

**Workgroup Consultation Response Proforma****CMP330: Allowing new Transmission Connected Parties to build Connection Assets greater than 2km in length & CMP374: 'Extending contestability for Transmission Connections.**

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](mailto:cusc.team@nationalgrideso.com) by **5pm on 17 January 2022**. 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 Ren Walker [Lurrentia.Walker@nationalgrideso.com](mailto:Lurrentia.Walker@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

| Respondent details      | Please enter your details  |
|-------------------------|----------------------------|
| <b>Respondent name:</b> | Daniel Kerr                |
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**For reference the Applicable CUSC (charging) Objectives are:**

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and*
- e. *Promoting efficiency in the implementation and administration of the system charging methodology.*

*\*Objective (d) 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 CMP330/CMP374 Original Proposal better facilitates the Applicable Objectives?   | Yes   |
| 2  | Do you support the proposed implementation approach?  | Yes   |
| 3  | Do you have any other comments?   | Click or tap here to enter text.  |
| 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 agree with the proposed solution that one offer with two options (contestable/non-contestable) would represent the best approach?  | Yes. It is important that the customer is aware of the scope and cost of the contestable/non-contestable work before committing to an agreement. This is not always obvious at the pre-application stage and can vary between connections. This is also the approach taken with DNO distribution level offers and agreements.   |
| 6  | Should there be a process to allow subsequent applicants to take over the contestable build already negotiated with the TO? If so, should this process have a 'point of no return' where this option is restricted? | Yes, there should be a clear and transparent process to allow a subsequent applicant to negotiate to take over an already agreed contestable build. However, the contracted position of the first user should not be put in doubt due to this process. The point of no return should be on approval and acceptance of the first users design for the contestable works. Once this design has been approved and signed off by the TO, there should not be any scope for another user to change this. |
| 7  | Are the proposed intervention criteria sufficient? Are there any additional criteria that should be considered? Please provide your views.  | <p>The intervention criteria lack detail and would be open to interpretation.</p> <p>There should be a "point of no return" date agreed for any potential intervention. Preferably the date of</p>  |

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|    |  | contestable works design approval and sign-off by the TO. A clear appeal process should be in place to allow escalation to Ofgem if the user feels the intervention is unjustified.  |
| 8  | Do you agree that no additional safeguards are required for the delivery of non-shared Infrastructure Assets via contestable works? If not, what protections would you wish to see?  | Adequate and well defined TO intervention criteria along with a robust adoption agreement should mitigate the risk to the end customer.  |
| 9  | Do you agree with the principles of what needs to be included in the Adoption agreement as set out in Annex 4.   | <p>Yes, the principles outlined in Annex 4 look reasonable. In addition to this, we would be keen to see:</p> <ul style="list-style-type: none"> <li>• A clear contestable design submission and approval process with milestone dates and defined review/comments periods for each stage of design.</li> <li>• Any section in the Adoption agreement concerning liabilities or defects correction should clearly set out the obligations of the developer around indemnity agreements. There should be a clearly defined defects correction and liability period, agreed between TO and developer.</li> </ul> |
| 10 | A potential alternative solution is that the contestability could be limited to just 132kV in Scotland, which in the Proposer's view is in line with treatment of 132kV in England and Wales. Do you think this is appropriate? Please provide justification for your views. | <p>The majority of Vattenfall's projects in development either connect at 132kV or below. Therefore it would be an acceptable compromise to limit contestability to 132kV. However a review of the regulations for 275kV would be welcome if grid connections at this voltage became more common.</p> <p>At this moment It is unlikely we would seek to connect to or build assets at 400kV</p>  |

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| 11 | Are there any issues for stakeholders to extend contestability to building assets above 132kV.   | <p>We agree that the discrimination between transmission voltages in England/Wales and Scotland should be addressed.</p> <p>From a developers point of view it would be preferred to have a contestability option at whatever voltage we connect, however the majority of our connections are at 132kV or below. Therefore it is reasonable to assume that most of the benefit of the modification would be seen at 132kV.</p> <p>It may also be difficult to source appropriately qualified ICP/NERS accredited contractors to perform work at 275kV or above, therefore reducing the competition and scope for more efficient grid connections.</p> |
| 12 | Will the CMP330/374 Original Proposal / possible alternatives impact your business. If so, how?  | This proposal should allow the developer greater control over the progress and cost of the grid connection. This, in turn, should result in a more efficient and cost effective solution, benefitting the developer and the end user.   |
| 13 | Do you think this change will benefit your organisation, other organisations, or end consumers? Please provide evidence and/or examples to support this. | <p>Yes, this proposed change will allow the developer to have greater autonomy over the grid connection. This will result in:</p> <ul style="list-style-type: none"> <li>• The potential to reduce the cost of the grid connection, removing part of the financial barrier to investment in renewable assets.</li> <li>• Allowing the developer to perform the contestable work gives them greater control over the consenting process for a substation or OHL. The developer can plan for and address this part of the project at a time that suits their programme.</li> </ul>  |

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|    |  | <p>Previously, when it was the responsibility of the TO, the consenting process for grid connections did not always align with the developers programme to financial close or construction. This should reduce the risk around negotiations with investors at financial close resulting in a smoother transaction and reduced costs that may otherwise have arisen from delays to financial close.</p> |
| 14 | <p>Do you believe this proposal brings forward any additional risks of the Onshore TO's, other than those already identified? Do you think a license change is required to mitigate the risks fully?</p> | <p>Any additional risk to the TO can be mitigated with a well-defined and transparent process for design approval of the contestable work and a robust adoption agreement.</p>   |