nationalgrid

Stage 02: Draft CUSC Modifications Report

Connection and Use of System Code (CUSC)

CMP238

'Application of Statement of Works process when a modification application is made'

What stage is this document at?

01	Code Administrator Consultation
02	Draft CUSC Modification Report
03	Final CUSC Modification Report

CMP238 seeks to change the CUSC so that when a Distribution Network Operator (DNO) receives a distribution connection application and the DNO knows this will impact the Transmission System, the DNO may directly submit a Modification Application omitting the Statement of Works process.

Published on: 22nd January 2015

National Grid's opinion:
CMP238 better facilitates Applicable CUSC Objective (b) as it reduces connection costs and timescales.

Low Impact:
Distribution connecting developers, DNOs

Contents

About this document

This a draft of the CUSC Modification Report which has been prepared and issued by National Grid as Code Administrator under the rules and procedures specified in the CUSC. The purpose of this document is to assist the CUSC Modifications Panel in their recommendation vote and the Authority in their decision whether to implement CMP238.

Document Control

Version	Date	Author	Change Reference
0.1	5th January 2015	Code Administrator	Version to Industry
0.2	22nd January 2015	Code Administrator	Version to CUSC Panel

Any Questions?

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Proposer:
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National Grid Electricity Transmission Plc
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1 Summary

1.1 This document describes the CMP238 CUSC Modification Proposal (the Proposal) and seeks views from Industry members relating to the Proposal.

1.2 CMP238 was proposed by National Grid Electricity Transmission and submitted to the CUSC Modifications Panel (the Panel) for their consideration on 31st October 2014. A copy of this Proposal is provided in Annex 1. The Panel decided that this Modification should not be classed as Self-Governance and should proceed directly to Code Administrator Consultation for the standard 15 working Days. .

1.3 The Proposal seeks to change the CUSC so that when a Distribution Network Operator (DNO) receives a distribution connection application and the DNO knows this will impact the Transmission System, the DNO may directly submit a Modification Application omitting the Statement of Works process.

1.4 The Code Administrator Consultation closed on 11th December 2014 and received seven responses (including two late responses); these can be found in Annex 4, a summary of these responses can also be found in Section 7 of this report.

1.5 This CUSC Modification Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP238/, along with the CUSC Modification Proposal form.

National Grid's Initial view

1.6 CMP238 will reduce connection costs and timelines for distribution connecting generators which therefore better facilitates Applicable CUSC Objective (b)

CUSC Modifications Panel's view

1.6 To be included after the CUSC Modifications Panel's recommendation vote.

2 Background

2.1 The Statement of Works Process (SoW) was implemented by National Grid under CUSC Amendment Proposal (CAP) 97 'Revisions to the Contractual Requirements for Small and Medium Embedded Power Stations under 6.5'. Previously, where a developer connected to a Distribution Network and the relevant Distribution Network Operator (DNO) believed that the connection/resulting Distribution Network works may have an impact on the Transmission System, the DNO was required to make a Modification Application. CAP97 sought to avoid a full Modification Application in every case by providing a cheaper and shorter process whereby a DNO could request National Grid to perform initial analysis and determine if there is an impact on the Transmission System. This is called the Statement of Works process.

2.2 Based on the outcome of the Statement of Works process, the developer could decide whether to ask the DNO to proceed with a Modification Application or not.

2.3 A series of Ofgem led forums in 2013/14 established that embedded generators have difficulty understanding how their development impacts the Transmission network. Some developers see the Statement of Works process as costly and time consuming, with a lack of transparency.

2.4 One of the issues identified concerned the provision for the application of the Statement of Works process even in instances where the DNO is certain that there is an impact on the Transmission System resulting from the developer's connection request.

2.5 The Statement of Works process also incurs a fee chargeable by National Grid to the DNO, and can take up to four months in terms of turnaround. By requiring the DNO to enter into this process where they already know that the connection will impact the Transmission System, could incur inefficient additional costs and delay the overall connection process for the developer.

2.6 It was suggested that when a DNO received a distribution connection application, and that DNO knows that it will impact the Transmission System, the DNO should be able to directly submit a Modification Application. In the case where a DNO receives a distribution connection application and that DNO is unsure of its impact, then the DNO should be able to continue to submit a request for Statement of Works. Ofgem have since allowed National Grid to conduct a trial of this process.

2.7 On 13 May 2014, Ofgem issued a letter of comfort stating 'we will not enforce compliance with sections 6.5.5.1 and 6.5.5.3 of the Connection and Use of System Code (CUSC). This is during the period that National Grid Electricity Transmission System plc (NGET) is undertaking a trial of a revised process for connection distributed generation (DG) customers (the Statement of Works process). This assurance also applies to Distribution Network Operators (DNOs) participating in the trial.' As part of this letter of comfort, National Grid is required to report to Ofgem on the progress and outcomes of the trial. The interim report was sent to Ofgem on 12 November 2014 and is included within Annex 3 of this Consultation.

