ESO

CUSC Alternative and Workgroup Vote

CMP376: Inclusion of Queue Management process within the CUSC

Please note: To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

Stage 1 - Alternative Vote

If Workgroup Alternative Requests have been made, vote on whether they should become Workgroup Alternative CUSC Modifications (WACMs).

Stage 2 - Workgroup Vote

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) Vote on which of the options is best.

Terms used in this document

Term	Meaning
Baseline	The current CUSC (if voting for the Baseline, you believe no modification should be made)
Original	The solution which was firstly proposed by the Proposer of the modification
WACM	Workgroup Alternative CUSC Modification (an Alternative Solution which has been developed by the Workgroup)

The applicable CUSC 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.

*The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

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Workgroup Vote

Stage 1 – Alternative Vote

Vote on Workgroup Alternative Requests to become Workgroup Alternative CUSC Modifications.

The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.

Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC objectives than the Original proposal then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.

"Y" = Yes

"N" = No

"-" = Neutral (Stage 2 only)

"Abstain"

Workgroup Member	Alternative 1 (M6 Submit)	Alternative 2 (M6 Submit, Apply to all)	Alternative 3 (M3 3/6 months)	Alternative 4 (M3 3/6 months, Apply to all)	Alternative 5 (M7/M8 bilaterally agreed)
Rein de Loor	***N***	***N***	***N***	***N***	***N***
Richard Woodward	***Y***	***Y***	***Y***	***Y***	***Y***
Kate Livesey	***Y***	***Y***	***N***	***N***	***N***
Deborah MacPherson	***Y***	***Y***	***N***	***N***	***N***
Andy Colley	***Y***	***Y***	***N***	***N***	***N***
James Jackson	***Y***	***Y***	***N***	***N***	***Y***
Andy Vaudin	***Y***	***Y***	***N***	***N***	***N***
Paul Jones	***Y***	***Y***	***Y***	***N***	***Y***
Will Bowen	***Y***	***Y***	***Y***	***Y***	***N***
Michelle MacDonald Sandison	***N***	***N***	***Y***	***Y***	***Y***
Claire Hynes	***Y***	***Y***	***N***	***N***	***N***
Chloe Goding	***Y***	***Y***	***N***	***N***	***N***
Phillip Addison	***Y***	***Y***	***N***	***N***	***Y***

Tony Cotton	*Y*	*Y*	*Y*	*Y*	*N*
Dave Elvin	*Y*	*Y*	*N*	*N*	*Y*
WACM?	***WACM1***	***WACM2***	***WACM3 – saved by Chair***	***WACM4– saved by Chair***	***WACM5 – saved by Chair***

Workgroup Member	**Alternative 6 (M7/M8 bilaterally agreed; Apply to all)**	**Alternative 7 (Apply to all)**	**Alternative 8 (Dynamic Queue Management)**	**Alternative 9 (Dynamic Queue Management, Apply to all)**	**Alternative 10 (User choose Milestone Durations to apply)**	**Alternative 11 (M6 Submit, Dynamic Queue Management, Government/ Regulatory Subsidy Exception)**
Rein de Loor	*N*	*Y*	*N*	*N*	*N*	*N*
Richard Woodward	*Y*	*Y*	*N*	*N*	*N*	*N*
Kate Livesey	*N*	*N*	*Y*	*Y*	*Y*	*Y*
Deborah MacPherson	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*
Andy Colley	*N*	*N*	*Y*	*Y*	*Y*	*Y*
James Jackson	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*
Andy Vaudin	*N*	*Y*	*Y*	*Y*	*Y*	*Y*
Paul Jones	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*
Will Bowen	*N*	*Y*	*N*	*N*	*N*	*N*
Michelle MacDonald Sandison	*Y*	*Y*	*N*	*N*	*N*	*N*
Claire Hynes	*N*	*N*	*Y*	*Y*	*Y*	*Y*
Chloe Goding	*N*	*N*	*Y*	*Y*	*Y*	*Y*
Phillip Addison	*Y*	*N*	*Y*	*Y*	*Y*	*Y*
Tony Cotton	*N*	*Y*	*Y*	*Y*	*Y*	*Y*
Dave Elvin	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*
WACM?	***WACM6 – saved by Chair***	***WACM7***	***WACM8***	***WACM9***	***WACM10***	***WACM11***

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Stage 2a – Assessment against objectives

To assess the original and WACMs against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

ACO = Applicable CUSC Objective

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Rein de Loor – National Grid ESO					
Original	***Y***	***Y***	***-***	***Y***		***Y***
WACM 1	***Y***	***Y***	***-***	***Y***		***Y***
WACM 2	***Y***	***Y***	***-***	***Y***		***Y***
WACM 3	***Y***	***Y***	***-***	***Y***		***Y***
WACM 4	***Y***	***Y***	***-***	***Y***		***Y***
WACM 5	***Y***	***Y***	***-***	***Y***		***Y***
WACM 6	***Y***	***Y***	***-***	***Y***		***Y***
WACM 7	***Y***	***Y***	***-***	***Y***		***Y***
WACM 8	***Y***	***Y***	***-***	***Y***		***Y***
WACM 9	***Y***	***Y***	***-***	***Y***		***Y***
WACM 10	***Y***	***Y***	***-***	***Y***		***Y***
WACM 11	***Y***	***Y***	***-***	***Y***		***Y***

Voting Statement:

All proposed solutions facilitate the ACOs better than the baseline, given they all introduce the principle of Queue Management into the CUSC in a similar way. Particularly for WACMs 1 – 7, these are very closely aligned to the CMP376 Original proposal and only differ on some detail for certain milestone timings or evidence, with WACMs 2, 4, 6 and 7 including ESO's preferred implementation approach of applying the policy to both existing and new Construction Agreements.

