

Workgroup Consultation Response Proforma**CMP298: Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation**

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 to cusc.team@nationalgrideso.com by **5pm on 10 September 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact Paul Mullen paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
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I wish my response to be:

(Please mark the relevant box)

 Non-Confidential Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel, the Workgroup or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the Applicable CUSC (non-charging) Objectives are:

- a) *The efficient discharge by the Licensee of the obligations imposed on 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 *; and*
- d) *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**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).*

Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions

1	Do you believe that the CMP298 Original Proposal better facilitates the Applicable Objectives?	<p>Objective A</p> <p>We believe the proposal is neutral in respect of Objective A.</p> <p>The administrative savings from reducing distributed generation referrals will be offset by administrative burden of reviewing Planning Limits and conducting Stage 1 Materiality Trigger study work to evaluate the impacts of revised DNO distributed generation data. We believe the likely review workload will be higher as a result of cross system interactions due to reducing GSP headroom, particularly on shared site, and more so since the proposal was first raised.</p> <p>Objective B</p> <p>We believe the proposal is neutral in respect of Objective B.</p> <p>Whilst the proposal's application stage improvements facilitate generation connections through reductions in individual connection administration, there are two consequential aspects which distort competition in generation, that need to be considered further.</p> <ol style="list-style-type: none"> 1. We believe the different "Clock Start" definitions used across distribution and transmission leads to in-built distortion of interactivity priority that automatically advantages distribution connections, such as for distribution and transmission applications received on the same day. This has been flagged to the working group and we believe Clock Start criteria need to be aligned to remove this distortion within the proposed process. 2. We believe the aggregate approach to connection of distributed generation will be problematic when it comes to equal treatment of transmission access rights and connection priority, both of which have been flagged to the working group. The Access and Forward-Looking SCR proposals to extend transmission access down to 1MW distributed generation will magnify this distortion, and the exact connection sequence of higher volumes of individual generators with transmission access rights will become more critical. The workgroup needs to further consider how the CMP298 aggregated DG approach can fairly work in respect of individual TEC/TNUoS generation access in such circumstances. <p>Objective C</p> <p>We believe the proposal is neutral in respect of Objective C.</p> <p>Objective D</p> <p>We believe the proposal is negative in respect of Objective D at this time.</p> <p>Whilst the proposal may reduce the frequency of Statement of Works/Project Progression referrals, the proposed new additional STC processes to evaluate DNO DG impact and set Planning Limits and Materiality Triggers will entail significant implementation and ongoing burden. These will be all new processes, generating new resource demands, when compared to baseline, and this has not been explored as yet, given the CUSC modification focus of the proposal.</p> <p>At this time no content on the proposed STC process for developing and setting Planning Limits and Materiality Triggers or revising impact assessments has been presented. Whilst we accept this detail resides in the STC rather than the core CUSC change, this does mean the main resource impact of this proposal is currently obscured and unquantified. Crucially the STC process needs to be developed in order that the magnitude of implementation and ongoing workload can be determined, as part of the CBA of this proposal. We would prefer Ofgem to be able to gauge the complete balance of benefit and impacts as a package of code change.</p>
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2	Do you support the proposed implementation approach?	<p>We do not, for the reason that the STC changes, and related workload, has not yet been scoped and assessed to give confidence that a 24-month implementation is the right timescale.</p> <p>Although a 24-month implementation appears a long period of time, the extent of modelling and changes required across all GSPs is significant. We feel more quantification of implementation is required. This change comes at a time of increasing volumes of applications for transmission connections, both for connections and speculative development enquiries.</p> <p>We would suggest that a scoped "implementation plan" is established, to help evaluate and set a proposed implementation deadline, setting out the proposed pace of transition, e.g. volumes of GSPs with Planning Limits and Materiality Triggers set and BCAs revised by time. This could be done, for example, by implementation volume assessment with a volunteer DNO, specifically one with little to no "Appendix G" arrangements currently in place, in order to better inform implementation proposals.</p>
3	Do you have any other comments?	<ol style="list-style-type: none"> 1. The Access and Forward-Looking Charges Significant Code Review is proposing the introduction of TNUoS for distributed generation down to 1MW. We assume SCR proposals will infer some explicit TEC right for the relevant generation. It is not clear how distribution generation rated down to 1MW could be administered in aggregate whilst being fair in respect of individual generator TEC queue ordering. It would be helpful if the workgroup could consider how this CMP298 proposal can cater for the sequence of individual transmission access rights for smaller embedded generation, within an aggregation of distributed generator connections, were Access and Forward-Looking Charges SCR proposals to be implemented. 2. NGENSO has stated that a new STC procedure will be required and the expected processes will involve significant implement and ongoing burden. On both criteria the required changes will not fall under self-governance. <p>Before progressing further with this change, we do believe the full extent of STC administrative changes, the extent of SO-TO administrative process workload, and related timelines for probable implementation need to be established. On reflection, we believe this needs to be set out as a detailed STC change proposal and presented alongside this proposal prior to reaching the Code Admin consultation stage.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p>There is a potential alternative to facilitate connection of distributed generation but with reduced transmission administration. We believe this can be done under so-called Mk 1 Appendix G approach based on a Headroom allowance value, but evolved so that the Headroom value is more dynamically adjusted.</p> <p>Mk 1 Appendix G is set out in five part as follows; Part 1 is legacy DG. Part 2 is new DG that requires no works. Part 3 is new DG that needs works but connected non-firm. Part 4 is new DG that needs works that can't connect until the works are complete. Part 5 is the GSP specific headroom value and site-specific requirements.</p> <p>We believe there is merit in considering this option within the working group and this may lead to a WACM.</p>

