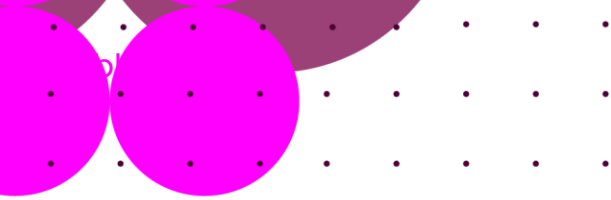


CUSC Alternative Form – Non Charging**CMP471 WACM 03:****CDDR with Addition of QM Milestone Delays**

Overview: The alternative proposal is identical to the original, save for in the event that a User Connection Date Delay Request (CDDR) is granted. In these circumstances, if the User subsequently applies to NESO for a delay to Queue Management milestones M1, M2, M5, M6, M7 & M8, NESO will be obliged to grant that request for delay. The permitted delay to Queue Management milestones would be up to the lesser of 18 months or the Queue Management milestone dates that would be set using the CDDR revised connection date and the queue management look-up date methodology as defined in the Conditional Progression Milestones table and the Construction Progression Milestone table in Section 16 of the CUSC.

Proposer: Rob Smith, Enso Energy

☒ 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?

If a User Connection Date Delay Request (CDDR) is granted, whether for the original date requested or an alternative date agreed by the User and NESO/Transmission Owners (TOs), the User can apply to NESO for a delay to Queue Management milestones M1, M2, M5, M6, M7 & M8.

NESO will be obliged to grant that request for the Queue Management milestones delay up to the lesser of 18 months and the Queue Management milestone dates that would be set using connection date in the revised Bilateral Connection Agreement (BCA) and the queue management look-up date methodology as defined in the Conditional Progression Milestones table and the Construction Progression Milestone table in Section 16 of the CUSC.

This application for the delay in Queue Management milestones would need to be made by the User no later than 4 weeks after receiving the revised countersigned BCA resulting from the CDDR process.

The 18-month delay limit will allow projects that have not been able to undertake long lead time assets procurement or secure Engineering, Procurement and Construction (EPC) contracts, due to connection uncertainty, to purchase these items. It will also stop projects that are obviously in no state to progress to materially game this process.

Rationale for the 18-month delay for QM milestones:

- Ofgem approved the first come first served revised connection methodology on 15th April 2025. ([NESO Connections Reform Timeline](https://www.neso.energy/industry-information/connections-reform/connections-reform-timeline)¹). As such, from this date projects could no longer rely on the certainty of the project connection date, project cost and Point of Connection specified in their BCA. These outstanding risks limited the ability for many projects to secure capital investment in their projects until these outstanding criteria were confirmed in their Gate 2 Offers.
- April 2025 until expected Gate 2 phase 1 projects being issued by end of Sept 2027 is approx. 18 months which is the justification for the allowable delay limit.

¹ <https://www.neso.energy/industry-information/connections-reform/connections-reform-timeline>

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What is the difference between this and the Original Proposal?

The original proposal does not include any provision for the Queue Management milestone Dates to be delayed in line with the delayed connection date. This Alternative includes the ability to amend the Queue Management milestone dates in line with the connection date delay.

What is the impact of this change?

This alternative proposal is the same as the original save that it will lead to the more efficient deployment of capital in the development and construction of a generation project. As such the overall costs of the project will be less and, given this is a competitive market these lower costs will ultimately lead to a consumer benefit.

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 Improves the alignment between Users' contractual positions and deliverable project parameters ahead of the Gated Application Window. By expanding the limited Gate 2 Offer adjustments, the proposal reduces the need for multiple post Gate 2 contract acceptance variations and associated administrative

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	processes. This improves the efficiency and effectiveness of the connection's framework during the transition to Connections Reform.
(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 By improving alignment between contractual arrangements and project readiness, the proposal supports a more level and efficient competitive environment. It will lead to more efficient deployment of capital in the development and construction of a generation project. As such the overall costs of the project will be less and, given this is a competitive market these lower costs will ultimately lead to a consumer benefit.
(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	Neutral We do not believe objective iii is impacted
(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive The modification promotes efficiency in

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	the implementation and administration of the CUSC by introducing a controlled mechanism for contract alignment prior to the Gated Application Window. Public 10 Confidential Without this process, Users are likely to submit subsequent contract variations following Gate 2 acceptance, increasing administrative burden on NESO and Transmission Owners.
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** 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:

As per the Original solution, 10 Business Days after the Authority Decision

Implementation approach:

I propose the implementation date is the same as the original. Changes will be required to Sections 11, 16, 17 and 18 of the CUSC, alongside updates to the NESO systems and portal to enable submission and processing of connection date variation requests.

It is also understood that there will need to be changes made to the STC.

We also understand clarification or amendment of TO licences may be required. In the event of the latter, we presume that direction to change licence conditions will be made in parallel with the CUSC implementation process.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BCA	Bilateral Connection Agreement
CEC	Connection Entry Capacity
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
EPC	Engineering, Procurement and Construction
G2tWQ	Gate 2 to Whole Queue
MW	Megawatt
NESO	National Energy System Operator
STC	System Operator Transmission Owner Code
T&Cs	Terms and Conditions
TEC	Transmission Entry Capacity
TO	Transmission Owner

Reference material:

1. <https://www.neso.energy/industry-information/connections-reform/connections-reform-timeline>