3 Modification Proposal

3.1 CMP238 proposes to continue the process introduced in National Grid's trial from the expiry of Ofgem's letter of comfort in May 2015. This is to allow a DNO to choose to directly submit a Modification Application in respect of a developer connection without first engaging in the Statement of Works process.

3.2 It is proposed that when a DNO received a distribution connection application, and that DNO knows that it will impact the Transmission System, the DNO may directly submit a Modification Application. In the case where a DNO receives a distribution connection application and that DNO is unsure of its impact, then the DNO may continue to submit a request for Statement of Works.

3.3 In the instance where the DNO proceeds directly to submit a Modification Application, this should reduce application time and costs for the developer.

4 Proposed Implementation and Transition

4.1 If approved, the Code Administrator proposes that CMP238 should be implemented 10 Working days after an Authority decision.

5 Impacts

Impact on the CUSC

5.1 Changes to paragraph 6.5.5.1

Changes to CUSC Exhibit I: SECTION C

Impact on Greenhouse Gas Emissions

5.2 None identified.

Impact on Core Industry Documents

5.3 None identified.

Impact on other Industry Documents

5.4 None identified.

Costs

Industry Costs	
Resource costs	£6,353 – 1 Consultation • 1.5 man days effort per consultation response • 7 consultation responses
Total Industry costs	£6,353

6 Views

Applicable CUSC Objectives

6.1 For reference, the Applicable CUSC Objectives, as defined in the Transmission Licence are;

(a) The efficient discharge by the Company of the obligations imposed upon it by the Acts and the Transmission Licence

(b) Facilitating effective competition in the generation and supply of electricity, and (so far as is consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

National Grid's view

6.2 National Grid believes that the proposed changes remove a barrier to competition by reducing inefficient costs and timescales for parties wishing to connect to distribution networks. This better facilitates applicable objective (b).

CUSC Modifications Panel's view

6.3 To be included after the CUSC Modifications Panel's recommendation vote.

7 Code Administrator Consultation Responses

7.1 Seven responses (including two late responses) were received to the Code Administrator Consultation. The following table provides an overview of the responses received. The full responses can be found in Annex 4.

Company name	Do you believe CMP238 better facilitates the Applicable CUSC Objectives?	Do you support the proposed implementation approach?	Do you have any other comments?
Banks Group	Yes (b) and (c) – the proposed changes saves time and money for developers. Also reduces a development risk earlier making the process more efficient.	Yes – probably further improvements to be made but this is a useful step.	No
EDF Energy	Yes – The saving of time and money from the trialled process, that CMP238 now makes permanent as an option, better meets applicable CUSC objectives (a) (administrative efficiency) and (b) (competition).	Yes	No
Electricity North West	Yes – will remove a barrier to competition by reducing inefficient costs and timescales for connecting parties, which better facilitates Applicable CUSC Objectives (a) and (b).	Yes	We believe that there is further improvement needed in the interface between distribution and transmission and would encourage NGET to look at wider improvements to the process. An aim should be to provide a distributed generator with more visibility of costs and timescales when connecting.
RWE Innogy UK	Yes (b) by reducing timelines for distribution connecting generators and avoiding the costs of unnecessary SOW. This should ensure swifter connections process. It removes a potential	Yes	Agree that CMP238 should be implemented, with further improvements to be considered separately. We seek to see a swift pursuit of solutions to be developed via the appropriate avenues by both transmission and

	barrier and can thereby facilitate better competition in generation.		distribution network companies.
Scottish Renewables and Renewable UK	Yes – avoids unnecessary costs and delays in the connection process.	Yes	There is some concern that CMP238 will be seen as a solution to a range of well documented problems with the SoW process. Whilst we welcome CMP238, it is vital that this is seen as a first step and we would strongly encourage National Grid to continue a further review of the SoW process to improve efficiency, affordability and value. (key issues of the SoW process are outlined within the full response)
Scottish Power Renewables	Yes – (a) and (b) as the proposal helps to remove unnecessary costs and timescales for customers connecting to the distribution network where the network operator is aware that a Transmission impact exists. This therefore removes a barrier to connection and competition.	Yes – positive step forward to addressing an apparent and long-standing issue.	There is significant room for further improvement including; • Communication between parties involved • Timing of overall process • Information and provision exchange • Contractual linkage • Efficiency SPR would welcome an extensive review of the SoW process.
SP Energy Networks	Yes – better facilitates (b)	Yes	Support a wider review of the Statement of Works process.

