

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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| Respondent name: | Jonathan Purdy |
| Company name: | UK Power Networks |
| Email address: | jonathan.purdy@ukpowernetworks.co.uk |
| Phone number: | 07875 11 3017 |

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:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- 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;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency*; and*
- 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 | | |
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| 1 | Do you believe that the CMP298 Original Proposal better facilitates the Applicable Objectives? | The CMP298 original proposal introduces a more efficient and transparent process and as such better facilitates the applicable objectives. |
| 2 | Do you support the proposed implementation approach? | <p>We consider the proposed implementation approach to be reasonable and therefore UK Power Networks supports it. However, we believe there is need for clarity on data requirements, roles and responsibilities at an early stage for the proposed implementation approach to work efficiently. A rollout timeline for all the GSPs need to be produced by the workgroup and agreed before finalisation of the CMP298 modification proposal.</p> <p>This process has big impact to the customer service embedded generators receive on the distribution networks, improvements can deliver significant benefits. UK Power Networks has proactively collaborated and adopted new approaches to improve the customer's experience. However, codification is now required to deliver standardisation of experience across all areas and deliver the full benefits to connecting customers. This modification has taken three years to progress to this point and should now be prioritised to conclusion. UK Power Networks is fully committed to collaborating with all parties to achieve this.</p> |
| 3 | Do you have any other comments? | <p>We support the CMP298 proposal as it addresses the issues that stakeholders have been highlighting as posing challenges for them regarding the Statement of Works/Project Progression process. We recommend the quick formalisation of the Transmission Impact Assessment process in the CUSC to ensure consistency and universal application of the process nationwide.</p> <p>We suggest considering the quicker turnaround timescales for embedded generation connection projects, when compared to transmission connecting projects. In our view, this will allow more projects to connect, due to the knowledge required to address investment decisions queries being shared promptly and therefore efficiently, as opposed to on a delayed basis which, in certain cases, can</p> |

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| | | push away potential investors and/or cause embedded generation projects to be shelved. |
| 4 | Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider? | No |
| 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>We believe that the current “approve/reject” approach is sufficient.</p> <p>Our view on this is informed on the basis that the Appendix G is an appendix to the Bilateral Connection Agreement (BCA) between the ESO and DNO. As per normal practice, any amendment and/or update to the BCA requires agreement between both parties, with the ESO initiating the change to the BCA in the form of a new contract offer to the DNO, which the DNO signs off first (if in agreement) before the ESO countersigns it to bring the new contract into effect.</p> <p>In the case of the regular Appendix G Schedule 1 updates addressed by this modification, the DNO is acting as the initiator of the changes proposed. As such, it is our view that it is appropriate for the ESO to counter sign the updated Appendix G Schedule 1 to bring it into effect. Therefore, the proposal to introduce another layer in the form of the ‘disputes process by exception’ would, in our view, create unnecessary delay to what we believe is an established and efficient process to query any updates undertaken by the DNO, as set out in the Appendix G Schedule 2.</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>For the proposed regular Appendix G Schedule 1 updates, we believe it is not appropriate for the ESO to charge the DNO a validation fee.</p> <p>This view is informed by the fact that the majority of the work (if not all the work) to update the Appendix G Schedule 1 is undertaken by the DNO, with the ESO perhaps only undertaking a completeness/correctness check before “rubber stamping” the changes. The attempt to include a validation fee of some sort will be difficult to manage in practice as there would need to be an exhaustive definition list of acceptable genuine errors such as typos that any individual or group of individuals can be</p> |

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| | | <p>prone to make, even where there are adequate checks and/or reviews being carried out before submission to the ESO.</p> <p>In terms of the initial work to establish the Transmission Impact Assessment and the subsequent Technical Study Review at a GSP, we believe it is appropriate for the ESO to charge an application fee. The applicable fees should be proportionate (i.e. similar to the current Project Progression fee) and available on a fixed or variable basis dependent upon size and/or complexity of an application.</p> <p>There is also a strong case here for payment in arrears for a Materiality Trigger Review study at a GSP. All DNOs are obliged under their licences to maintain specific credit ratings and these in turn translate across into the CUSC under “The Company Credit Rating”, subsection (d). The ESO presently extends £1bn+ of credit to DNOs for connection assets that can in turn extend credit for fees that run into a few tens of thousands. As such, payment in arrears would in our view, help streamline and speed up the process to the benefit of Customers.</p> |
| 7 | <p>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> | <p>Although there is some merit in having a central list, our view is that the proposed content will not enhance customer experience as they would still need to interface with the relevant DNO and/or TO platforms to fully understand the generation opportunities available.</p> <p>We believe whilst the proposal will offer benefits, it may add another layer in the customer’s journey. Considering that most DNOs involved in the “Appendix G process” trials have been publishing regular updates on the existing Appendix Gs, the alternative could be to have an agreed standardised format/template for use by all DNOs and/or TOs on their websites, to publicise this and more insightful information on all GSPs. This way, the customers and interested stakeholders will have a one stop shop when looking for generation connection opportunities.</p> <p>Although we appreciate that Planning Limits cannot be for a single GSP, we believe that there is merit in the ESO centrally publishing the capability (Planning Limits) of specific parts of the NETS that interact for transparency and to give confidence to all stakeholders that capacity is allocated fairly.</p> |

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| 8 | Will the CMP298 Original Proposal impact on your business. If so, how? | <p>The CMP298 original proposal will impact UK Power Networks in a number of ways as we own DNOs that facilitate the connection of embedded generation to our distribution networks, including the assessment of their impact on the NETS. We will be heavily involved in the migration of all existing GSP Bilateral Connection Agreements that are currently part of the Appendix G trials. We will be using the CMP298 original proposal in all our ESO interactions for embedded generation driven connections activities on an enduring basis. There will also be training required across the business to fully embed the proposed process into BAU. The above activities will require additional resources and enhancement of existing tools to facilitate efficient rollout of the proposed process.</p> |
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