

## Draft Final Modification Report

# CMP370: Revision of the connection offer acceptance period for interactive connection offers

**Overview:** A new Interactivity policy has been developed collaboratively with industry through the Energy Networks Association (ENA) Open Network Projects. This CUSC modification seeks to align the CUSC with this Interactivity policy.

### Modification process & timetable

1	<b>Proposal Form</b> 15 April 2021
2	<b>Workgroup Consultation</b> n/a
3	<b>Workgroup Report</b> n/a
4	<b>Code Administrator Consultation</b> 14 May 2021 – 07 June 2021
5	<b>Draft Final Modification Report</b> 17 June 2021
6	<b>Final Modification Report</b> 06 July 2021
7	<b>Implementation</b> 10 working days after Authority approval

**Have 5 minutes?** Read our [Executive summary](#)

**Have 20 minutes?** Read the full [Draft Final Modification Report](#)

**Have 30 minutes?** Read the full Draft Final Modification Report and Annexes.

**Status summary:** Draft Final Modification Report. This Report will be submitted to the CUSC Panel for them to carry out their Recommendation Vote on whether this change should happen.

**Panel Recommendation:** The Panel will meet on 25 June 2021 to hold their recommendation vote.

### This modification is expected to have a: Medium impact

For the ESO, Onshore and Offshore Transmission Owners, DNOs and all Users wanting to connect to the National Electricity Transmission System (NETS)

**Governance route** CUSC Panel unanimously agreed that CMP370 should follow standard governance route and proceed straight to Code Administrator Consultation.

**Who can I talk to about the change?**

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## What is the issue?

Interactivity occurs where two or more connection or use of system applications are received to connect the National Electricity Transmission System (NETS) and/or Distribution System using the same part of the existing or future NETS, but where not all applicants can be connected due to restrictions such as:

- limited network capacity;
- fault levels; or
- physical limitations such as space to upgrade a substation.

Where this occurs, the ESO (and the Transmission Owners) use the interactivity policy to determine which applicants can connect on the terms offered and which will need to be re-offered (if applicable). The Interactivity policy developed through the ENA is applicable to all Network Operators in Great Britain. However, this CUSC modification proposal is concerned with applications impacting on the NETS.

Each of the Network Operators previously had their own policy to process these offers. Therefore, the ENA developed (in consultation with industry and all affected stakeholders) a process that would be implemented by all Network Operators to provide a transparent, consistent and fair process for all Interactive connection offers. This Interactive policy is currently being implemented by all Network Operators. The Interim ESO Interactive policy can be found [here](#).

The ESO Interactivity Policy will be applied to all applications under the CUSC, irrespective of User type.

The connection, use of system and modification offer acceptance provisions in CUSC do not currently align with the acceptance periods that will apply the event of Interactivity and therefore this modification seeks to rectify this defect. The CUSC currently specifies that a Connection Offer, Use of System Offer or Modification Offer remains open for acceptance for a period of 3 months, whereas under the Interactive policy the acceptance period for Interactive Offers will be reduced to 30 calendar days for Transmission applicants and 45 calendar days for applicants to the Distribution Network Operator<sup>1</sup>.

The ESO does not propose to codify the interactivity process as this could be a potential barrier to future flexibility, especially as the policy needs to remain aligned with that of the other Network Operators, but if and when any changes need to be made to the policy, the ESO will undertake an industry-wide consultation. Therefore, this modification seeks only to update the sections relating to the acceptance periods.

Details and links to all ENA consultations since 2018 are attached below:

- November 2018 Consultation [here](#).
- July 2019 consultation and minded to position [here](#).

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<sup>1</sup> If interactivity is triggered, the end consumer will always have a 30-day acceptance period. There will not be any distinction between Transmission connected and Distribution connected consumers. As all network companies are committed to follow this new policy developed by the ENA, there won't be any differential approach. All DNOs have updated their Common Connection Charging Methodology Statement (CCCMS) with a new Interactivity section to be consistent with the ENA guide and it clearly states that "The validity period of any Connection Offer issued as Interactive will be 30 days". The 30 days the DNO end consumer gets sits within the 45 days acceptance period that the DNO gets from ESO. The additional time reflects both the time that the DNO takes to process the offer received from ESO prior to sending it to their end consumer, and where the end consumer accepts, the time taken for the DNO to process prior to accepting on behalf of the end consumer. The time is for network assessments, governance/approval, preparation of paper/payment.

