

## CUSC Alternative Form – Non Charging

# CMP448 Alternative Request 7: Alteration to the scope of the PCF

**Overview:** The alternative proposal is to remove all projects, transmission or distribution connected from the scope of the PCF where the contracted deadline for M1 (be this with the DNO, TO or NESO) is within 18 months from the acceptance of a Gate 2 Offer.

The PCF should act as an incentive to progress, rather than representing a risk to developers. As such we feel the proposed modification will encourage developers connecting to the transmission or distribution network to progress their scheme ahead of their contracted milestone dates. This encouragement will lead to a healthier queue with better quality projects that can be accelerated should the opportunity arise.

This proposal would allow all developers, small or large to make an informed and reasoned decision on how best to commit to their project. It will also allow the developer time to confirm with the relevant planning authority what ecological or environmental studies need to be completed before a planning application can be submitted. These works come at a cost, which combined with the PCF could render otherwise viable projects financially unviable.

With projects being out of scope of the PCF where M1 has a contracted date with 18 months of acceptance developers would have the opportunity to complete any pre-planning studies imposed upon them by a planning authority without being required to finance an additional security.

This would also prevent projects in Wales subject to the Development of National Significance (DNS) process from being disadvantaged. These projects are subject to longer timescales than other parts of the UK. It can take 42 days for an application with an EIA to be validated. This alternative would allow developers time to navigate this statutory process before becoming subject to the PCF.

## Public

Should any developer be willing to commit to an M1 deadline of less than 18 months they would also be out of scope of the PCF.

Should any developer be unwilling to commit to submitting a valid planning application with the 18 month period they would be subject to the PCF should it be triggered.

This alternative would allow customers joining the Gate 2 Queue after the PCF has been triggered 18 months to meet M1 without being subject to the additional security. This benefits (1) developers already in the Gate 2 Queue that have not been responsible for the initial triggering of the PCF; (2) developers joining the Gate 2 Queue that have not been responsible for the initial triggering of the PCF whilst still encouraging them to progress in a timely manner.

This alternative would reduce the administration burden on all parties where M1 has a relatively short deadline. As overall project connection cost could be lower the costs of electricity for consumers could be reduced.

All other aspects of the PCF would remain unchanged including the trigger metric.

**Proposer:** Jack Purchase, National Grid Electricity Distribution (NGED)

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

Public

## What is the proposed alternative solution?

The alternative proposal is to remove all projects, transmission or distribution connected from the scope of the PCF where the contracted deadline for M1 (be this with the DNO, TO or NESO) is within 18 months from the acceptance of a Gate 2 Offer.

The PCF should act as an incentive to progress, rather than representing a risk to developers. As such we feel the proposed modification will encourage developers connecting to the transmission or distribution network to progress their scheme ahead of their contracted milestone dates.

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## Public

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All other aspects of the PCF would remain unchanged including the trigger metric

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

Developers would have more time to submit planning permission and complete statutory consents (including Environmental Impact Assessments) before becoming subject to an additional security.

The PCF should act as an incentive to progress, rather than representing a risk to developers. As such we feel the proposed alternative will encourage developers connecting to the transmission or distribution network to progress their scheme ahead of their contracted milestone dates.

This encouragement will lead to a healthier queue with better quality projects that can be accelerated should the opportunity arise.

### What is the impact of this change?

Connections costs and liabilities would be reduced for those customers demonstrating that they are progressing through the provision of more time before becoming subject to an additional

Proposer's assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(i)The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;	Positive  Connections costs and liabilities would be reduced for those customers demonstrating that they are progressing.

## Public

(ii) 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;	Positive  Connections costs and liabilities would be reduced for those customers demonstrating that they are progressing.
(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	Neutral  Please provide your rationale
(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive  The administrative burden would be reduced.

\* See Electricity System Operator Licence

\*\*The Electricity Regulation referred to in objective (iii) 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:

The date would be the same as the original proposal.

### Implementation approach:

The implementation approach would be the same as the original proposal.

## Acronyms, key terms and reference material

Acronym / key term	Meaning
CUSC	Connection and Use of System Code
DNO	Distribution Network Operators
DNS	Development of National Significance
EIA	Environmental Impact Assessments
NESO	National Electricity System Operator
PCF	Progression Commitment Fee
TO	Transmission Owner