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## CUSC Alternative Form – Non Charging

# CMP447 Alternative Request 3: WACM1 and WACM2 Combination

**Overview:** This Workgroup Alternative proposes to combine WACM1 and WACM2. This would align the definition and designation of 'Excepted Works' to reinforcements previously identified through National Energy System Operator (NESO)'s Pathway to 2030 and Beyond 2030 Publications, and those reinforcements determined through the Centralised Strategic Network Plan (CSNP) methodology, while incorporating the additional obligations on NESO as presented in WACM2.

### Proposer:

Kyle Murchie | Roadnight Taylor

Barney Cowin | Nadara, Bluefloat Energy Partnership

☒ I/We confirm that this Alternative Request proposes to modify the non-charging section of the Connection and Use of System Code (CUSC) only

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## What is the proposed alternative solution?

This Alternative proposes to enhance CMP447 by combining WACM1 with WACM2 to achieve the following:

- Extend the definition and designation of 'Excepted Works' to reinforcements previously identified through NESO's Pathway to 2030 publication<sup>1</sup> and Beyond 2030 Publications and those reinforcements determined through the CSNP methodology, reducing the regulatory burden of separate and multiple designation processes
- Apply further obligations on NESO, adopting the approach taken in CUSC Section 15, User Commitment Methodology, where a defined timeframe is outlined along with publication requirements.

A direct combination is not advised as it could result in some conflict once the CSNP is in place.

**The proposed additions and / or changes are to WACM 2 legal text only. For simplicity, the WACM 1 legal text would not be changed under Alternative 3.**

Additions and changes to WACM2 text are as follows:

- **Proposed designation submissions** – Proposed timeframe for designation submissions between NESO and Ofgem:
  - Enduring

Legal Text suggestion / starting point:

*The Company shall issue an Excepted Works designation request [recommendation] to The Authority by no later than 90 Calander Days before 01 January and 01 July each Calander Year, until the Centralised Strategic Network Plan (CSNP) has been implemented.*

- **Publication of 'Excepted Works'** – No change. This would result in an Excepted Works Register being published alongside the CSNP yet given the minimal administrative impact and potential increase in transparency recommended this is not altered from that proposed under WACM2.

<sup>1</sup> [HND Appendix 1 - List of required Onshore and Offshore works](#)

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- **Non reversible designation** – No change. While not preventing a reversal from The Authority, it would prevent NESO recommending a reverse on a designation defined through the CSNP methodology. Avoids the possibility of NESO recommending that a set of works within the CSNP that would normally be defined as Excepted Works under WACM 1 having its Excepted Works designation withdrawn where the Scope of Works has not materially changed.
- **Method of Designation** – WACM1 offers a route through the CSNP and works otherwise designated. Thus, it is proposed the Section 11 legal text in bold is sufficient, but open to challenge and refinement.

*any Construction Works in respect of Transmission which:*

*(a) operate at voltages of 132kV or above; and*

*(b) are included in the delivery pipeline or equivalent firm commitment category of:*

*(i) The Company's 'Pathway to 2030 (Holistic Network Design)' report dated July 2022, as may be updated from time to time;*

*(ii) The Company's 'Beyond 2030' report dated March 2024, as may be updated from time to time; or*

*(iii) any strategic network plan published by The Company in the discharge of its statutory strategic network planning functions pursuant to its licence and the Energy Act 2023 (or any re-enactment or amendment thereof), including but not limited to the Centralised Strategic Network Plan and any successor documents so designated in writing by The Company as forming part of such functions; or*

*(iv) **any additional works as otherwise designated by the Authority;** and*

*(c) constitute Wider Works undertaken for broader transmission system capability requirements as assessed under the National Electricity Transmission System (NETS) Security and Quality of Supply Standard (SQSS) methodology, rather than Attributable Works specific to connection requests.*

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*For the avoidance of doubt, works included in option assessment or long-term planning categories (rather than firm delivery commitments) shall not constitute Excepted Works unless and until they are transferred to a delivery pipeline or equivalent firm commitment category.*

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

The Alternative maintains the original benefits of the Original Proposal:

- Reduces attributable works securities for strategic Transmission reinforcement projects
- Supports accelerated renewable energy connections
- Aligns with the urgent and immediate Gate 2 implementation timeline by removing the need for an additional Ofgem determination
- Addresses commercial impact concerns about 'stranded assets' raised by industry by only removing securities from reinforcement schemes that have an approved mandate for delivery

The Alternative combines WACM1 and WACM2, enhancing the Original Proposal until such time that the CSNP is introduced and maintaining a base set of obligations on NESO.

### What is the impact of this change?

The Alternative introduces enhancements to the Original Proposal as presented in WACM1 and WACM2.

Given the CSNP is not expected to be in place until 2027, combining would offer the benefits of increased obligations on NESO between implementation and the CSNP being in place. It also ensures there is a clear list of Excepted Works, removing any ambiguity and ensuring transparency.

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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*;	<b>Positive</b> Better Facilitates
(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;	<b>Positive</b> Better Facilitates
(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	<b>Neutral</b> Maintains all legal compliance aspects of original CMP447.
(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.	<b>Positive</b> Better Facilitates

\* 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:

In line with the Original Proposal.

Proceed on an urgent basis and in line with the timetable approved by the Panel, recognising the impact implementation and a defined set of Excepted Works could have on the acceptance of Gate 2 Offers from Q4 2025.

### Implementation approach:

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While implementation is largely in line with the Original Proposal, the additional obligations introduced through WACM2 would require preparatory activities to be progressed in parallel to the CMP447 timeline and Authority decision process.

Noted activities including the development of a recommended 'Excepted Works' list through NESO have been discussed within the Working Group meetings, hence the practical differences between the Original and WACM2 could be minimal. The Alternative simply seeks to incorporate such intentions into the legal text.

The WACM 1 element would be introduced in phases:

- **Phase 1 (2025–2026):** Assignment of 'Excepted Works' status to existing pre-identified reinforcements and full integration with approved CSNP methodology
- **Phase 2 (Ongoing):** Regular updates aligned with CSNP 3-year review cycle

## Acronyms, key terms and reference material

Acronym / key term	Meaning
CMP	CUSC Modification Proposal
CSNP	Centralised Strategic Network Plan
CUSC	Connection and Use of System Code
NESO	National Energy System Operator
NETS	National Electricity Transmission System
SQSS	Security and Quality of Supply Standard
WACM	Workgroup Alternative CUSC Modification

## Reference material:

1. <https://www.neso.energy/industry-information/codes/cusc/modifications/cmp447-removal-designated-strategic-works-cancellation-chargesecuritisaton>

## Appendix 1 – Excepted Works Register Example

Excepted Works
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Project Name	Reference Number	Approved	Rejected	Awaiting Decision	Decision Date
		X			xx xx xxxx