- September 2019 Mind to position for Interactivity webinar [here](#)
- December 2019 consultation feedback [here](#).
- December 2019 consultation response summary [here](#)
- February 2020 Conditional Interactivity webinar [here](#)
- July 2020 Final Conditional Interactivity webinar [here](#)
- December 2020 published Interactivity final guide [here](#)

*Note: For clarity, connection offers that are not interactive will not be affected by this proposal.*

## **Why change?**

The connection, use of system and modification offer acceptance provisions in CUSC do not currently align with the acceptance periods that will apply the event of Interactivity and therefore this modification seeks to rectify this defect. The CUSC currently specifies that a Connection Offer, Use of System Offer or Modification Offer remains open for acceptance for a period of 3 months, whereas under the Interactive policy the acceptance period for Interactive Offers will be reduced to 30 calendar days for Transmission applicants and 45 calendar days for applicants to the Distribution Network Operator.

For context, the following are the benefits of the Interactivity Policy:

- enables all the network companies to operate in a consistent manner and it ensures an applicant's experience is similar across Transmission and Distribution networks.
- ensures the network capacity is managed effectively and efficiently.
- helps to resolve the interactivity quickly and effectively by providing more certainty to applicants.
- ensures that a transparent, consistent and fair approach is taken when managing Interactive Offers regardless of the Network Operator involved in the Interactivity Policy.

Although the above are not direct benefits of this Modification Proposal, the proposed solution aims to ensure that CUSC parties remain compliant with the CUSC whilst applying the Interactivity Policy.

## What is the Proposer's solution?

The proposer proposes to add a new paragraph as 6.10.4.4 to Section 6.10.4 '**Modification Offer and Connection Offer conditional upon other Modification and Connection Offers**' and make slight amends to Paragraphs 1.7.3 '**BELLA Application**', 2.13.3 '**New Connection Sites**', 3.7.4 '**Use of System Application**', 6.9.2.3 '**Modifications Proposed by Users**' and 9.17.3 '**New Connection Sites**' of the CUSC.

The solution will then align the CUSC acceptance period to the new Interactivity Policy.

## Legal Text

All Legal Text changes are shown in red text.

The following will be added as a new paragraph in CUSC Section 6:

**6.10.4.4 If **Interactivity** is confirmed in accordance with the **Interactivity Policy**, **The Company** shall be entitled to vary the **Offer Acceptance Period** as provided for in the **Interactivity Policy****

CUSC Paragraph 1.7.3 will be revised as follows:

1.7.3 The **BELLA Offer** shall remain open for acceptance (subject to **CUSC Paragraph 6.10.4.4**) for 3 months from its receipt by that **User** unless either that **User** or **The Company** makes an application to the **Authority** under Paragraph 1.7 of the **CUSC**, in which event the **BELLA Offer** shall remain open for acceptance until 14 days after any determination by the **Authority** pursuant to such application.

CUSC Paragraph 2.13.3 will be revised as follows:

2.13.3 The **Connection Offer** and any offer to vary referred to in paragraph 2.13.9 shall remain open for acceptance (subject to **CUSC Paragraph 6.10.4.4**) for 3 months from its receipt by that **User** unless either that **User** or **The Company** makes an application to the **Authority** under Standard Condition C9 of the **Transmission Licence**, in which event the **Connection Offer** shall remain open for acceptance until the date 14 days after any determination by the **Authority** pursuant to such application.

CUSC Paragraph 3.7.4 will be revised as follows:

3.7.4 The **Use of System Offer** shall remain open for acceptance (subject to **CUSC Paragraph 6.10.4.4**) for 3 months from its receipt by that **User** unless either that **User** or **The Company** makes an application to the **Authority** under Standard Condition C9 of the **Transmission Licence**, in which event the **Use of System Offer** shall remain open for acceptance until the date 14 days after any determination by the **Authority** pursuant to such application.

