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Code Administrator Consultation Response Proforma

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

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 on 17 March 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@uk.nationalenergyso.com or cusc.team@nationalenergyso.com

Respondent details	Please enter your details	
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Which best describes your organisation?	<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 checked="" 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 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 Code Administrator Consultation questions			
1	Please provide your assessment for the proposed solution(s) against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution(s) better facilitates:	
		Original	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM1	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D
		WACM2	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		WACM3	<input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		WACM4	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		WACM5	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		<p>We are supportive of changing the lower threshold to support more timely connections to the grid.</p> <p>More specifically, we agree that both the original proposal and WACM1 have the potential to reduce administrative burden due to connection applications with <5MW not requiring a TIA, thus satisfying Applicable Objective AO (a).</p>	

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		<p>The original proposal WACM1, WACM2 WACM4 and WACM5 have the potential to reduce the costs and complexity of connection for smaller generators. We are concerned that the differential treatment between England and Wales and Scotland could limit the potential benefit and is arguably distortive. On balance, the proposals marginally better facilitate AO (b).</p> <p>We believe that WACMs 3,4,5 better facilitate AO (a) however, are not satisfied that they would better facilitate the other Applicable Objectives compared to WACM1.</p> <p>We judge that AO(c) is neutral for all solutions. For AO(d) we also consider the original proposal is neutral as it does remove the need for smaller projects to undergo a TIA however, there is little evidence to suggest that these proposals will increase efficiency if projects split a larger project into smaller projects.</p> <p>We consider the use of export capacity as used in WACM1 is a preferred option compared to the original proposal of installed capacity and retain this view across the WACMs.</p>
2	Do you have a preferred proposed solution?	<p><input type="checkbox"/> Original</p> <p><input checked="" type="checkbox"/> WACM1</p> <p><input type="checkbox"/> WACM2</p> <p><input type="checkbox"/> WACM3</p> <p><input type="checkbox"/> WACM4</p> <p><input type="checkbox"/> WACM5</p> <p><input type="checkbox"/> Baseline</p> <p><input type="checkbox"/> No preference</p> <p>WACM1– We prefer WACM1 over the original proposal. It is our view that the use of export capacity would be better suited to support the Applicable Objectives in comparison to the use of</p>

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		<p>registered capacity. The use of export capacity within this change would incentivise generators to maximise their actual output and lead to more efficient use of the grid.</p> <p>While we are supportive of opportunities to increase transparency as proposed in WACM2 and WACM5, the urgent timeline and implementation may not be practical and therefore, WACM1 is better suited to govern any potential changes in future thresholds.</p> <p>It is unclear as to how WACM4 would be a better suited approach to the TIA threshold process compared to WACM1. Without an impact assessment of this WACM, we are unable to support this with confidence.</p>
3	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>While we understand and support the rationale for implementing this change in advance of the Gate 2 application window opening, the NESO must ensure that there is capacity for the number of applications that will enter Gate 2 in addition to projects that will satisfy the <5MW threshold.</p>
4	Do you have any other comments?	No further comments.
5	Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>No comment.</p>