

## CUSC SECTION 17

### GATED APPLICATION AND OFFER PROCESS

#### Introduction

- 17.1. This Section explains the processes for making the applications and offers that fall under the **Gated Application and Offer Process**.
- 17.2. The **Gated Application and Offer Process** will first apply from the **CMP434 Implementation Date** and from the **CMP434 Implementation Date** applications and offers which fall under the **Gated Application and Offer Process** can only be made in accordance with the **Gated Application and Offer Process**.
- 17.3. **CUSC** contains processes for applications and offers and the **Gated Application and Offer Process** replaces those processes where the **Applications** are **Gated Applications**. As a consequence, where the **Application** is a **Gated Application** the **Offer** and **Acceptance** processes and timelines shall be replaced (as noted in the relevant **CUSC** Sections) with this **Gated Application and Offer Process**.
- 17.4. The **Gated Application and Offer Process** comprises of the following activities:
- **Gated Application Window**
  - **Gated Design Process**
  - **Offer**

The **Gated Application and Offer Process** will be undertaken in accordance with the **Gated Timetable** for a **Gated Application Window and Offer Run**.

#### 17.5. **Gated Applications**

After the **CMP434 Implementation Date** the following types of applications have to follow and offers can only be made in accordance with the **Gated Application and Offer Process**:

- 17.5.1. An application for a **New Connection Site** (including a **Grid Supply Point**). This includes an application for a **New Connection Site** where the **New Connection Site** is triggered by a **Transmission Evaluation Application**. This does not however include an application for such **New Connection Site** by an owner/operator of a **Distribution System** where the application is not triggered by **Embedded Power Stations**.
- 17.5.2. An application for a **Bilateral Embedded Generation Agreement**.

- 17.5.3. An application for a **BELLA**.
- 17.5.4. A **Transmission Evaluation Application** under **CUSC** Section 6 Paragraph 6.5.5.
- 17.5.5. An application (by **Modification Application**) for a **Gate 2 Offer** in respect of a **Gate 1 Agreement**.
- 17.5.6. A **Modification Application** (in addition to those referred to in Paragraph 17.5.4 and 17.5.5) to (a) any **Gate 2 Agreements** or (b) (any **Gate 1 Agreements** with **Reservation** (where the **Modification Application** is not requesting a **Gate 2 Offer**), which in either case is a **Gated Modification Application** and so has to follow the **Gated Application and Offer Process**.

## 17.6. Making a Gated Application

- 17.6.1. A **Gated Application** can be made at any time within the **Gated Application Window**.
- 17.6.2. In the case of a **Transmission Evaluation Application**, the application can be made after the closure of the **Gate 2 Application Window** on the basis that the owner/operator of the **Distribution System** will (a) within the **5 Business Days Period** provide the basic information required to create construction planning assumptions and (b) within the **15 Business Days Period** provide full technical data and the items referred to at Paragraph 17.7.3.2.
- 17.6.3. **Gated Applications** for a **New Connection Site** or applications for a **BEGA** for a **Large Embedded Power Station** or **BELLA** can, at the **Applicant's** choice, be made on the basis of a **Gate 1 Application** or (initially or subsequently) a **Gate 2 Application**.
- 17.6.4. The owner/operator of the **Distribution System** will be notified by **The Company** as soon as reasonably practicable of the **Gate 1 Application** or **Gate 2 Application** for a **BEGA** or **BELLA** by **Modification Notice**.
- 17.6.5. A **Gate 2 Application** for a **BEGA** and **BELLA** can be made at any time but will not progress as a **Gate 2 Application** until and within the **Gated Application Window** in which the **Distribution EG Related Application** is made.
- 17.6.6. The owner/operator of the **Distribution System** will, subject to the requirements of Paragraph 17.6.8 having been met:
  - a) use reasonable endeavours to submit the **Distribution EG Related Application** to **The Company** in the current or next available **Gated Application Window** after the notification to it

by **The Company** of a **Gate 2 Application** by a **Large Embedded Power Station** for a **BEGA** or **BELLA**; and

- b) in all other cases, submit the **Distribution EG Related Application** to **The Company** by reference to a **Gated Application Window** in the period specified in Paragraph 17.6.2 where prior to or within that **Gated Application Window** a **Relevant Embedded Power Station** has notified the owner/operator of the **Distribution System** that it wants the owner/operator of the **Distribution System** to submit a **Gate 2 Application** and the owner/operator of the **Distribution System** considers that the **Gate 2 Criteria** for readiness has been met.

