

## CUSC Alternative and Workgroup Vote

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

**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 (Charging) 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.

\*The Electricity Regulation referred to in objective (d) 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.

## 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 (National Grid ESO – 12 Month implementation)
Andy Pace	<b>N</b>
Neil Dewar	<b>Y</b>
Andy Colley	<b>N</b>
Richard Woodward	<b>Y</b>
Neil Bennett	<b>Y</b>
<b>WACM?</b>	<b>WACM1</b>

### 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)
	Andy Pace, Energy Potential					
Original	Y	-	Y	-	-	Y
WACM 1	Y	-	Y	-	-	Y

**Voting Statement:**

This mod will introduce contestability into new connections over 2km in length. The ability to choose whether to build a new connection provides more flexibility for users when connecting to transmission networks potentially leading to more innovative solutions, a lower cost to connect and faster connections.

I note that contestability at distribution is widely used and has brought many benefits to stakeholders. I also note that the building of 132kV assets in England and Wales is commonplace and does not cause any issues, however it is not possible in Scotland due to 132kV being defined as transmission. This mod would overcome this issue and allow new connectees to construct sole use assets at all transmission voltage levels including 132kV in Scotland.

Although I assess both the original and WACM1 as better than baseline, I believe that the 1 year implementation period under WACM1 to be excessive. I would not anticipate a material increase in workload for most connection offers as a result of this modification as it simply requires connection offer costs to be split between contestable and non-contestable categories.

I assess this mod as better meeting applicable objective (a) as it increases competition by allowing more parties to construct connection assets and as better meeting applicable objective (c) as it potentially increases the efficiency of building new networks. I also, believe that this mod is an important change that will enable renewable power to connect more quickly and efficiently, assisting the roll out of renewable generation and helping towards the GB net zero target.

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)
	Neil Dewar, National Grid ESO					
Original	Y	-	Y	-	-	Y
WACM 1	Y	-	Y	-	-	Y

**Voting Statement:**

I am supportive of this Modification as (if approved) it will promote competition in network development to deliver more cost-effective solutions, leading to benefiting end consumers.

I have a preference for WACM 1 to be implemented rather than original proposal as this has implications for ESO as we believe changes below to facilitate implementation: -

- Securing additional resources
- Amending Connection Application processes ensuring additional training is provided across all relevant departments
- Adjustments to the Connections Portal

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 Ltd						
Original	Y	-	Y	-	-	Y
WACM 1	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)
Richard Woodward, National Grid Electricity Transmission						
Original	N	-	N	-	-	N
WACM 1	N	-	N	-	-	N
Voting Statement: The proposed change to Section 14 only makes sense in the context of the substantive changes made via CMP414. Our assessment therefore includes some consideration of those.						
<b><i>In our view competition in generation and supply (objective A) could be adversely impacted by including infrastructure assets in contestability provisions.</i></b>						
<i>These assets by their nature are for shared use, funded by end consumers to deliver economic/efficient solutions for current and future system needs. The proposal to categorise certain infrastructure assets as ‘sole use’ leads to an environment where the requirements of individual User projects take priority. This would result in short term network design choices which over time could become uneconomic or inefficient - negatively impacting Objectives A and B.</i>						
<i>There are also risks to competition where Users fail to deliver contestable infrastructure works as agreed. Where these assets are later required to connect subsequent applicants, these projects could be adversely impacted in respect of cost and/or connection delays.</i>						
<b><i>Ultimately, we believe that competition in networks – which is essentially what this change represents - should be facilitated on a level playing field (Objective C).</i></b>						
<i>We are wary that the successful delivery of infrastructure works as Contestable Assets can only be governed by a User’s compliance with Adoption Agreements. These obligations are far</i>						

*limited in comparison to the robust protections provided by the transmission licence and Price Control arrangements where TOs undertake the same work.*

*Where the delivery of contestable infrastructure assets becomes no longer in a User's commercial interest, it will be end consumers, other Users, and Onshore TOs who bear any adverse consequences. There is minimal remedy to mitigate this impact via the proposer's solution. Ultimately these circumstances will lead to increased end consumer costs, as well as potential performance measures against the TOs (through no fault of our own), negatively impacting Objectives B and C.*

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)
Barney Cowin, Statkraft						
Original	<b>Y</b>	-	<b>Y</b>	-	-	<b>Y</b>
WACM 1	<b>Y</b>	-	<b>Y</b>	-	-	<b>Y</b>
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)
Michelle MacDonald (on behalf of Neil Bennett), SSEN Transmission						
Original	<b>N</b>	-	<b>N</b>	-	<b>N</b>	<b>N</b>
WACM 1	<b>N</b>	-	<b>N</b>	-	<b>N</b>	<b>N</b>

Voting Statement:

We believe that this modification could, if implemented correctly, lead to efficient and economic construction of a small number of specific infrastructure assets. However, one of the key issues is that this modification focusses on the delivery of single User assets and not the long-term approach required for connecting future Users to the network as well as the effects on the end consumer. This shorter-term specific approach for contestable infrastructure works would not provide the level of network investment required to meet Net-Zero targets and will lead to large and costly reinforcement work further down the line. This goes against the principles of providing economic and efficient network solutions for the GB end consumer and therefore does not better facilitate objective c).

The proposal would increase the risk of infrastructure assets built contestably not being cost effective or built on time. Further risk is added where the Users fail to meet their contestable obligations which would require TO's to step in to resolve the issue. This could lead to TO's receiving penalties through the RIIO-T2 price control due to another User failing to meet their obligations, which does not support objective b). If a User fails to deliver their contestable assets this would have a longer-term impact on future applications which in turn would suppress competition.

The modification does not promote efficiency in the implementation and administration of CUSC arrangements as non-CUSC parties will now have provisions in the code legal text

(such as Adoption Agreement provisions). We are also wary that the delivery of the contestable assets solely relies on the User complying with the Adoption Agreement.

It is ultimately disappointing that given the extensive number of workgroups held for CMP330/374, that the consequential modification required to facilitate the changes identified in Section 2 was not raised sooner. We believe the delay in raising this additional modification has prevented the workgroup from assessing the full extent of the changes being presented against their applicable objectives.

**Stage 2b – Workgroup Vote**

Which option is the best? (Baseline, Proposer solution (Original Proposal), WACM1 or WACM2)

Workgroup Member	Company	BEST Option?	Which objective(s) does the change better facilitate?
Andy Pace	Energy Potential	<b>Original</b>	<b>a and c</b>
Neil Dewar	National Grid ESO	<b>WACM1</b>	<b>a and c</b>
Andy Colley	SSE Generation Ltd	<b>Original</b>	<b>a and c</b>
Richard Woodward	National Grid Electricity Transmission	<b>Baseline</b>	-
Barney Cowin	Statkraft	<b>Original</b>	<b>a and c</b>
Michelle MacDonald (on behalf of Neil Bennett)	SSEN Transmission	<b>Baseline</b>	-

Of the 6 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	<b>4</b>
WACM1	<b>4</b>