Annex 1 – CMP238 CUSC Modification Proposal Form

Title of the CUSC Modification Proposal
Application of Statement of Works Process when a modification application is made
Submission Date
16th October 2014
Description of the Issue or Defect that the CUSC Modification Proposal seeks to address
The Statement of Works Process (SoW) (CUSC 6.5.5) was implemented by National Grid under CUSC Amendment Proposal (CAP) 97. Previously, where a developer connects to a DNO and that DNO believed that the connection/resulting DNO works may have an impact on the Transmission System, the DNO was required to make a Modification Application. CAP97 sought to avoid a full Modification Application in every case by providing a cheaper and shorter process whereby a DNO could request National Grid to perform initial analysis and determine if there is an impact or not on the Transmission System. This is called the Statement of Works process. Based on the outcome of this, the developer could decide whether to ask the DNO to proceed with a Modification Application or not. The CUSC currently requires that a DNO who knows or believes a connection will impact the Transmission System will submit a Statement of Works request prior to submitting a Modification Application. A series of Ofgem led forums in 2013/14 established that embedded generators have difficulty understanding how their development impacts on the Transmission network. Developers see the Statement of Works process as taking too long and costing too much, with a lack of transparency in the process. One of the issues identified concerned the provision for the application of the Statement of Works process even in instances where the DNO is certain that there is an impact on the Transmission System resulting from the developer's connection request. This is inefficient as the DNO does not need to determine if there is an impact, but could instead directly proceed to a Modification Application. The Statement of Works process also incurs a fee chargeable by National Grid to the DNO, and can take up to four months in terms of turnaround. By requiring the DNO to enter into this process where they already know that the connection will impact the Transmission System they could incur inefficient additional costs and delay the overall connection process for the developer.

We also understand that a Statement of Works request could result in the need for a new Connection Application rather than a Modification Application, and we believe that further clarity in the legal text in this area may also be required.

Description of the CUSC Modification Proposal

This modification proposal would allow a DNO to choose to directly submit a Modification Application in respect of a developer connection without first engaging the Statement of Works process.

It is proposed that when a DNO receives a distribution connection application, and that DNO knows this will impact the Transmission system, the DNO may directly submit a Modification Application as described under paragraph 6.9. In the case when a DNO receives a distribution connection application, and that DNO is unsure of its impact, then the DNO may continue to submit a request for Statement of Works as described under paragraph 6.5.

The attached document provides suggested legal text for the modification. Textual changes for the potential inclusion of Connection Applications arising from a Statement of Works request have not been included at this stage.

Impact on the CUSC

Changes to paragraph 6.5.5.1 (Suggested legal text attached).

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes / No

No.

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information

BSC ☐

Grid Code ☐

STC ☐

Other ☐
(please specify)

None.

Urgency Recommended: Yes / No
No.
Justification for Urgency Recommendation
N/A
Self-Governance Recommended: Yes / No
No.
Justification for Self-Governance Recommendation
N/A.
Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews?
Yes.
Impact on Computer Systems and Processes used by CUSC Parties:
No significant impact.
Details of any Related Modification to Other Industry Codes
None.
Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives:
Please tick the relevant boxes and provide justification: ☐ (a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence ☒ (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. ☐ (c) compliance with the Electricity Regulation and any relevant legally binding decision of the

European Commission and/or the Agency.
These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1.

Objective (c) was added in November 2011. This refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

The proposed changes remove a barrier to competition by reducing inefficient costs and timescales for parties wishing to connect to distribution networks. This better facilitates applicable objective (b).

Additional details

Details of Proposer: (Organisation Name)	David Corby National Grid
Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	National Electricity Transmission System Operator
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	David Corby National Grid 01926 654912 David.Corby@nationalgrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Andrew Wainwright National Grid 01926 655944 Andy.wainwright@nationalgrid.com
Attachments (Yes/No): **If Yes, Title and No. of pages of each Attachment:** Suggested Legal Text (1 Page)	

Contact Us

If you have any questions or need any advice on how to fill in this form please contact the Panel Secretary:

E-mail cusc.team@nationalgrid.com

Phone: 01926 653606

For examples of recent CUSC Modifications Proposals that have been raised please visit the National Grid Website at http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/Current/

Submitting the Proposal

Once you have completed this form, please return to the Panel Secretary, either by email to jade.clarke@nationalgrid.com and copied to cusc.team@nationalgrid.com, or by post to:

Jade Clarke
CUSC Modifications Panel Secretary, TNS
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

If no more information is required, we will contact you with a Modification Proposal number and the date the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, the Proposal can be rejected. You will be informed of the rejection and the Panel will discuss the issue at the next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform you.

Proposed Legal text (numbering based on CUSC section 6 v1.22)

6.5.5 Statement of Works

6.5.5.1 Any **User** who owns or operates a **Distribution System** shall, as soon as reasonably practicable upon receipt of a request for a connection to and / or for the use of that **User's Distribution System** from a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**, except where it has submitted a Modification Application in respect of such a request, submit to **The Company** a **Request for a Statement of Works**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit U

CUSC exhibit I:

SECTION C. TECHNICAL INFORMATION

1. Summary of Application (brief description of plant to be connected):
……..
….....
.....

2. Please provide full details of the proposed **Modification** together with the relevant **Standard Planning Data** as listed in Part 1 of the Appendix to the **Planning Code** to the extent that the data will change from previously submitted Committed Project Planning Data or Connected Planning Data as a result of the proposed **Modification**. Note: the data concerned form part of the **Planning Code** and **Data Registration Code**. **Applicants** should refer to these sections of the **Grid Code** for an explanation. Further guidance is available from **The Company**[3] on request.