WACM1 and WACM2 make it somewhat harder for the ESO to know that a project is on track and ensure efficient delivery of new connections, compared to the Original.

WACM3 and WACM4 reduce the flexibility of the milestone timings of M3 compared to the Original, which would mean that projects that are many years away from connecting

will need to get their land rights within a few months of signing their Construction Agreement which would make it hard for some to compete.

WACM5 and WACM6 introduce further differentiation between users compared to the Original, potentially discriminating based on technology and making competition less effective due to different Users being allowed to follow different timescales.

In the ESO's view, WACM7 is the only WACM to facilitate the ACOs better than the Original. It allows application of Queue Management to all Construction Agreements in a set timescale and for all customers to be treated equally, ensuring effective delivery of the policy and the ACOs. In comparison, through the CMP376 Original approach it will take longer to apply milestones to all Construction Agreements and see the full benefits of the policy. We have kept both implementation approaches on the table for Ofgem to consider and did not change our original implementation approach to that proposed by WACM7, as both options have received favourable feedback from industry.

WACMs 8, 9 and 11 all propose the concept of 'Dynamic Queue Management' which in the ESO's view facilitates the ACOs less well than the Original due to potentially lengthy and complex queue reallocation processes, undermining to some degree the purpose of the Queue Management policy in the first place. Dynamic Queue Management would be very difficult to implement from both a technical and a contractual point of view, due to the fact that swapping queue positions between customers would often not result in a like-for-like exchange, based on technology type and capacity. Yet, these WACMs are still broadly aligned with the concept of Queue Management as defined in the Original and thus facilitate the ACOs better than the baseline.

WACM 10 proposes the concept of 'Proportionate Milestones' and the option for developers to choose which milestone timings best fit their project based on technology and project timelines. In the ESO's view, this facilitates the ACOs less well than the Original, as it adds complexity to the connections process, reduces effective competition due to differentiation in milestone timings between different users with the same completion date and adds cost for consumers due to an unnecessarily drawn-out process. There is also a risk that a majority of customers would choose the same shortest milestone duration column, as that would allow them the most amount of time to complete all of their milestones, thus reducing the efficacy of the Queue Management policy.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Richard Woodward – NGET					
Original	***Y***	***Y***	**-**	**-**		***Y***
WACM 1	***Y***	***Y***	**-**	**-**		***Y***
WACM 2	***Y***	***Y***	**-**	**-**		***Y***
WACM 3	***Y***	***Y***	**-**	**-**		***Y***
WACM 4	***Y***	***Y***	**-**	**-**		***Y***
WACM 5	***Y***	***Y***	**-**	**-**		***Y***
WACM 6	***Y***	***Y***	**-**	**-**		***Y***
WACM 7	***Y***	***Y***	**-**	**-**		***Y***
WACM 8	**-**	**-**	**-**	***N***		***N***
WACM 9	**-**	**-**	**-**	***N***		***N***
WACM 10	**-**	**-**	**-**	***N***		***N***
WACM 11	**-**	**-**	**-**	***N***		***N***

Voting Statement:

In our view, the **original proposal** provides a viable solution to address the defect and is an improvement on the baseline. It sets a transparent and objective policy to better facilitate successful delivery of User connection schemes, promoting effective competition. It also better ensures that allocated transmission capacity remains fully utilised, providing better value for end consumers from network investment.

We do believe there are specific areas of the original proposal which could be improved to even better facilitate the CUSC applicable objectives. We have therefore proposed WACMs 3/4 and 5/6. We advocate that **WACMs 4 or 6 are the best options overall to resolve the defect** as they incorporate the 'consistent application' approach of WACM7, which is also an improvement over the original in our view.

In respect of WACMs 8-11, we are comfortable that the proposer has adequately adjusted their original solution to mitigate the substantive issues raised by these proposals. For example, the risk of unwarranted contract terminations is resolved by reverting to a 'right to terminate' approach for M5-M8. Consequently, despite these WACMs notionally addressing the defect by inheriting aspects of the original, in our view they introduce increased complexity into CUSC (and STC in some cases) whilst not sufficiently delivering outweighing benefits.

We have provided further assessed on each WACM as follows:

WACM1/2 - This proposed alternative is only a minor deviation from the original proposal. Given the correlation to almost the entirety of the original solution, it is difficult for us to assess it any differently.

WACM3/4 - We believe this WACM encourages a greater level of proactive project management which is not instilled by the other proposed solutions. Whilst we understand it represents a more onerous compliance standard than the original for M3, we are confident that the earlier viability signals it creates would enable Onshore TOs to invest more economically/efficiently - benefitting Users and end consumers. It would also give earlier sight of potential compliance issues to help guide next steps for ESO to better serve Users.

WACM5/6 - We believe this solution sets a more proportionate compliance standard than the original for M7-M8, applying a more equitable alignment of project risk between Users and Onshore TOs. We recognise that a 'bilaterally negotiated' position may occasionally lead to a more onerous requirement for some Users compared to the original, but this is not without reasonable justification - e.g. de-risking significant network investment for the benefit of a sole User whose project may end up stalling. However the opposite situation is also just as likely – i.e. that some Users would have a far less onerous M7/M8 obligation to the original where the works to connect them are low risk or minimal scope.

