is &lt;1kA Fault Level headroom, how will these projects be considered? E.g.</p>

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		<p>will the project remain subject to any relevant terms/costs from the TIA process or will the project have these requirements removed?</p> <p>It's not clear how this situation would be managed.</p>
13	<p>Do you believe that as consequence of CMP446 there will be an increase in &lt;5MW projects which is likely to have an impact on the Transmission Network? If so, what kind of projects could drive this?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <ul style="list-style-type: none"> <li>We believe that new 1-5MW schemes that are yet to have a Distribution application/Offer will increase significantly, as this will become one of the only ways for projects to be able to connect to the network.</li> <li>There is also potential for several DNO/IDNO 1-5MW applications to be submitted for the same piece of land, but having multiple different Points of Connection onto the DNO/IDNO network e.g. an 18MW site split into 4x4.5MW applications (total 18MW). We note that this was raised in Workgroup discussions and there was no clear mechanism proposed to address this huge loophole that risks undermining the distribution connections queue and the Government's Clean Power Action Plan.</li> <li>Existing Accepted to Connect &gt;5MW projects may look to decrease their capacity to &lt;5MW, therefore increasing the number of projects &lt;5MW. N.B. we believe that this is very likely for projects 5-10MW. <ul style="list-style-type: none"> <li>The Proposer estimates that there are ~850 MW of Accepted to Connect contracted projects between &gt;1 MW and &lt;5 MW in England and Wales. Low Carbon's analysis broadly agrees (810 MW).</li> <li>Low Carbon's analysis of the 5-10 MW Accepted to Connect Registered Capacity in the Embedded Capacity Registers shows that there is an additional 320 projects, totalling 2,372 MW, with a capacity of &gt;=5 MW and &lt;= 10 MW. Much of this should be expected to reduce capacity to benefit from the proposed new rules.</li> <li>If these 5-10 MW projects were each to reduce to 4.99 MW, their combined capacity would total ~1,596 MW, taking the total impact of CMP446 to ~2,400 MW. This is triple the impact calculated by the Proposer, placing a significant burden on the transmission network. And this is before considering the many new applications that would undoubtedly be made following this change</li> </ul> </li> <li>We are aware that the Alternative Request 1 would base the threshold on change to maximum export capacity, rather than change to registered capacity. We note that Low</li> </ul>

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		Carbon's analysis finds very similar capacity for change to registered capacity and change to maximum export capacity.
14	Do you have any suggestions for any additional mitigation measures for the identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <p>If this Code Modification Proposal is implemented, we believe that some or all of the below concepts should be included:</p> <ul style="list-style-type: none"> <li>• Requiring Enduring Transmission Active Network Management (T-ANM) for 1-5MW schemes and Last In First Out (LIFO) position should be based on Distribution queue date – so as not to disadvantage contracted &gt;5 MW schemes that are subject to temporary TANM (Technical Limits) or enduring T-ANM.</li> <li>• Limiting the number of 1-5 MW projects contracted at each GSP (to connect under the proposed TIA exemption under CMP446), to prevent over exploitation of this new allowance undermining the distribution connections queue. For example, the allowance could be limited to 2 projects per GSP in any five-year period.</li> <li>• Preventing developers from splitting larger schemes (e.g. 20 MW) into multiple smaller schemes (e.g. 4 x 4.9 MW), including by connecting via a new, dedicated IDNO network – e.g. the IDNO could secure a 20 MW connection at 33kV and then could offer 4 x 4.9 MW connections at 11kV to the project. If this huge loophole cannot be closed, then we believe that the Modification Proposal should be rejected. We note Ofgem's October 2023 Open Letter on the arrangements for IDNO connections to Extra High Voltage (EHV) networks, and the potential review that Ofgem highlighted in that letter.<sup>1</sup></li> </ul>
15	Do you understand that as a consequence of CMP446 that the curtailment assumptions for an accepted Technical Limits offer could be impacted?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <p>From comments in the Workgroup, we understand that there is a risk that contracted projects that have accepted Technical Limits Variations could be adversely affected (e.g. if a 4.9 MW wind farm and a 4.9 MW solar farm connect under a GSP post CMP446, this</p>

<sup>1</sup> [www.ofgem.gov.uk/sites/default/files/2023-10/Open%20letter%20on%20IDNOs%20-%20Oct-23-Final.pdf](https://www.ofgem.gov.uk/sites/default/files/2023-10/Open%20letter%20on%20IDNOs%20-%20Oct-23-Final.pdf)

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		<p>would reduce the Technical Limit at GSP by 9.8 MW 24/7, disadvantaging contracted customers and making less efficient use of limited transmission network capacity (as the sub-5MW generators are not ANM-controlled for T-ANM).</p> <p>We do not believe that this is fair (or efficient), given that there are projects that have now connected or accepted Offers under Technical Limits whose level of uncompensated curtailment would be impacted by 1-5MW projects connecting on a firm (non-flexible) basis with respect to transmission access.</p>
16	Is the timeline of interactions understood?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
17	Do you believe it is appropriate/ within scope of CMP446 for the Workgroup to consider this further, and if so why?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>We understand that this question relates to a suggestion made in the Workgroup to limit the higher TIA threshold to projects connecting at 11kV or below.</p> <p>We believe that this is necessary to prevent &lt;5 MW projects from sterilising valuable and limited 33kV connection options that could accommodate schemes of up to ~50 MW. This includes 33kV circuit breaker connections and 33kV tee-in opportunities (as the number of tee-ins per circuit is limited by complexity rules (Engineering Recommendation P18<sup>2</sup>)).</p> <p>Restricting the scope of CMP446 to projects connecting at 11kV and below will help to ensure a more efficient use of the network by ensuring that &lt;5MW schemes only make use of connection bays and / or assets that are more appropriate for this MW size.</p> <p>We note that, as part of the Connections Reform modifications, NESO was concerned about inefficient use of limited network assets at transmission. Whilst this was not included in the final Connections Reform proposals due to the complexity of doing this, it is clear that this is an important issue. We therefore believe that CMP446 should avoid encouraging inefficient use of distribution network assets.</p>

<sup>2</sup> [https://dcode.org.uk/assets/uploads/EREC\\_P18\\_Issue\\_2\\_\\_2022\\_\\_1.pdf](https://dcode.org.uk/assets/uploads/EREC_P18_Issue_2__2022__1.pdf)