**17.6.7. Embedded Power Stations** should as soon as reasonably practicable notify the owner/operator of the **Distribution System** of their intention to make or their having made (in the case of **Large Embedded Power Stations**) a **Gate 1 Application** and/or (otherwise) a **Gate 2 Application**.

**17.6.8. Embedded Power Stations** should be aware that the owner/operator of the **Distribution System** will have its own requirements of them (including the **Embedded Power Station** having entered into an agreement for connection to and use of the **Distribution System** and paying any relevant fees) prior to the owner/operator of the **Distribution System** submitting the **Distribution EG Related Application**.

**17.6.9.** Other than as expressly noted above, a **Gate 1 Application** or **Gate 2 Application** can only be made in the **Gated Application Window**.

**17.6.10.** A subsequent **Gate 2 Application** in respect of **Gate 1 Agreements** can (except in case of **Reservation** which will be subject to the **Gated Modification Guidance** and other relevant guidance) include changes to the project from that as described in the **Gate 1 Agreements**.

## **17.7. Assessment of the Gated Applications**

**17.7.1.** A **Gated Application** will need to be **Competent**. In the case of a **Gate 2 Application** for a **BEGA** or **BELLA** both that **Gate 2 Application** and the **Distribution EG Related Application** have to be **Competent** in the same **Gated Application Window**.

**17.7.2.** A **Gate 1 Application** for a **New Connection Site**, should also include, as appropriate, a **Letter of Authority** or a **Letter of Acknowledgment**.

**17.7.3.** A **Gate 2 Application** should also show and evidence readiness to proceed by:

- 17.7.3.1. in the case of a **Gate 2 Application** for a **New Connection Site, BEGA** for a **Large Embedded Power Station** or **BELLA**, including the **Readiness Declaration** and (except where the **Gate 2 Criteria Methodology** expressly provides otherwise) the **Original Red Line Boundary** (including the **Installed Capacity**). As these are provided by the **Large Embedded Power Station** in the case of a **Gate 2 Application** by a **Large Embedded Power Station** these are not required to be included in the **Distribution EG Related Application**;
- 17.7.3.2. in the case of a **Gate 2 Application** for a **Distribution EG Related Application** in respect of a (or more than one) **Relevant Embedded Power Station** (including where they have a **BEGA**), including the **Readiness Declaration** and **Original Red Line Boundary** (including the **Installed Capacity**) in respect of the (and if more than one each) **Relevant Embedded Power Stations** being those provided to the owner/operator of the **Distribution System** by the **Relevant Embedded Power Station**.
- 17.7.4. **The Company** will notify the **User** whether a **Gate 1 Application** is **Competent** and complies with Paragraph 17.7.2 as soon as reasonably practicable after receipt of the **Gate 1 Application**.
- 17.7.5. A **Gate 2 Application** will be checked and assessed by **The Company** against the **Gate 2 Criteria**.
- 17.7.6. **The Company** will notify the **User** (and also in the case of a **Large Embedded Power Station**, the owner/operator of the **Distribution System**) whether a **Gate 2 Application** is **Competent** and complies with (but always subject to Paragraphs 17.8 and 17.10 below) the **Gate 2 Criteria** such that it can enter the **Gated Design Process** as soon as reasonably practicable after receipt of the **Gate 2 Application** and in any event prior to the start of the **Gated Design Process**.
- 17.7.7. Any **Gate 1 Application** not notified accordingly by **The Company** under Paragraph 17.7.4 above will not receive a **Gate 1 Offer**. Any **Gate 2 Application** not notified accordingly by **The Company** under Paragraph 17.7.6 above will not be able to progress to the **Gated Design Process** in that **Gated Application and Offer Process Run**.
- 17.7.8. Where **The Company** is considering **Reservation** in respect of the **Gate 1 Offer**, **The Company** will advise the **Gated Applicant** as soon as reasonably practicable after receipt of the **Gate 1 Application** and that as a consequence the **Gate 1 Offer** may be provided later in the **Gated Design Process**, given the design process involved to confirm the **Reservation**. **Reservation** will only be provided for in a **Gate 1 Offer** where the **User** has indicated in the **Gate 1 Application** that it