Modification Specific Workgroup Consultation questions

5	Do you believe it is appropriate for the ESO to approve/reject the changes to Appendix G proposed by the Distribution Network Operators or is it sufficient that such changes are deemed to be accepted with a disputes process by exception? Please provide the rationale for your response.	<p>There is a need for accuracy of distribution generation records as errors will significantly affect impact assessments or correctness of Materiality Trigger initiation.</p> <p>Whilst a general ability to dispute data would appear reasonable, we see no compelling case for the ESO to charge for data validation. Practically, we do not see how the ESO could have any better data source to be in a position to validate provided distributed generation data.</p> <p>We believe parties should be able to work together in good faith to provide and correct data when necessary.</p>
6	Do you believe it is appropriate for the ESO to charge the Distribution Network Operators an application fee and/or a validation fee for their data to ensure the requirements of the Transmission Impact Assessment are met?	<p>The ESO needs to manage this process, as it does for other commercial processes such as connection applications, modifications, statement of works or project progression.</p> <p>We believe it reasonable for application administration costs to be recovered through cost reflective charges to the DNO applicant even if this excludes any validation fee.</p> <p>Such fees will need to include TO activities which NGET will charge to NGESO for its costs arising from the process.</p>
7	The CMP298 Workgroup have proposed that the ESO should publish a central list of which GSPs are on Statement of Works/ Confirmation of Project Progression and which are on Transmission Impact Assessment. They have also suggested what should be included and set a minimum timescale. Do you agree that this data should be centralised and hosted by the ESO and if so, do you have any comments on the proposed content and timing? Please provide the rationale for your response.	<p>In general, we support the provision of open data to help decision making but some further thought in the context of CMP298 is required into what a central list's content would be and what purpose it would serve.</p> <p>The proposed list does not appear to be intending to convey information that a prospective user would want in order to determine the likely prospect of connection, or the process, cost or timescale of achieving a connection.</p> <p>We do not believe a list focussing simply on existing equipment ratings and SoW/PP or Appendix G status of BCAs will necessarily inform users.</p> <p>We would suggest that further work is done on this aspect to ensure any central list proposed creates genuine benefit that outweighs the administration in its upkeep.</p> <p>We would also caution that such lists must be set out as being indicative, i.e. not binding, given the deterioration in accuracy of issued data as time goes by, most specifically in respect of unused or committed capacity.</p>
8	Will the CMP298 Original Proposal impact on your business. If so, how?	<p>Yes, this proposal will have an impact on our business as an onshore transmission owner.</p> <p>Replacing individual statement of works referrals with Materiality Trigger managed events for aggregated generation may reduce upfront administrative effort but this depends on the appropriate level of Materiality that is set for each given GSP. With increased GSP utilisation and reduced headroom, we expected the frequency of interactions and workload to increase further.</p> <p>Savings, if any, will be offset by increased effort through an as yet undefined STC process for determining GSP Planning Limits and Stage 1 Materiality Limit evaluation, including data and modelling effort.</p>