WACM7 – Excluding existing contracted Users by default from the scope of CMP376 implementation risks a two-tier contracting regime - which is potentially discriminatory - and also limits the full benefits of implementing the modification. In our view the prevailing challenges for transmission licensees to deliver connections economically and efficiently - for the benefit of all - necessitates a 'consistent application' approach.

WACM8/9/11 - Whilst these WACMs do address the CMP376 defect, we believe they introduce complexity or inefficiency into code arrangements which would overall outweigh any benefits. We are wary that the 'Dynamic QM' approach could lead to uncertainty for adjacent Users to a delaying party (akin to the baseline defect), whilst more generally eroding key aspects of the original which better enable transmission licensees to deliver connections. There is also the need to develop an entirely new process for the ESO and Onshore TOs in the STC to facilitate the Dynamic QM solution, which isn't required for other proposals.

WACM10 – Similar to above, whilst the underlying proposal of WACM10 may address the proposer's defect, we are wary that this proposal could risk inconsistent treatment of Users. This would inevitably lead to an increased number of disputes with ESO. We also worry that this proposal could be inherently complex for some CUSC parties (especially new entrants) to navigate at application – which could be perceived as a potential barrier to entry.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Kate Livesey – Drax					
Original	-	***N***	-	-		***N***
WACM 1	-	***Y***	-	***N***		***N***
WACM 2	-	***Y***	-	***N***		***N***
WACM 3	-	***N***	-	-		***N***
WACM 4	-	***N***	-	***N***		***N***
WACM 5	***N***	***N***	-	***N***		***N***
WACM 6	***N***	***N***	-	***N***		***N***
WACM 7	-	-	-	***N***		***N***
WACM 8	***Y***	***Y***	-	***N***		***N***
WACM 9	***Y***	***Y***	-	***N***		***N***
WACM 10	-	-	-	***N***		***N***
WACM 11	***Y***	***Y***	-	***Y***		***Y***

Voting Statement:

Overall, there's insufficient evidence presented to establish whether queue management is required and whether any of the solutions would mitigate the perceived problem. However, should such a scheme be implemented, WACM 11 best meets the Applicable CUSC Objectives (a), (b) and (d) out of the options presented as it ensures efficient processes, lower barriers to innovation and/or improved competition, and ensures efficient allocation of network capacity.

Original: Cannot ascertain any positive/negative outcome against objectives in absence of evidence of needs case.

WACM 1 & 2: May better facilitate effective competition (ACO (b)) by ensuring consistent approach between Users to meeting Milestone 6. But, may result in inefficient implementation and administration of CUSC arrangements (ACO (d)) compared to Original. WACM 2 also risks inefficient implementation as per reasoning in WACM 7.

WACM 3 & 4: May result in unreasonably difficult targets for securing Land Rights and risks reducing competition (ACO (b)), limiting the Connections process to those that can secure Land Rights quickly. WACM 4 also risks inefficient implementation as per reasoning in WACM 7.

WACM 5 & 6: Bilaterally agreed milestones may result in inefficient and uncompetitive arrangements for ESO, TOs or Users – it has the potential to initiate delays and risks

inappropriately treating Users differently (ACOs (a), (b) & (d)). WACM 6 also risks inefficient implementation as per reasoning in WACM 7.

WACM 7: Risks inefficient implementation of CUSC arrangements (ACO (d)), by bringing administration and efficiency challenges.

WACM 8 & 9: May ensure connection arrangements are facilitated more efficiently and economically, allowing fastest progressing projects to connect (ACOs (a) & (d)). This may minimise any barriers to innovation (ACO (b)) and may ensure efficient use of network capacity (ACO (d)). However, WACM 9 risks inefficient implementation as per reasoning in WACM 7.

WACM 10: May bring inefficiencies in application (ACO (d)).

WACM 11: As per WACMs 1 & 8. And: Additional Exception within this WACM may better facilitate competition (ACO (b)) as it will help a wider range of projects remain in line for completion, and investors are less likely to be deterred from operating in GB as the process will better reflect commercial realities and challenges associated with accessing a route to market.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Deborah MacPherson – ScottishPower Renewables UK Limited					
Original	***Y***	***Y***	**-**	***Y***		***Y***
WACM 1	***Y***	***Y***	**-**	***Y***		***Y***
WACM 2	***Y***	***Y***	**-**	***Y***		***Y***
WACM 3	***Y***	***Y***	**-**	***Y***		***Y***
WACM 4	***Y***	***Y***	**-**	***Y***		***Y***
WACM 5	***Y***	***Y***	**-**	***Y***		***Y***
WACM 6	***Y***	***Y***	**-**	***Y***		***Y***
WACM 7	***Y***	***Y***	**-**	***Y***		***Y***
WACM 8	***Y***	***Y***	**-**	***Y***		***Y***
WACM 9	***Y***	***Y***	**-**	***Y***		***Y***
WACM 10	***Y***	***Y***	**-**	***Y***		***Y***
WACM 11	***Y***	***Y***	**-**	***Y***		***Y***

Voting Statement:

The introduction of a process whereby the contracted queue is more effectively management through the use of contracted milestones will provide a mechanism to remove delayed projects from connection queues and in doing so, ensure that network capacity is available for other projects that are ready to progress recognising that such projects could be in the existing contracted queue or new connection applications.

With respect to each WACM, each proposer has justified their WACM and the merits of the benefits their solution will deliver. However, it is difficult to determine which proposals holds greater weight overall. In absence of any mechanism that exists today, then all proposals can be considered as an improvement to the baseline.