is happy for this to be considered and **The Company** has notified the **Gated Applicant** of this.

#### 17.7.9. Installed Capacity

The sum of the **Installed Capacity** provided within a **Gate 2 Application** and the capacity of any existing **User's Equipment** or **Developer's** equipment at the same site, must be equal to or greater than the total **Transmission Entry Capacity** or **Developer Capacity** or directly connected **Demand** MWs (as applicable) which will outturn at the relevant **Connection Site** or site of connection of the **Embedded Power Station** (as applicable) as a consequence of the **Gate 2 Application**.

#### 17.8. Gate 2 Criteria

The **Gate 2 Application** must meet the **Gate 2 Criteria**. The **Gate 2 Criteria**, the process of evidencing and confirming that readiness has been met (and what is required for this) from a **Gated Applicant** is set out in the **Gate 2 Criteria Methodology**.

#### 17.9. Ongoing Compliance with the Original Red Line Boundary

There are also particular requirements and consequences for ongoing compliance with the **Original Red Line Boundary** and these are set out in Paragraph 16.4.9 of the **Queue Management Process** and the **Original Red Line Boundary Reduction Clause**.

#### 17.10. Checking of the Readiness Declarations

**17.10.1.** Although a **Gate 2 Application** may be notified as able to progress to the **Gated Design Process** under Paragraph 17.7.6, during and as soon as reasonably practicable within the **Gated Design Process** further detailed checks of the readiness submissions will be undertaken as follows in accordance with the **Gate 2 Criteria Methodology**:

**17.10.1.1.** **The Company** shall use reasonable endeavours to undertake a more detailed check as set out in the **Gate 2 Criteria Methodology** on all (unless specified otherwise in the **Gate 2 Criteria Methodology**) the **Readiness Declarations** provided (other than where the **Readiness Declaration** is provided for a **Relevant Embedded Power Station** by the owner/operator of a **Distribution System** where it is expected that such owner/operator will use reasonable endeavours to undertake this detailed check).

- 17.10.1.2.** Within 15 **Business Days** of the end of the **Gated Design Process**, **The Company** will publish on the **Website** the percentage of detailed checks which have been undertaken under Paragraph 17.10.1.1 as a percentage of the total of **Gate 2 Applications** which were **Competent** and met the **Gate 2 Criteria** for readiness for the purposes of entering that **Gated Design Process**. To facilitate and enable this, each owner/operator of a **Distribution System** shall within 10 **Business Days** of the end of the **Gated Design Process** provide the percentage of detailed checks it has undertaken for the purposes of Paragraph 17.10.1.1 as a percentage of the total of its **Gate 2 Applications** that entered the **Gated Design Process**.
- 17.10.1.3.** **The Company** shall check the evidence provided in all the **Readiness Declarations** for duplications and overlaps. Where duplications and/or overlaps are identified in the **Original Red Line Boundaries** **The Company** will contact the relevant parties concerned. In the event that duplications and/or overlaps are identified the process relating to this in the **Gate 2 Criteria Methodology** will be applied to establish whether in those circumstances any (and if so which) **Gate 2 Application** has not met the **Gate 2 Criteria**.
- 17.10.2.** Following the above **The Company** will notify the **User** (and in the case of a **Large Embedded Power Station**, the owner/operator of the **Distribution System**) whether the **Gate 2 Application** has fully met the **Gate 2 Criteria** (and where this is a **Transmission Evaluation Application** involving more than one **Relevant Embedded Power Station** whether all, none or which of the **Relevant Embedded Power Stations** have met the **Gate 2 Criteria**).
- 17.10.3.** If the **Gate 2 Criteria** has been met **The Company** will confirm to the **User** that a **Gate 2 Offer** will be made.
- 17.10.4.** If the **Gate 2 Criteria** has not been met **The Company** will confirm to the **User** (providing substantiated reasons why) that the **Gate 2 Application** has been rejected and that a **Gate 2 Offer** will not be made.
- 17.10.5.** In the case of a **Transmission Evaluation Application** involving more than one **Relevant Embedded Power Station**, the **Gate 2 Offer** will only be progressed on the basis of the **Relevant Embedded Power Stations** (and MW) that have met the **Gate 2 Criteria** and the **Gate 2 Application** deemed to be amended accordingly.

