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Queue Management Guidance

Introduction to updated guidance
following Connections Reform

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Introduction and Context

CMP 376 ([Inclusion of Queue Management process within the CUSC](#)) was introduced to manage Transmission Construction Agreements. There are similar, but separate, arrangements in place for [Distribution Connections](#), including embedded agreements. The introduction of Code Modifications CMP 434 ([Implementing Connections Reform](#)) and CMP 435 ([Application of Gate 2 Criteria to existing contracted background](#)) transform GB's current Connection processes. We have therefore updated our previous Queue Management (QM) Guidance to reflect the 'TMO4+' changes. Below we provide a brief summary of the changes to our previous QM Guidance as a result.

We note this Guidance is being published as Draft ahead of OFGEM's decision on TMO4+. The Guidance references NESO's forthcoming Material Technology Change Guidance and Gated Modification Guidance which would be published following OFGEM's decision.

Queue Management milestone requirements and Gate 2 to Whole Queue

For existing agreements subject to CMP435 that currently include Queue Management milestones the progression will continue as originally/currently contracted. This will remain the case until the User signs either a Gate 2 Modification Offer or a Gate 1 Agreement to Vary.

As a result of the Gate 2 to Whole Queue (CMP435) process the User Progression Milestones can change if the contracted completion date is brought forward or delayed as a consequence of the revised TO programme, as they would be recalculated as part of the Gate 2 Modification Offer.

Where a User's completion date is unchanged and their milestone dates are backwards-calculated, if the difference between their G2 Modification Offer date from NESO and their offered completion date results in a loss of time to achieve the milestone (due to changing column in table 2, guidance p.6), NESO will leave the User with the same amount of time as given in their existing agreement to achieve the milestone.

Existing contracted parties that do not meet the Gate 2 Criteria will receive a Gate 1 Agreement to Vary and will no longer be required to meet User Progression Milestone compliance¹ until (if and when) they subsequently apply and meet the Gate 2 Criteria and sign a Gate 2 Modification Offer in a later application window. The Gate 2 Modification Offer will include User Progression Milestones based on the offered completion date.

Queue Management and Gate 1 Contracts

Under the changes introduced by Connections Reform, Gate 1 contracts will include Queue Management clauses and a blank Appendix Q (Queue Management Process – User Progression Milestones); however, the milestone dates themselves will be provided only through Gate 2 Modification Offers based on the offered completion date (and, in the case of M1, the Gate 2 Modification Offer date).

New queue management requirements for Gate 2 Contracts

At each User Progression Milestone, the User needs to confirm that they still meet the minimum acreage requirements, as specified in the Energy Density Table in the NESO LoA guidance document at the time of their Gate 2 Application.

Milestone 1

For projects that have not yet met M1, CMP434 has revised the calculation method for Milestone 1 (M1) from being backwards-calculated from the completion date to being "the earlier of the backwards or forwards calculated date". These changes also apply to Gate 2 Modification Offers provided through CMP435.

If, however, the forwards-calculated date is earlier than the backwards-calculated date, and this is materially detrimental to the project, the User can submit evidence that the proposed M1 date adversely affects the project. M1 may then be adjusted to a date up to and including the backwards-calculated date, but no later –

¹ As per CUSC Clause 16.1 "Although provision for this process is included within Gate 1 Agreements the process and provisions within this Section will only be actively applied in Gate 2 Agreements."

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unless other existing exceptions are applicable. This adjustment opportunity is subject to NESO's approval of the evidence provided. This change allows for the calibration of the newly calculated milestone to avoid unintended outcomes. The updated guidance document includes an illustrative example to demonstrate the application of this process.

As Outline Planning Permission is not part of the acceptable evidence for M2, it has been clarified that the application for Outline Planning Permission is not acceptable as evidence for M1.

Milestone 3

1. Exclusivity Agreement:

An Exclusivity Agreement is no longer accepted as evidence for M3.

2. Ongoing original red line boundary compliance

As part of the Gate 2 Readiness Criteria projects applying for Gate 2 through the Land route, (as set out within the Gate 2 Criteria Methodology), must provide the Original Red Line Boundary of the site on which the project is located at the time of application.

Projects must then continuously comply with the Original Red Line Boundary requirements in CUSC Section 16: Whatever Installed Capacity in MW (expressed in whole MW or to one decimal place) is built within the Original Red Line Boundary, only 50% of that number can then be located outside of the Original Red Line Boundary.

Exceptions are available for limited circumstances detailed in Section 4.1.2 of the updated guidance.

If the User is following the Planning route to meet the Gate 2 Readiness Criteria (as set out within the Gate 2 Criteria Methodology), the ongoing Original Red Line Boundary compliance requirements will apply once the User has met Milestone 2 and provided the necessary Original Red Line Boundary and Installed Capacity (and evidence of minimum acreage) information in accordance with the Gate 2 Criteria Methodology. Please also note that Users seeking to meet the Gate 2 Readiness Criteria through the Planning route, who have met Queue Management Milestone M2 at the time of submitting the Readiness Declaration (or where they meet it prior to signature of the Gate 2 Modification Offer), only need to provide the Original Red Line Boundary, Installed Capacity and evidence of minimum acreage requirements upon their signature of the Gate 2 Modification Offer.

Further detail is found in Section 4.1.2 of the updated guidance.

Note that Embedded Power Stations' User Progression Milestones and ongoing land compliance requirements will continue to be managed by DNOs or Transmission Connected iDNOs.

Other Changes

We have amended the non-exhaustive examples of when contracted queue management milestones do and do not change as a result of other programme/contract changes.

Final version changes

We have clarified the acceptable evidence for Milestones 1 and 2 by specifying that Planning in Principle is not acceptable. Additionally, section 4.1.3 now provides detailed rules to ensure that planning permissions cover the contracted capacity of the project.