When a decision is being determined, careful consideration should be given to the following:

- The impact on different technology type must be fully considered such that no advantage or disadvantage is given to one technology type over the other, recognising that different technologies will develop to a different scale of project development timelines. For example, offshore versus onshore wind.
- The level investment, commitment and effort that will have taken place to deliver on those early key milestones should not be underestimated and should be fully recognised along with balance of risk and evidence to ensure viable projects are not terminated unnecessarily.

- A solution to queue management must be transparent and easy for users to navigate to avoid the risk of uncertainty for innovation and investment.

Ensuring the solution is not overly complex on an administrative level.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Andy Colley – SSE Generation					
Original	***Y***	***Y***	**-**	***Y***		***Y***
WACM 1	***Y***	***Y***	**-**	***Y***		***Y***
WACM 2	***Y***	***N***	**-**	***N***		***N***
WACM 3	***Y***	***N***	**-**	***N***		***N***
WACM 4	***Y***	***N***	**-**	***N***		***N***
WACM 5	***Y***	***Y***	**-**	***Y***		***Y***
WACM 6	***Y***	***N***	**-**	***N***		***N***
WACM 7	***Y***	***N***	**-**	***N***		***N***
WACM 8	***Y***	***Y***	**-**	***Y***		***Y***
WACM 9	***Y***	***N***	**-**	***N***		***N***
WACM 10	***Y***	***Y***	**-**	***Y***		***Y***
WACM 11	***Y***	***Y***	**-**	***Y***		***Y***
Voting Statement: No Voting Statement provided.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Andy Vaudin – EDF Energy					
Original	***Y***	***N***	***-***	***Y***		***N***
WACM 1	***Y***	***Y***	***-***	***Y***		***Y***
WACM 2	***Y***	***N***	***-***	***N***		***N***
WACM 3	***Y***	***N***	***-***	***N***		***N***
WACM 4	***Y***	***N***	***-***	***N***		***N***
WACM 5	***Y***	***Y***	***-***	***Y***		***Y***
WACM 6	***Y***	***N***	***-***	***N***		***N***
WACM 7	***Y***	***N***	***-***	***-***		***N***
WACM 8	***Y***	***Y***	***-***	***-***		***Y***
WACM 9	***Y***	***N***	***-***	***-***		***N***
WACM 10	***Y***	***Y***	***-***	***-***		***Y***
WACM 11	***Y***	***Y***	***-***	***-***		***Y***
Voting Statement: No Voting Statement provided.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Paul Jones – Uniper					
Original	***Y***	***Y***	**-**	***Y***		***Y***
WACM 1	***Y***	***Y***	**-**	***Y***		***Y***
WACM 2	***Y***	***Y***	**-**	***Y***		***Y***
WACM 3	***Y***	***Y***	**-**	***Y***		***Y***
WACM 4	***Y***	***Y***	**-**	***Y***		***Y***
WACM 5	***Y***	***Y***	**-**	***Y***		***Y***
WACM 6	***Y***	***Y***	**-**	***Y***		***Y***
WACM 7	***Y***	***Y***	**-**	***Y***		***Y***
WACM 8	***Y***	***Y***	**-**	***Y***		***Y***
WACM 9	***Y***	***Y***	**-**	***Y***		***Y***
WACM 10	***Y***	***Y***	**-**	***Y***		***Y***
WACM 11	***Y***	***Y***	**-**	***Y***		***Y***

Voting Statement:

All options are better than the current baseline. The introduction of the requirement to submit rather than agree the Construction Plan is understandable. However, in all likelihood this will be a process which is interactive with the TO (i.e. The user's works cannot be planned in isolation of TO works connecting to them) so may result in a similar process being followed with agreement effectively being needed in practice. The requirement for milestone 3 (land rights) to be in place 3 months after offer acceptance feels a little too restrictive, although it would provide additional assurance on the viability of projects in the queue. The application of the arrangements to existing agreements seems necessary in order to address the pre-existing queue so seems an improvement on the original. Bilaterally agreeing the dates for M7 and M8 (project commitment and construction) appears sensible given how this may differ for particular circumstances. Dynamic queue management for later timescales seems sensible in principle. In practice, it may prove complicated and introduce uncertainty as to how other projects may be impacted. The ability for users to effectively choose the milestones for their project appears to allow too much leeway to push back milestones in a process aiming to ensure that unviable projects are removed from the queue in a timely manner. Allowing an exception for being in successful in a subsidy scheme seems reasonable, as long as this is only exercised once and the user can demonstrate that the project will be entered into a subsequent round.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Will Bowen – UKPN					
Original	***Y***	***Y***	***-***	***Y***		***Y***
WACM 1	***Y***	***Y***	***-***	***Y***		***Y***
WACM 2	***Y***	***Y***	***-***	***Y***		***Y***
WACM 3	***Y***	***Y***	***-***	***Y***		***Y***
WACM 4	***Y***	***Y***	***-***	***Y***		***Y***
WACM 5	***N***	***N***	***-***	***-***		***N***
WACM 6	***N***	***N***	***-***	***-***		***N***
WACM 7	***Y***	***Y***	***-***	***Y***		***Y***
WACM 8	***Y***	***Y***	***-***	***Y***		***Y***
WACM 9	***Y***	***Y***	***-***	***Y***		***Y***
WACM 10	***N***	***N***	***-***	***N***		***N***
WACM 11	***Y***	***Y***	***-***	***Y***		***Y***

Voting Statement:

In our view, the **original proposal** enables consistent queue milestone processes to be developed across the T/D boundary, maximising utilised (built) network capacity, encouraging quicker connections, and best serving customers' interests. Summary of our assessment on each WACM:

WACM1/2 - This is a minor change to wording on the original and is appropriate.