At CUSC Paragraph 6.9.2.3, revise as follows:

6.9.2.3 The **Modifications Offer** shall remain open for acceptance (subject to **CUSC Paragraph 6.10.4.4**) for 3 months from the date of its receipt by that **User** unless either that **User** or **The Company** makes an application to the **Authority** under Standard Condition C9 of the **Transmission Licence**, in which event the **Modification Offer** shall remain open for acceptance by that **User** until the date 14 days after any determination by the **Authority** pursuant to such application.

CUSC Paragraph 9.17.3 will be revised as follows:

9.17.3 The **Connection Offer** shall remain open for acceptance (subject to CUSC Paragraph 6.10.4.4) for 3 months from its receipt by that **User** unless either that **User** or **The Company** makes an application to the **Authority** under Standard Condition C9 of the **Transmission Licence**, in which event the **Connection Offer** shall remain open for acceptance until the date 14 days after any determination by the **Authority** pursuant to such application.

It is also proposed to add the following new definitions at **CUSC** Section 11.

**“Interactivity”** means where there are two or more applications for connection and/or use of system which would be connected to the same part of the existing or future **NETS** and/or **Distribution System** where not all the applicants can be connected, interactivity is the process that determines the queue position of the applications that can be connected with or without further changes to the network<sup>2</sup>;

**“Interactivity Policy”** the policy adopted by **The Company** for the purposes of managing **Interactivity** and published on its website as it may be amended from time to time;

**“Offer Acceptance Period”** the period for acceptance as set out in **CUSC** Paragraphs 1.7.3, 2.13.3, 3.7.4, 6.9.2.3 and 9.17.3.

There is also a correction to CUSC Paragraph 6.10.4.3. The following change to references is required:

6.10.4.3 be entitled to vary the terms of either **Offer** if the other **Offer** is accepted first on the same procedures as those set out in Paragraphs 6.9.2.2 to 6.9.2.4 or ~~2.14.2 to 2.14.4~~ ~~2.13.2 to 2.13.4~~ inclusive as the case may be.

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<sup>2</sup> Following the closure of the Code Administrator Consultation, the Proposer has suggested the following addition in red text to this definition:

**“Interactivity”** means where there are two or more applications for connection and/or use of system which would be utilising or connecting to the same part of the existing or future **NETS** and/or **Distribution System** where not all the applicants can be connected, interactivity is the process that determines the queue position of the applications that can be connected with or without further changes to the network

This will be presented to the CUSC Panel on 25 June 2021

## What is the impact of this change?

Proposer's assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	<b>Positive</b> Providing offers of connection is a core licence condition for both the ESO and Network Operators. This modification will provide clarity to these parties on the correct process to efficiently manage interactive connection offers.
(b) 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> Providing clarity in the timescales connecting Users can expect from the connection offer process for interactive offers will better support effective competition.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>Neutral</b>
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	<b>Positive</b> This modification will clarify a consistent process for interactive connection offers thereby reducing ambiguity and promoting efficiency in the connections process as is governed by the CUSC.
*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).	

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories	
Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	<b>Neutral</b>
Lower bills than would otherwise be the case	<b>Neutral</b>
Benefits for society as a whole	<b>Neutral</b>
Reduced environmental damage	<b>Positive</b> This new provision ensures effective connection of generators.
Improved quality of service	<b>Positive</b> Early indication of interactivity helps applicants to prepare for the event and improves communication.

## Code Administrator Consultation Summary

The Code Administrator Consultation was on 14 May 2021 and closed at 5pm on 7 June 2021. Two responses were received with both of these being non-confidential. A summary of these responses can be found below, and the full responses can be found in Annex 2.

### Code Administrator Consultation summary

#### Question

Do you believe that the CMP370 Original Proposal better facilitates the Applicable CUSC Objectives?

One respondent believes the proposal better facilitates Objectives a, b as it implements a coherent and standardised process to deal with multiple interactive applications on a fair and equal basis.

The other respondent stated that although they understand the intent of the modification, they do not believe the definition of 'Interactivity' fulfils that intent where, for example, there is transmission and distribution interactivity. Following discussion with the respondent, the Proposer has suggested an addition to this definition to be presented to the Panel for consideration (*see "Legal text issues raised in the consultation" section below*)

Do you support the proposed implementation approach?