- 17.10.6.** The notifications under Paragraphs 17.10.2 to 17.10.4 will be given by **The Company** to the **User** as soon as reasonably practicable.

#### **17.11. Gated Design Process**

The **Gate 2 Applications** assessed by **The Company** as meeting the **Gate 2 Criteria** will be processed in accordance with the **Connections Network Design Methodology** and the **Project Designation Methodology**.

#### **17.12. Gate 1 Offer**

- 17.12.1.** A **Gate 1 Offer** shall be provided by **The Company** as soon as reasonably practicable within the **Gated Design Process**. Where a **Gate 1 Offer** includes **Reservation** that **Gate 1 Offer** will be provided later in the **Gated Design Process**, given the design involved, than one which does not include **Reservation**.

- 17.12.2.** A **Gate 1 Offer** shall be provided in the **CUSC** form relevant to the **Gated Application** but will not have the full details in the Appendices and will include the **Gate 1 Conditional Clause**, the effect of which is to make all the rights and obligations conditional until a **Gate 2 Offer** is accepted. A connection location and date will be provided but only on an indicative basis and the connection date and location will only be confirmed (with all the other details) in a **Gate 2 Offer** following a **Gate 2 Application**.

- 17.12.3.** There is an exception to Paragraph 17.12.2 where **Reservation** has been included. In that case, whilst the rights and obligations remain conditional, the connection date and connection location of, as appropriate, the **Connection Site** or **Transmission Interface Site** or site of Connection may be provided and identified in the **Gate 1 Offer** and any **Gate 2 Offer** will be made on the basis of these subject to a **Gate 2 Offer** being applied for and accepted by the **Applicant** in the timescales specified in the **Gate 1 Offer**.

#### **17.13. Gate 2 Offer**

- 17.13.1.** Any **Gate 2 Offers** shall be provided by **The Company**, in the timescales for this set out in the **Gated Timetable** for that **Gated Application Window and Offer Run**.

- 17.13.2.** A **Gate 2 Offer** shall be made in the **CUSC** form relevant to the **Gated Application** and provide a connection date and location and the **Construction Works** and **Construction Programme** in respect of this.

- 17.13.3.** If the **Gated Applicant** has already accepted a **Gate 1 Offer**, the **Gate 2 Offer** will be a **Modification Offer** to, inter alia, remove the effect of the **Gate 1 Conditional Clause** and on acceptance the rights and obligations (including in respect of **Cancellation**

**Charges** or **Final Sums** and the **Queue Management Process**) will apply.

- 17.14.** Any dispute between **The Company** and the **User** as to whether the **Gated Application** is **Competent**, meets the requirements at Paragraphs 17.7.2 and 17.7.3 and/or conforms to the **Gate 2 Criteria** shall be treated as an **Other Dispute** in accordance with **CUSC** Section 7.

**End of Section 17**