WACM3/4 – Any enhancement that encourages early engagement by the customer to meet planning milestones is supported, and where multiple landowners are involved the additional time is appropriate.

WACM5/6/10 – We are concerned that any variation from standard milestone dates introduces potential complexity and / or challenge at the early stage of the project and increases the opportunity for inconsistent treatment of contracting those milestones.

WACM7 – Given the existing volume of existing contracted connections that are yet to be built, and that queue milestones included on any new contracts will only start to take effect several years in the future, it is appropriate to include a mechanism by which existing contracts are brought under consistent milestone governance.

WACM8/9/11 – a developed 'Dynamic QM' process may provide connecting customers in breach of their milestones and / or requiring a later connection date the opportunity to move back in the queue thus minimising lost time and expenditure. This flexibility is

subject to no other queueing parties being disadvantaged and is appropriate. The additional exemption is appropriate for Transmission customers.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Michelle MacDonald Sandison- SHET					
Original	***Y***	***Y***	***-***	***Y***		***Y***
WACM 1	***Y***	***Y***	***-***	***N***		***N***
WACM 2	***Y***	***Y***	***-***	***N***		***N***
WACM 3	***Y***	***Y***	***-***	***Y***		***Y***
WACM 4	***Y***	***Y***	***-***	***Y***		***Y***
WACM 5	***Y***	***Y***	***-***	***Y***		***Y***
WACM 6	***Y***	***Y***	***-***	***Y***		***Y***
WACM 7	***Y***	***Y***	***-***	***Y***		***Y***
WACM 8	***-***	***-***	***-***	***N***		***N***
WACM 9	***-***	***-***	***-***	***N***		***N***
WACM 10	***Y***	***-***	***-***	***N***		***N***
WACM 11	***-***	***-***	***-***	***N***		***N***

Voting Statement:

We support several the proposed WACMs as part of CMP376. Our preferred WACM is WACM 7, as the introduction of the new queue management solution to all contracts due to connect in >2 years (or <2 if not progressing) has the opportunity to make a difference to the current issues with queue management. Progressing with WACM 7 would allow for the ESO to assess these older, potentially stalled projects which are holding capacity, and utilise the new process to consider terminating and freeing up capacity in the queue.

We support WACMs 3 and 4, as we believe these would help in driving progress in the earlier stages of the connections journey. These proposals would help the queue moving to allow projects which are meeting their milestones to connect to the network.

There are also a few WACMs we do not support. For WACMs 1 and 2, we do not believe that the proposal goes far enough to ensure projects are progressing, our preference is the Original in this case.

For WACMs 8, 9 and 10, we do not believe that any of these proposals better achieves CUSC objective D. The three alternatives all would require additional work for the ESO and TO's to manage the queue, significantly, WACMs 8 and 9 as these would require the queue to

constantly be redesigned to move projects up and down the queue. This would be less efficient than the current Original proposal.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Tim Ellingham – RWE					
Original	***Y***	***Y***	**-**	**-**		***Y***
WACM 1	***Y***	***Y***	**-**	**-**		***Y***
WACM 2	***Y***	***N***	**-**	**-**		***N***
WACM 3	***N***	***N***	**-**	**-**		***N***
WACM 4	***N***	***N***	**-**	**-**		***N***
WACM 5	***Y***	***Y***	**-**	**-**		***Y***
WACM 6	***Y***	***N***	**-**	**-**		***N***
WACM 7	***Y***	***N***	**-**	**-**		***N***
WACM 8	***Y***	***Y***	**-**	**-**		***Y***
WACM 9	***Y***	***N***	**-**	**-**		***N***
WACM 10	***Y***	***Y***	**-**	**-**		***Y***
WACM 11	***Y***	***Y***	**-**	**-**		***Y***

Voting Statement:

The Original and all WACMs set out expectations on project progression timescales and can aid Parties through constructive discussion and milestone evidence to enable projects in a more timely manner. Depending on how it is implemented, this change may provide NGESO with significantly increased administration and legal challenge and has the potential to adversely impact on the attraction of GB for investment. In the current environment with a Net Zero target by 2050, the practical application of this change to provide a more efficient connection queue and acting as a disincentive for stalled projects that are unable to progress outweighs the above concerns.

(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;

The original and WACMs 1, 2, 5, 6, 7, 8, 9, 10 and 11 better facilitate objective (a) as the development of connection queue management milestones to manage projects through the connection process prevents stalled projects and ensures a more efficient connection process for all parties. Thus, more efficiently discharging the transmission licence obligation to develop and maintain an efficient, co-ordinated and economical system of electricity transmission.

WACM's 3 and 4 seek to introduce the requirement to evidence land rights earlier, within either 3 months or 6 months of the connection agreements. As onshore wind farms and solar projects

need to undertake individual negotiations with landowners which do not have statutory timelines associated with them, we consider that these projects may not be able to meet the evidence requirements of the milestone proposed and therefore these WACMs will not lead to a more efficient, co-ordinated and economical system of electricity transmission.