Both respondents supported the implementation approach, agreeing that the interactive process is already developed.

Do you have any other comments?

One respondent noted that all stakeholders, should be consulted on any changes to the ESO Interactivity Policy and encouraged clarity from the ESO to make the change management process transparent and accessible up front.

#### Legal text issues raised in the consultation – proposed changes shown in **red text**

Following the closure of the Code Administrator Consultation, the Proposer (after discussion with the respondent who raised concerns on the definition of "Interactivity"), has suggested the following addition in **red text** to the definition of Interactivity:

**"Interactivity"** means where there are two or more applications for connection and/or use of system which would be **utilising or** connecting to the same part of the existing or future **NETS** and/or **Distribution System** where not all the applicants can be connected, interactivity is the process that determines the queue position of the applications that can be connected with or without further changes to the network

CUSC Panel on 25 June 2021 will be asked to consider these changes and agree next steps. Options for CUSC Panel are to:

- Agree that these changes are typographical and ask that legal text to be amended prior to sending the Final Modification Report to Ofgem; or

- Agree that some or all of these changes are not needed; or
- Agree to run a 2<sup>nd</sup> Code Administrator Consultation (and agree how long this is to be run for).

### EBGL issues raised in the consultation

No EBGL issues were raised in the consultation.

## Panel Recommendation Vote

The Panel will meet on the 25 June 2021 to carry out their recommendation vote.

They will assess whether a change should be made to the CUSC by assessing the proposed change and any alternatives against the Applicable Objectives.

## When will this change take place?

### Implementation date

10 working days after Authority approval.

The current interactivity policy has already been implemented from 1 January 2021 by all Network Operators. ESO has already made relevant changes to the system and its processes to deliver this new Interactivity policy.

STC changes have already been submitted and approved. Please find below proposal form and legal text:

- PM0116- The proposal form [here](#)
- PM0116- Annex 1 The legal text [here](#)
- PM0116 – STC Modification Panel Approval [September 2020 Minutes](#)
- STC implementation approval



FW\_EXT \_\_ PM0116  
- Implementation of

### Date decision required by

A decision is required ideally by 1 August 2021 but no later than 31 August 2021.

### Implementation approach

The Interactivity policy developed through the ENA is already being implemented by all Network Operators. There is therefore no specific implementation approach to be considered by the modification proposal as it is proposing to formalise an existing process.

The process and system changes required by the ESO have already been completed.

An updated version of the ESO Interactivity Policy will be published as part of implementation of this modification following feedback from industry, including CUSC Panel members. The ESO intend to publish this at the same time as the modification goes live. The updates will include:

- Clear version control and dating of the document;
- Clarification that the policy applies to all applications under the CUSC, irrespective of User type;

- Reference to the consultation process that will be undertaken with the wider industry where the ESO wishes to make material changes to the ESO Interactivity Policy document; and
- Minor amendments to improve clarity and aid understanding for users of the ESO Interactivity Policy.

## Interactions

- |   |  |  |                                |
|---|--|--|--------------------------------|
| <input type="checkbox"/> Grid Code              | <input type="checkbox"/> BSC                               | <input checked="" type="checkbox"/> STC      | <input type="checkbox"/> SQSS  |
| <input type="checkbox"/> European Network Codes | <input type="checkbox"/> EBGL Article 18 T&Cs <sup>3</sup> | <input type="checkbox"/> Other modifications | <input type="checkbox"/> Other |

STC modification PM0116 has already been approved and implemented.

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBGL	Electricity Balancing Guideline
ENA	Energy Networks Association
ESO	Electricity System Operator
Network Operators	Includes the following market participants; the Electricity System Operator, Onshore and Offshore Transmission Owners and Distribution Network Operators.
NETS	National Electricity Transmission System
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

## Reference material

- None (to what is already included in the body of the Proposal Form)

## Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Code Administrator Consultation Responses

<sup>3</sup> If your modification amends any of the clauses mapped out in Exhibit Y to the CUSC, it will change the Terms & Conditions relating to Balancing Service Providers. The modification will need to follow the process set out in Article 18 of the European Electricity Balancing Guideline (EBGL – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCE R process.