

CUSC Alternative Form – Non Charging

CMP471 WACM 01:

Alternative approach to alignment of User Progression Milestones with Connection Date Delay

Overview: This Alternative Request proposes that when a Connection Date Delay request is accepted by NESO, then all of the User Progression Milestones (M1 to M8) provided in Appendix Q of the Construction Agreement should be changed in accordance with the applicable formula calculated from the new, delayed Connection Date. The original proposal only allows that the User Progression Milestones may change in line with the delay caused by Connections Reform

Proposer: David Barber, GridLink Interconnector Ltd

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

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What is the proposed alternative solution?

When a Connection Date Delay request is accepted by NESO, then all of the User Progression Milestones (M1 to M8) provided in Appendix Q of the Construction Agreement should be automatically updated to align with the new, delayed Connection Date calculated in accordance with the applicable formula provided in CUSC Section 16 'Queue Management Process'.

CUSC Section 16 provides for queue management by calculating the due dates for User Progression Milestones backwards from the Connection Date given in a Connection Offer. This logic should be equally applied to any Connection Date that has been delayed under CMP471, because the new date essentially replaces the original Connection Date in the Construction Agreement. This ensures that the intent of CUSC Section 16 is applied when a change to a Connection Date under CMP471 is accepted by NESO.

The current proposed solution CUSC Section 17.14.3 and 18.15.6 amendments, and potentially CUSC Section 16 for alignment, would need to be updated.

What is the difference between this and the Original Proposal?

The original proposal only identifies that NESO may change the User Progression Milestones for allowable delays associated with Connections Reform.

Instead, this Alternative Request provides for the automatic updating of User Progression Milestones to new dates directly aligned with the Connection Date Delay, so that they better reflect the updated project planning and they are not unreasonably limited by a judgement on the delay caused by Connections Reform.

This is needed because the delay caused to individual projects by Connections Reform is project-specific and variable, and specifically it is not necessarily like-for-like by applying the same time for start to finish of the Connections Reform process. Therefore, requests for Connection Date

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Delays under CMP471 may ask for a longer duration of delays to the Connection Date. This is because investment decisions necessary to progress projects that have been postponed due to the uncertainty/risks from Connections Reform may result in consequential delays extending beyond the Connections Reform timeline. For example delays may arise due to changes to supply chain constraints impacting on delivery schedules, renegotiation of land agreements, new/repeat consenting procedures, changes to Government policy and support, changes to regulatory regimes and approvals, the need for additional public consultations. As a result, a longer Connection Date Delay may be justified and necessary to give greater accuracy and certainty on project delivery and queue formation.

What is the impact of this change?

There is no negative impact.

This Alternative would provide a positive impact by removing the need for Users to submit exceptions requests additional to a Connection Date Delay under CMP471 in order to change User Progression Milestones. This would reduce the demand for Users, NESO and Transmission Owners(TOs) resources for additional procedures.

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 This Alternative supports the efficient discharge of NESO's licence obligations by improving the alignment between Users' contractual positions and deliverable project parameters ahead of the Gated Application Window.

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(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 This Alternative improves alignment between contractual arrangements and project readiness, thereby supporting a more level and efficient competitive environment
(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	Neutral This Alternative does not materially impact compliance with the Electricity Regulation or any relevant legally binding decisions.
(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive The alternative promotes efficiency in the implementation and administration of the CUSC by avoiding additional contract variations, increasing administrative burden on NESO and TOs.

* 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:

Same as Original solution as part of CMP471.

Implementation approach:

Same as Original solution as part of CMP471.

Acronyms, key terms and reference material

Acronym / key term	Meaning
NESO	National Energy System Operator
TO	Transmission Owner

Reference material:

Not applicable