(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;

The proposed implementation approach to WACMs **2, 4, 6, 7 and 9** does not better facilitate effective competition. The User when developing an offshore wind farm in the 5+ year milestones timeframe, negotiates its supply chain as it is developing and agreeing its construction agreement with National Grid. The construction agreement milestone is more than two years in advance of the completion date. This means that an offshore wind farm developer may have signed third party contracts with its supply chain that do not meet the requirements of the later milestones, M7 and M8. As a result, there is potential for a financial impact to a developer's third party contracts when it has signed a connection agreement with the existing terms and conditions and has the terms of this agreement changed 2 years after. This extra unforeseen cost would make this project less competitive against another project that had sufficient notice of the change. We do not support creating a precedent that allows for modifications to change terms of contracts retrospectively that have already been agreed. This implementation approach would introduce a new risk for developers considering investing in the UK market.

WACM 3 and 4 does not better facilitate CUSC objective (b). WACM 3 seeks to introduce the requirement to evidence land rights earlier, within either 3 months or 6 months of the connection agreement. We welcome this approach for offshore wind and agree with the standard legal text for the original proposal which includes submission of a letter from the Crown Estate as proof that land rights/sea bed lease has been awarded for the site of the offshore wind farm project. However, for onshore wind, there is often long negotiations with private landlords for land rights pertaining to the cable routes, substations and ancillary infrastructure. Each of these will require separate individual negotiations with landowners which do not have statutory timelines associated with them, other than in the event of compulsory purchase rights being exercised. Onshore wind developers are unlikely to have sufficient control over land rights coinciding within 3 or 6 months of a connection offer as the timeframe would be out of alignment with the appointment of land agents and the completion of negotiation. The proposer has not accepted Heads of Terms (HoTs) which sets out the skeleton terms being negotiated by both Parties as evidence for the land rights milestone. As a result, we consider that onshore wind could be competitively disadvantaged by WACM 3 and 4 versus other technologies such as offshore wind when required to provide the land rights for the site in this earlier timeframe and do not consider that it better facilitates CUSC Objective (b).

All changes proposed have the potential to adversely impact on the attraction of GB for investment and require careful implementation by NGESO. An inadvertent impact of this change, is that the connection queue milestones are likely to interact with timescales for projects to secure investment. As routes to market such as merchant, CfD and capacity market are not within the purview of the NGESO, we would encourage Ofgem to carry out an impact assessment to fully understand the interaction between these milestones and the routes to market to gauge any investment risk introduced to the market through this change. In the absence of an impact assessment on projects routes to market to determine if there is an impact on competition in the generation of electricity, we recognise the need for this change to better manage the connection queue. We consider that the modifications of the original and WACMs 1, 5, 8, 10 and 11 supports effective competition by providing greater clarity to the User on the

Company's project progression expectations at different stages of the process and introduces a control mechanism to allow NGESO to prevent stalled projects that could impact other connectees. Furthermore the implementation approach of these WACMs applies to new connection applications and modifications applications ensuring that no project is adversely impacted that has already agreed terms.

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

All changes are neutral against CUSC objective (c).

We do not consider that the original or any of the WACMs impact on the Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.

All changes are neutral against this objective.

This change could result in a reduced workload for the Company by introducing milestones that set out expectations early in the construction agreement on the project progression timescales and give the Company the powers to remove non-progressing projects from the connection queue, thus allowing for '*real projects*' to be progressed in a timely fashion. However, any reduced workload benefit for the Company is balanced out by the likelihood of increased administration from processing Users evidence of meeting the milestones and legal challenge from Parties with a termination notification against a milestone in the connection process. We therefore consider that all changes are neutral against objective (d).

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Chloe Goding – Cero Generation					
Original	***Y***	***Y***	***-***	***Y***		***Y***
WACM 1	***Y***	***Y***	***-***	***Y***		***Y***
WACM 2	***Y***	***N***	***-***	***N***		***N***
WACM 3	***N***	***N***	***-***	***N***		***N***
WACM 4	***N***	***N***	***-***	***N***		***N***
WACM 5	***Y***	***Y***	***-***	***Y***		***Y***
WACM 6	***Y***	***N***	***-***	***N***		***N***
WACM 7	***Y***	***N***	***-***	***N***		***N***
WACM 8	***Y***	***Y***	***-***	***Y***		***Y***
WACM 9	***Y***	***N***	***-***	***N***		***N***
WACM 10	***Y***	***Y***	***-***	***Y***		***Y***
WACM 11	***Y***	***Y***	***-***	***Y***		***Y***
Voting Statement: No Voting Statement provided.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Phillip Addison – EDF Renewables					
Original	***Y***	***N***	**-**	***Y***		***N***
WACM 1	***Y***	***Y***	**-**	***Y***		***Y***
WACM 2	***Y***	***N***	**-**	***N***		***N***
WACM 3	***Y***	***N***	**-**	***N***		***N***
WACM 4	***Y***	***N***	**-**	***N***		***N***
WACM 5	***Y***	***Y***	**-**	***Y***		***Y***
WACM 6	***Y***	***N***	**-**	***N***		***N***
WACM 7	***Y***	***N***	**-**	**-**		***N***
WACM 8	***Y***	***Y***	**-**	**-**		***Y***
WACM 9	***Y***	***N***	**-**	**-**		***N***
WACM 10	***Y***	***Y***	**-**	**-**		***Y***
WACM 11	***Y***	***Y***	**-**	**-**		***Y***
Voting Statement: No Voting Statement provided.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Duncan Hughes – Zenobe					
Original	***Y***	***Y***	***-***	***Y***		***Y***
WACM 1	***Y***	***Y***	***-***	***Y***		***Y***
WACM 2	***Y***	***Y***	***-***	***Y***		***Y***
WACM 3	***Y***	***Y***	***-***	***Y***		***Y***
WACM 4	***Y***	***Y***	***-***	***Y***		***Y***
WACM 5	***-***	***N***	***-***	***-***		***N***
WACM 6	***-***	***N***	***-***	***-***		***N***
WACM 7	***Y***	***Y***	***-***	***Y***		***Y***
WACM 8	***N***	***N***	***-***	***N***		***N***
WACM 9	***N***	***N***	***-***	***N***		***N***
WACM 10	***N***	***N***	***-***	***N***		***N***
WACM 11	***N***	***N***	***-***	***N***		***N***

Voting Statement:

Zenobe view the concept of queue management as a potentially effective measure to ensure only viable projects that are being actively progressed by their developers are able to retain a place in the connection queue.