3. Please notify **The Company** as to whether the **Modification** is associated with a **BELLA/BEGA Application** and if so details of the relevant **BELLA/BEGA Application**.

   BELLA/BEGA Agreement Ref: ……

   Site of Connection……..

4. Please notify **The Company** as to whether the **Modification** is in respect of a request for a connection to and / or for the use of the **User's Distribution System** from a **Relevant Embedded Medium Power Station** or a

[3] Customer Services, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 654634)

Relevant Embedded Small Power Station, and therefore relieves the requirement to raise a **Request for a Statement of Works** under 6.5.5.1

Yes / No……..

Annex 2 – Draft Legal Text

6.5.5 Statement of Works

6.5.5.1 Any **User** who owns or operates a **Distribution System** shall as soon as reasonably practicable upon receipt of a request for a connection to and / or for the use of that **User's Distribution System** from a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**, except where it has submitted a Modification Application in respect of such a request, submit to **The Company** a **Request for a Statement of Works**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit U

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1. Summary of Application (brief description of plant to be connected):
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2. Please provide full details of the proposed **Modification** together with the relevant **Standard Planning Data** as listed in Part 1 of the Appendix to the **Planning Code** to the extent that the data will change from previously submitted Committed Project Planning Data or Connected Planning Data as a result of the proposed **Modification**. Note: the data concerned form part of the **Planning Code** and **Data Registration Code**. **Applicants** should refer to these sections of the **Grid Code** for an explanation. Further guidance is available from **The Company**[3] on request.

3. Please notify **The Company** as to whether the **Modification** is associated with a **BELLA/BEGA Application** and if so details of the relevant **BELLA/BEGA Application**.

   BELLA/BEGA Agreement Ref: ……

   Site of Connection……..

4. Please notify **The Company** as to whether the **Modification** is in respect of a request for a connection to and / or for the use of the **User's Distribution System** from a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**, and therefore relieves the requirement to raise a **Request for a Statement of Works** under 6.5.5.1

   Yes / No……..

[3] Customer Services, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 654634)

Annex 3 – National Grid's Interim report on the Statement of Works trial

Background

On 12th May 2014 Ofgem published a 'letter of comfort' to industry[1] providing 'assurance that [Ofgem] will not enforce compliance with sections 6.5.5.1 and 6.5.5.3 of the Connection and Use of System Code (CUSC)' throughout the period of a planned trial.

The purpose of the one year trial was to bypass the Statement of Works process (and move directly to Confirmation of Project Progression) where the DNO knows that embedded generation would have an effect on the transmission system. As such it was expected that there were potential cost and time savings within the process for embedded generators ordinarily required to progress through Statement of Works.

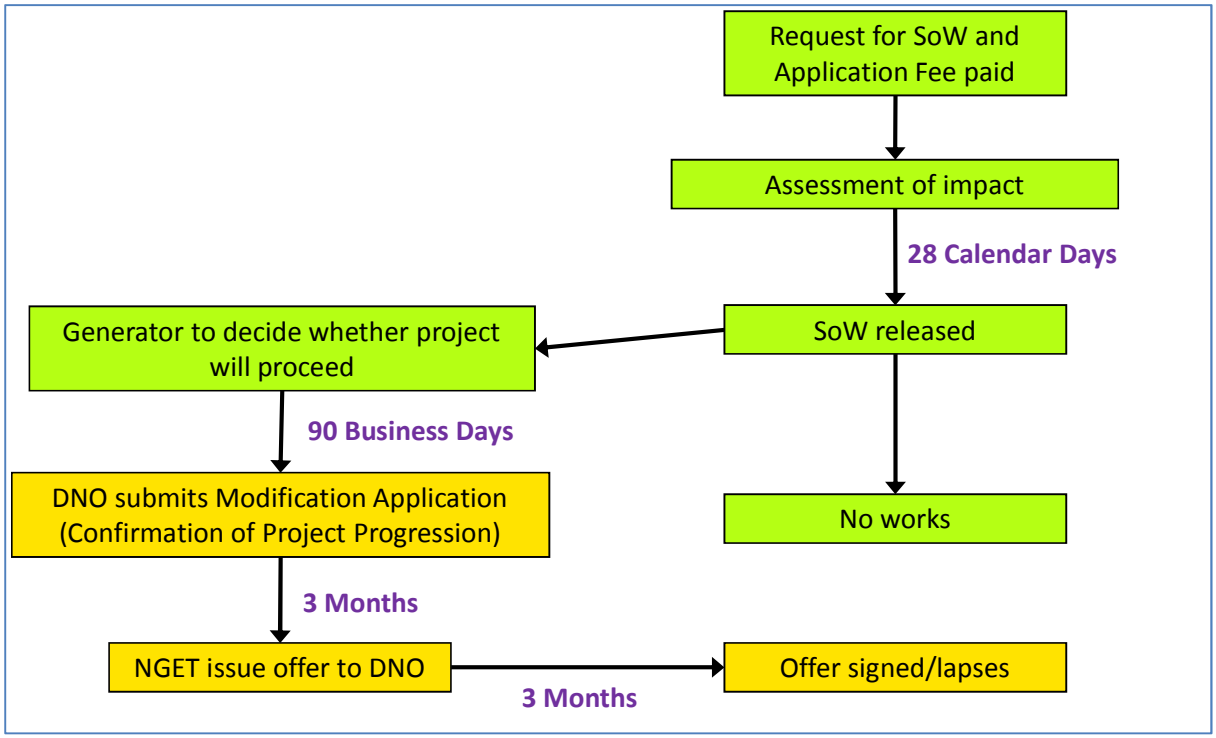
National Grid was directed to publish a progress report by 12th November 2014 to include information about participants within the trial and information on the following:

- Time Savings
- Administration Fee Savings
- Customer Feedback

A final report was also directed to be published by 11th May 2015 which is expected to include information on any CUSC Modification Proposal (as in the event the trial process was deemed to be successful it was also expected that National Grid would commence a CUSC Modification Proposal) to conclude coincident with the end of the trial period.

Figure 1 and Figure 2 below respectively provide a high-level overview of the current Statement of Works and Confirmation of Project Progression process and the anticipated process under the trial where there is a known effect on the Transmission System.

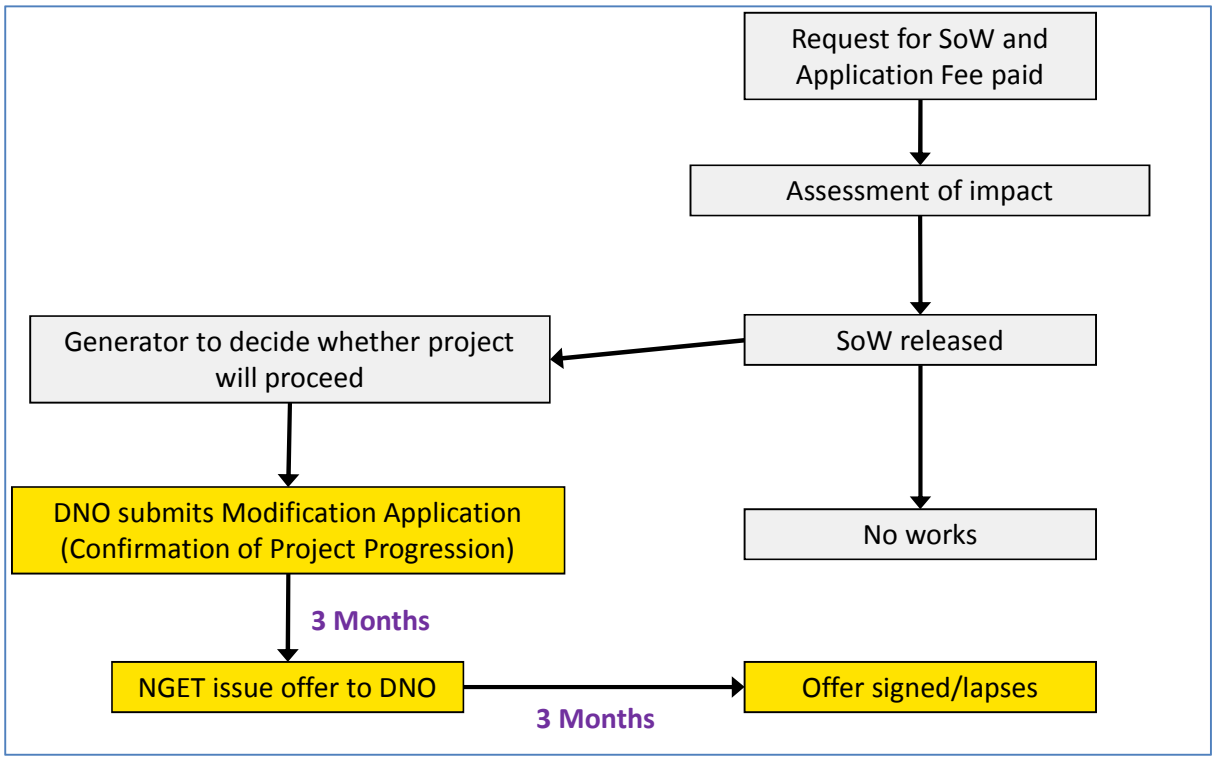
Figure 1 – Current Statement of Works and Confirmation of Project Progression Process



[1] https://www.ofgem.gov.uk/ofgem-publications/87731/ngetletterofcomfort12may2014.pdf

Figure 2 – Trial Statement of Works and Confirmation of Project Progression Process

Please note that the potentially bypassed steps of the process are now greyed. Please also note that an application fee would remain payable for Confirmation of Project Progression.



The expected benefit of the trial process in Figure 2 above is that where the outcome of the first stage of the process is known to require the second stage of the process with a degree of certainty in advance, the option to bypass the first stage (i.e. Statement of Works) is provided which saves the DNO (and thus the embedded generator) the cost of the initial application fee and the time spent progressing through the first stage of the process.

