

## 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>	STEPHANIE CONESA
<b>Company name:</b>	ERG UK
<b>Email address:</b>	SCONESA@ERG.EU
<b>Phone number:</b>	0748 311 7654

#### 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		
1	Do you believe that the CMP330/CMP374 Original Proposal better facilitates the Applicable Objectives?	<p>We are in favour of the opportunity to extend contestability for transmission connections, that gives the user more flexibility to build the connection assets in terms of timing and costs.</p> <p>Moreover, we appreciate the introduction of this measure also because it enhances competition between users in delivering grid development solutions, useful also for second users/supplementary applications.</p> <p>For the above reasons, we share the proposer’s impact evaluation in respect to the relevant objectives:</p> <ul style="list-style-type: none"> <li>a) Positive</li> <li>b) Neutral</li> <li>c) Positive</li> <li>d) Neutral</li> <li>e) Neutral</li> </ul>
2	Do you support the proposed implementation approach?	Yes
3	Do you have any other comments?	No, thank you.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No, thank you.
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?	<p>We are in favour of having the possibility to decide between contestable/non-contestable, case by case.</p> <p>We prefer maintaining the timing of the current connection process, to avoid any potential deferral of time in the connection building phase. However, this must not lead to additional costs required by the connectee in the connection process. Moreover, the TO</p>

		should continue to manage the planning application where necessary and, to furtherly facilitate quicker timelines, the developers could benefit from the TO's pre-approved contractors' list for the contestable build.
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?	There should be a process to allow subsequent applicants to take over the contestable build already negotiated with the TO, but under the first user authorisation too. The first user must be aware of the second user and must always be updated and consulted as part of this process. It is important to define the cost sharing among them and the point of no return where this option is restricted case by case. The latter one is very difficult to be defined in general terms. In any case, negotiation should not affect the build timeline.
7	Are the proposed intervention criteria sufficient? Are there any additional criteria that should be considered? Please provide your views.	We are in favour of the intervention criteria, that must not be based only on economic drivers but also on timing and quality of the works. However, it is important to define the level and compensation mode of the user by the TO in the Adoption Agreement.
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?	N/A
9	Do you agree with the principles of what needs to be included in the Adoption agreement as set out in Annex 4.	Yes, but a clarification must be made on the mode of payment for the adoption of the asset. A lump payment at the end of the asset adoption is preferable in respect to staged payments (point 10 of the Adoption Agreement Draft).
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	It is preferable that no discrepancy exists between England, Wales and Scotland. However, we support contestability also being offered at higher voltages as to benefit from the same opportunity of higher levels of control over cost and timelines.

	provide justification for your views.	
11	Are there any issues for stakeholders to extend contestability to building assets above 132 kV.	No, we are in favour of this extension.
12	Will the CMP330/374 Original Proposal / possible alternatives impact your business. If so, how?	<p>We are in favour of the original proposal and about the alternative to extend it also for voltages &gt; 132 kV. The possibility to choose between the two approaches would help the Developer managing the project timing and possibly costs (avoiding multiple mark ups on installer costs through direct contracts), having more control and alignment on all the assets required and related programmes and financial escalation risks, which the TOs are not incentivised to mitigate.</p> <p>We also suggest the TO retains network design, oversight on installation and commissioning to ensure no unforeseen delays in gaining TO approval of the works impact project programme.</p>
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>According to our experience when there's no direct control over the connection asset, it remains a high failure risk until the very end of the project.</p> <p>A clear example is the lack of penalties against delays in providing the connection by the grid operator meaning a different approach compared to the Developer.</p> <p>Further examples where the developer does not have control over risks are land rights not concluded on time, procurement timelines.</p> <p>As a result, the Developer is exposed to high project/financial risks that could be avoided. This is one of the main points of consideration for an international player when evaluating the investments in the country.</p> <p>Increased costs are ultimately passed through to consumer, so where there is opportunity to avoid escalating costs over the project build through more</p>

		competition due to contestability, this is better for the consumer in the long run. Furthermore, delays to connections mean delays to adding more renewable energy onto the grid network, impacting on net-zero progression.
14	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?	N/A