Original – Zenobe believe the concept of the original proposal would address the identified defect however we support the proposal in WACM7 to apply this process to existing connection agreements.

WACM1/2 – We do not see WACM1 as likely to have a material effect either way on the overall success of the queue management process. While it is agreed that the requirement to “agree a programme” could potentially create issues given it is unclear what basis the TO/NGESO would apply, we note that the proposed change to submit a programme also creates risk as there is no specification as to what constitutes an acceptable programme. We support the apply to all element of WACM2.

WACM3/4 – We do not see WACM3 as having a material effect either way on the overall success of the queue management process. While the definitive timescales are welcome we consider the evidence required to meet this milestones (e.g. an exclusivity agreement) as being relatively light and hence the timescales should not pose a barrier to projects. We support the apply to all element of WACM4.

WACM5/6 – It is unclear what process would be applied when determining bilaterally negotiated milestones. Therefore we consider this WACM to have the potential to

introduce a lack of transparency to the proposed queue management process and hence do not believe it better facilitates the CUSC objectives compared to the original. We support the apply to all element of WACM6.

WACM7 – We believe applying the proposed queue management process to as many projects as possible will create the greatest benefit in terms of allowing active projects to progress. We believe this WACM better facilitates the CUSC objectives than the original proposal.

WACM8/9 – We believe that the actual methodology for dynamic queue management is unclear and that without a clear understanding of what would actually be implemented this proposal cannot be considered to better facilitate the CUSC objectives.

WACM10 – We believe this WACM may bring minor benefits without negatively affecting the CUSC objectives

WACM11 – See our view on WACM8

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Ahmed Dabb - Aura Power Developments					
Original	***Y***	***Y***	***-***	***Y***		***Y***
WACM 1	***Y***	***Y***	***-***	***Y***		***Y***
WACM 2	***Y***	***Y***	***-***	***Y***		***Y***
WACM 3	***Y***	***Y***	***-***	***Y***		***Y***
WACM 4	***Y***	***Y***	***-***	***Y***		***Y***
WACM 5	***Y***	***Y***	***-***	***Y***		***Y***
WACM 6	***Y***	***Y***	***-***	***Y***		***Y***
WACM 7	***Y***	***Y***	***-***	***Y***		***Y***
WACM 8	***Y***	***-***	***-***	***N***		***N***
WACM 9	***Y***	***-***	***-***	***N***		***N***
WACM 10	***Y***	***-***	***-***	***N***		***N***
WACM 11	***Y***	***-***	***-***	***N***		***N***
Voting Statement: No Voting Statement provided.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Sam Aitchison - Island Green Power UK Limited					
Original	***Y***	***Y***	***-***	***Y***		***Y***
WACM 1	***Y***	***Y***	***-***	***Y***		***Y***
WACM 2	***Y***	***Y***	***-***	***Y***		***Y***
WACM 3	***Y***	***Y***	***-***	***Y***		***Y***
WACM 4	***Y***	***Y***	***-***	***Y***		***Y***
WACM 5	***Y***	***Y***	***-***	***Y***		***Y***
WACM 6	***Y***	***Y***	***-***	***Y***		***Y***
WACM 7	***Y***	***Y***	***-***	***Y***		***Y***
WACM 8	***Y***	***Y***	***-***	***Y***		***Y***
WACM 9	***Y***	***Y***	***-***	***Y***		***Y***
WACM 10	***Y***	***Y***	***-***	***Y***		***Y***
WACM 11	***Y***	***Y***	***-***	***Y***		***Y***
Voting Statement: No Voting Statement provided.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Helen Stack – Centrica					
Original	***Y***	***Y***	**-**	***Y***		***Y***
WACM 1	***Y***	***Y***	**-**	***Y***		***Y***
WACM 2	***Y***	***Y***	**-**	***Y***		***Y***
WACM 3	***Y***	***Y***	**-**	***Y***		***Y***
WACM 4	***Y***	***Y***	**-**	***Y***		***Y***
WACM 5	***Y***	***Y***	**-**	***Y***		***Y***
WACM 6	***Y***	***Y***	**-**	***Y***		***Y***
WACM 7	***Y***	***Y***	**-**	***Y***		***Y***
WACM 8	***Y***	***Y***	**-**	***Y***		***Y***
WACM 9	***Y***	***Y***	**-**	***Y***		***Y***
WACM 10	**-**	**-**	**-**	**-**		***N***
WACM 11	**-**	**-**	**-**	**-**		***N***

Voting Statement:

The Original and WACMs 1-9 all better facilitate ACOs (a), (b) and (d).