Interim Trial Review

Throughout the period of the trial to date there have been a number of applications, some of which have bypassed the first stage (i.e. Statement of Works) under the trial as per Figure 3 below.

Figure 3 – Trial Overview – 12th May 2014 to 31st October 2014

DNO	Number of Applications	% of applications bypassing Statement of Works
SHEPD	15	100%
SPD	18	100%
ENW	0	N/A
Northern Powergrid	3	0%
WPD	8	12.5%[2]
SP Manweb	2	0%
SEPD	0	N/A
UKPN[3]	2	100%

[2] Please note that there are a further 12 applications expected to bypass Statement of Works in the near future which would change this percentage to 65%.

[3] Please note that the two UKPN applications were bulk applications where multiple embedded generators were included within each application albeit are being treated as a single application by National Grid.

The following sub-sections provide an overview of whether the expected benefits are being achieved under the trial period.

Time Savings

Based upon the information within Figure 3, the total process time saving for DNOs is as per Figure 4.

Figure 4 – Statement of Works Time Savings

DNO	Statement of Works Timescales	Total Time Saving
SHEPD	28 Calendar Days per Statement of Works Application	420 Calendar Days
SPD		504 Calendar Days
ENW		N/A
Northern Powergrid		No Saving
WPD		28 Calendar Days
SP Manweb		No Saving
SEPD		N/A
UKPN		56 Calendar Days

Please note that as well as the known time saving above there is a far greater time saving which is more difficult to quantify in that for those which have bypassed Statement of Works, as well as the actual 28 calendar day period, each project benefitting from the trial would not be held up by any administration time prior to the start of this period (i.e. for payment of an invoice) or in the period between Statement of Works and Confirmation of Project Progression, which could be up to 90 business days for each application.

Administration Fee Savings

Based upon the information within Figure 3, as well as the Statement of Use of System Charges published[4] as detailed in Figure 5, the total saving to DNOs (and thus embedded generators) to date as a result of the trial is **£92,700**.

Figure 5 – Statement of Works Charges (including VAT)

DNO	Statement of Works Charge	Total Saving
SHEPD	£1,200	£18,000
SPD	£3,600	£64,800
ENW	£3,300	N/A
Northern Powergrid	£3,300	£0
WPD	£3,300	£3,300
SP Manweb	£3,300	£0
SEPD	£3,300	N/A
UKPN	£3,300	£6,600

Please note that for simplicity the above costs are reflective of applications being 'in zone' and has not taken into account any changes to the above charges (per application) as a result of any application being in respect of a site located within a boundary of influence. This will have minimal effect on the overall saving indicated.

[4] http://www2.nationalgrid.com/UK/Industry-information/System-charges/Electricity-transmission/Transmission-Network-Use-of-System-Charges/Statement-of-Use-of-System-Charges

Customer Feedback

Customer feedback provided to date has been generally positive, especially for those in Scotland. It is acknowledged that the trial provides the opportunity for cost and time savings within the process when compared to the status quo.

On this basis the trial is providing tangible benefits to embedded generators as expected.

However, feedback has also been received from customers that the removal of Statement of Works, although a step in the right direction, is not sufficient in itself to unlock the full range of opportunities to improve the process and further work is likely to be required.

In addition, it is apparent from discussions with stakeholders that a blanket removal of the Statement of Works process would not be in the best interests of customers as for certain embedded projects there is still uncertainty as to whether the embedded generator will have an effect on the Transmission System so in these instances the first stage may remain beneficial and the flexibility to progress through the current process or bypass Statement of Works and move directly to Confirmation of Project Progression (as and where appropriate) is desirable.

Interim Conclusion and Next Steps

Based upon the above information the interim conclusion is that the trial is successfully achieving its aims and that a CUSC Modification Proposal should be raised to conclude coincident with the conclusion of the trial in May 2015.

Therefore, on 31st October 2014 National Grid raised a CUSC Modification Proposal at the CUSC Panel to provide an option under CUSC Paragraph 6.5.5.1 for a DNO to bypass Statement of Works and progress to Confirmation of Project Progression where it is known that the embedded generator will have an effect on the Transmission System. The CUSC Panel accepted that the proposal could proceed to Code Administrator consultation and this is due to be published in the near future.

Until the conclusion of the trial, data and feedback will continue to be recorded to feed into the final report due 11th May 2015.

Annex 4 – Code Administrator Consultation responses

CMP238 – Application of Statement of Works process when a modification application is made.

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 11th December 2014** to cusc.team@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

These responses will be included in the Final CUSC Modification Report which is submitted to the Authority.

Respondent:	*Dan Thomas* *Dan.thomas@banksgroup.co.uk*
Company Name:	*Banks Group*
1. Do you believe that CMP238 better facilitates the Applicable CUSC Objectives? Please include your reasoning.	For reference, the Applicable CUSC objectives are: (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; (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. (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. *Yes, the proposed change saves time and money for developers where DNO's know the proposed generation will have an impact on the Transmission network. This also reduces a development risk earlier. All of these reasons support development of the most competitive generation projects and lead to a more efficient process. These align with CUSC objectives b and a.*
2. Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	*Yes. There are probably further improvements to the process for assessment of the impact of DNO connected generation on the transmission network that can be made but this is a pragmatic and useful step.*

3. Do you have any other comments?	*No*

CMP238 – Application of Statement of Works process when a modification application is made.