The current lack of queue management at transmission level is frustrating the ability of shovel-ready projects to connect due to the number of speculative and stalled projects ahead of them in the queue. The current regime limits the Licensee from providing Users with an efficient connections service and the consequent delays in connecting new flexible and low-carbon generation is hampering competition.

WACM3/4 - We believe that tightening the requirements on projects to evidence land-rights at an earlier stage would improve on the Original proposal by closing a major defect with the current regime that has enabled speculative projects to enter and remain in the queue. It would also help level the playing field for projects connecting to the distribution system that have a transmission impact. Those distributed generation projects must evidence land rights to the DNO at an early stage, but can find themselves sat in the transmission queue behind transmission projects with no land rights.

WACM7 - Without WACM7, CMP376 will have limited impact in the short and medium term because the majority of stalled projects in the queue will be excluded, creating a two-tier regime and increasing the disincentives for existing stalled or speculative projects to exit the queue.

We are not convinced that WACMs 10 and 11 better facilitate those ACOs due to the complexity they introduce.

Overall we have a preference for WACM4 because it combines the benefit of WACM3 (from requiring early evidence of land rights) with WACM7.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Sarah Graham – Ocean Winds					
Original	***Y***	***N***	**-**	***Y***		***Y***
WACM 1	***Y***	***N***	**-**	***Y***		***Y***
WACM 2	***Y***	***N***	**-**	***Y***		***Y***
WACM 3	***Y***	***N***	**-**	***Y***		***Y***
WACM 4	***Y***	***N***	**-**	***Y***		***Y***
WACM 5	***Y***	***N***	**-**	***Y***		***Y***
WACM 6	***Y***	***N***	**-**	***Y***		***Y***
WACM 7	***Y***	***N***	**-**	***Y***		***Y***
WACM 8	***Y***	***Y***	**-**	***Y***		***Y***
WACM 9	***Y***	***Y***	**-**	***Y***		***Y***
WACM 10	***Y***	***N***	**-**	***Y***		***Y***
WACM 11	***Y***	***Y***	**-**	***Y***		***Y***

Voting Statement:

The Original and all WACMs better facilitate (a) than the existing CUSC because they place obligations on parties seeking to connect to the transmission system to progress with their projects in a timely manner.

The Original and WACMs 1, 2, 3, 4, 5, 6, 7 and 10 do not better facilitate (b) than the existing CUSC because they put parties that need to apply for a connection several years in advance of planned Completion Date (e.g. offshore wind farms) at a competitive disadvantage due to increased risk of termination. Offshore wind projects need to secure their connection agreement 7+ years (and in some cases 10+) before their first power is planned, in order to secure an onshore connection point and start planning consent along the export cable route: some delays could occur during the development of such projects, and it cannot be expected that their development timeline is fixed so many years before electricity starts being produced. This puts offshore wind projects at greater risk of termination, and at a competitive disadvantage, to other technologies with shorter development and delivery timescales.

WACMs 8, 9 and 11 better facilitate (b) than the existing CUSC, and better than the Original and WACMS 1, 2, 3, 4, 5, 6, 7 and 10, because they provide sufficient flexibility to allow consented projects that are progressing to manage the delivery of their projects

without such a significant risk of termination. WACMs 8, 9 and 11 allow the User to submit a Modification Application, if required, to move their Completion Date and associated milestones as their development and delivery programme develops.

The Original and all WACMs better facilitate (d) than the existing CUSC because they define a consistent process that the NGESO will use to manage parties seeking to connect to the transmission system.

WACM 11 offers the best solution because it provides the correct balance of early termination milestones to ensure parties are progressing with their projects in a timely manner and the flexibility to allow projects that are consented but awaiting the necessary governmental or regulatory subsidy to achieve Project Commitment to either claim an Exception or to submit a Modification Application with a resulting move down the “connections queue”. This will help to ensure that investors are not deterred from developments in GB and avoid the unintended consequence of the Original (and WACMs 1, 2, 3, 4, 5, 6, 7 and 10) of increasing barriers to innovation and financing due to the uncertainty of possible termination.

Of the 17 votes, how many voters said this option was better than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	**14**
WACM 1	**15**
WACM 2	**10**
WACM 3	**11**
WACM 4	**11**
WACM 5	**14**
WACM 6	**9**
WACM 7	**11**
WACM 8	**12**
WACM 9	**7**
WACM 10	**10**
WACM 11	**12**

ESO

Stage 2b – Workgroup Vote

Which option is the best? (Baseline, Proposer solution (Original Proposal), WACM1 – WACM11 inclusive

Workgroup Member	Company	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Rein de Loor	NGESO	WACM7	a, b and d
Richard Woodward	NGET	No preference	n/a
Kate Livesey	Drax	WACM11	a, b and d
Deborah MacPherson	ScottishPower Renewables UK Limited	No preference	n/a
Andy Colley	SSE Generation	WACM11	a, b and d
Andy Vaudin	EDF Energy	No preference	n/a
Paul Jones	Uniper	No preference	n/a
Will Bowen	UKPN	No preference	n/a
Michelle MacDonald Sandison	SHET	WACM7	a, b and d
Tim Ellingham	RWE	No preference	n/a
Chloe Goding	Cero Generation	No preference	n/a
Phillip Addison	EDF Renewables	WACM1	a, b and d
Duncan Hughes	Zenobe	WACM7	a, b and d
Ahmed Dabb	Aura Power Developments	No preference	n/a
Sam Aitchison	Island Green Power UK Limited	No preference	n/a
Helen Stack	Centrica	WACM4	a, b and d
Sarah Graham	Ocean Winds	WACM11	a, b and d