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 11th December 2014** to cusc.team@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

These responses will be included in the Final CUSC Modification Report which is submitted to the Authority.

Respondent:	Paul Mott
Company Name:	EDF Energy
1. Do you believe that CMP238 better facilitates the Applicable CUSC Objectives? Please include your reasoning.	Yes. By allowing DNOs, on receipt of a large embedded generator's connection application, to not ask Grid for a statement of works, but go direct to submitting a Modification Application to Grid, time and money are saved in processing the application. DNOs will only do this where they know that the new DG will impact the Transmission System. In the case where a DNO receives a distribution connection application and that is unsure of its impact, then the DNO will still submit a request for Statement of Works. The trial of the new process over the last year has been a success with time savings in processing new embedded generator connection applications, especially in Scotland. There were some English DNOs where none of the small number of applications by-passed the process of requesting a statement of works route, as the DNO was unsure, and still needed to ask for a statement of works first. The saving of time and money from the trialled optional process, that CMP238 now makes permanent as an option, better meets applicable CUSC objectives (a) (administrative efficiency), and (b) (competition).
2. Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes

3. Do you have any other comments?	No

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Respondent:	*Andrew Sherry (andrew.sherry@enwl.co.uk)*
Company Name:	*Electricity North West*
1. Do you believe that CMP238 better facilitates the Applicable CUSC Objectives? Please include your reasoning.	For reference, the Applicable CUSC objectives are: (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; (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. (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. *We agree that CMP238 will remove a barrier to competition by reducing inefficient costs and timescales for connecting parties, which better facilitates Applicable CUSC Objectives (a) and (b).*
2. Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	*We believe that the implementation of CMP238 10 working days after the Authority decision is a reasonable approach.*
3. Do you have any other comments?	*We support the move to confirm this trial into the normal arrangements. This change will have some benefit for some customers in areas where there are existing and well known transmission constraints but limited impact on customers connecting to our network. We believe that there is further improvement needed in the interface between distribution and*

	transmission and would encourage NGET to look at wider improvements to the process. *Our collective aim should be to provide a distributed generator wishing to connect to have better visibility of all costs and timescales at the time the distributor makes its connection offer.*

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Respondent:	*Fruzsina Kemenes, Regulation & Policy Manager*
Company Name:	*RWE Innogy UK*
1. Do you believe that CMP238 better facilitates the Applicable CUSC Objectives? Please include your reasoning.	In our experience the current (pre-trial) SOW process usually takes in excess of a year, leaving us with uncertainty regarding the full costs of connection and adding significant delay to the development of our projects. We agree that CMP238 will better facilitating Applicable CUSC Objective B by reducing timelines for distribution connecting generators and avoiding the costs of unnecessarily applying for SOW Stage 1 where the DNO already knows that the connection will impact the Transmission System. This should ensure a swifter connections process for some generators that fall in the category of embedded with an impact on the transmission system. It removes a potential barrier and can thereby facilitate better competition in generation.
2. Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes.
3. Do you have any other comments?	We agree with the views of Scottish Renewables and RenewableUK regarding support for the implementation of CMP238 as it stands while also calling for further changes to be made separately. The wider range of issues experienced by embedded generators are well documented – for example via NGET's SOW workshop. We seek to see a swift pursuit of solutions to be developed via the appropriate avenues by both transmission and distribution network companies.

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Respondent:	*Michael Rieley mrieley@scottishrenewables.com*
Company Name:	*Scottish Renewables & Renewable UK*
1. Do you believe that CMP238 better facilitates the Applicable CUSC Objectives? Please include your reasoning.	It is Scottish Renewables and RenewableUK's view that CMP 238 accurately corrects a fault by avoiding unnecessary cost and delay to the connection of embedded generation in areas where it is certain that they will have an impact on the transmission grid. This is particularly relevant for the industry in Scotland where, given the volume of generators that are connecting to the distribution grid and the required upgrades to the electricity transmission network, the vast majority of embedded connections will require a modification application making the SoW process redundant. It is our view that the proposed modification will go some way to correcting this fault and will better facilitate the objectives of the CUSC.
2. Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	It is our view that requiring DNO's and developers to engage in the SoW process for all connection requests results in inefficient additional costs and unnecessary delays to the overall connection. Therefore, Scottish Renewables and RenewableUK support CUSC Modification Proposal 238 (CMP 238) and the proposed implementation approach.
3. Do you have any other comments?	There is some concern within industry that CMP238 will be seen as a solution to a range of well documented problems for generators with the wider SoW process. We were encouraged by the engagement with National Grid on these issues at the Developer workshop held in Warwick in June 2014. However we

	are not aware that there has been any real progress since. While we welcome the change proposed by CMP238, it is vital that this is seen as a first step and we would strongly encourage National Grid to continue a further review of the SoW process to improve efficiency, affordability and value for those who are not able to avoid it. With this in mind we have set out some of the key issues raised with National Grid at their workshop in June that CMP 238 does not yet address. It is recommended that National Grid revisits the entirety of these workshop outcomes in order to recap on the raised issues. • Lack of visibility / feedback during the process • The 3 month process is primarily taken up by the process with the DNO leaving little time for the Developer to agree the terms or challenge the Offer • The level of technical information required is unnecessarily onerous & this can slow down the whole process. Providing high level technical information should be enough. More details can be requested in the few specific cases where it is needed. • Communication regarding the commencement of the SoW process when making the distribution application is inconsistent and often poor • The process is complex & difficult to understand • The overall timescale for a Developer to understand the impact that their project has on the Transmission System is far too long and down payments are required before the impact is known(Statement of Works Stage 1 + Statement of Works Stage 2) • There is no formal route to obtain an “early” view of the impact that a project has on the Transmission System • The Transmission Works Register provided some clue to likely works but this is no longer published. • ENA application form (Developer – DNO) does not align to the Statement of Work process (does not allow Developers to request the DNO to commence the SoW process) • Developers connection options have to be “firm” unable to have “non firm” (it was recognised that non firm is provided through the BEGA) • Developers would like to be able to see the cost & works of the Transmission Reinforcements prior to signing their Distribution Agreement (having the whole picture) • 90 days for the Stage 2 is too long • Process is longer than it is for a T-applicant & therefore discriminatory

	• Doesn't account properly for <1MW DG. • No formal direct engagement with SO or TO potentially leaving the Customer in the dark. • Process, timescales and pass-through technical obligations are the same regardless of the depth of network connection In order to avoid the disconnect of timescales between DNO connection offers and transmission connection offers, a methodology was proposed at the DG/DNO Steering Group on the 2nd December. Under circumstances where the DNO knows that an impact on the transmission system is certain, DNO's should provide a pre-calculated indicative transmission connection cost within their DG connection offer. This will allow developers to a) receive a basic total cost for connection b) reduce the timescale of receiving information, and c) accept/refuse the DNO offer with the an indicative knowledge of the overarching cost. RenewableUK and DG members present at the meeting considered this option to be worthy of consideration and DNO's considered it to be plausible. It is also recommended that interaction between TO and DG is increased, as this communication is currently limited. DG are increasingly frustrated at receiving high cost TO quotes with no alternative options or further discussions. Improved communication between both parties would improve this situation. This would also help to facilitate the offer of non-firm connections via BEGA – most DG parties are unaware of this option.

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Respondent:	*Joseph Dunn* *Joseph.Dunn@scottishpower.com* *Tel: +44 (0) 7753624494*
Company Name:	*ScottishPower Renewables*
1. Do you believe that CMP238 better facilitates the Applicable CUSC Objectives? Please include your reasoning.	For reference, the Applicable CUSC objectives are: (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; *Yes, as per response to (b) below.* (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. *Yes, the proposals help remove unnecessary costs and timescales for customers connecting to the distribution network where the network operator is aware that a Transmission impact exists. This therefore removes a barrier to connection and competition.* (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. *No comment.*
2. Do you support the proposed implementation approach? If not, please state why and provide an	*Yes, this is a positive step forward to addressing an*

alternative suggestion where possible.	*apparent and long-standing issue.*
3. Do you have any other comments?	*SPR would add that there is significant room for further improvement with regards to a number of areas such as:* • *communication between all parties involved (generator, T and D Operators, e.g. what stage a process is at),* • *timing of overall process (still too long with each T/D part having to conclude before the next part begins),* • *information provision and exchange (information as to actual generator requirements via NGET and how this can be best facilitated by the t network operator)* • *contractual linkage (between transmission offer acceptance and distribution offer variation and acceptance with its associated timing)* *Equally, with much focus on cost reduction, there is further room for improvement in efficiency with regards to an embedded generator's request and ability to consider non-firm/ restricted available access/ active network management that affects the transmission system or at the transmission/ distribution boundary point (to remove the need for expensive upgrades). At this point in time, conjoined discussion is limited due to the contractual relationship an embedded generator has with the connecting network company which makes iteration and consensus of a balanced and economic solution very difficult.* *Subsequently, SPR would welcome an extensive review of the SoW process to consider much wider change proposals.* *We note that there have already been a number of industry workshops carried out by NGET to assess the barriers and therefore most of the issues are already widely known.*

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Respondent:	*Deborah MacPherson*
Company Name:	*SP Energy Networks*
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2. Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	*We are supportive of the proposed approach to implementation.*

3. Do you have any other comments?	*We have previously expressed our preference that any modification proposal raised to take account of the SoW Trial that is currently underway, should also seek to undertake a wider review of the Statement of Works Process.* *Whilst we recognise that CMP238 was raised to ensure that the trial becomes the enduring process when the trial comes to an end, we are still of the view a wider review of the Statement of Works process is required and would welcome the opportunity to work with NGET to undertake such a review.*