

**CUSC Alternative Form – Non Charging**

# CMP427 Workgroup Alternative 1:

*Exemptions process – introduce a Template ‘C’ for exceptional circumstances*

**Overview:** This Workgroup Consultation Alternative proposal is to expand upon the Original solution by including a third template to deal with exceptional circumstances where it is not practical for the developer to obtain either a Template ‘A’ or Template ‘B’ LoA but can, instead, obtain from a party designated by the Authority an LoA that aligns with the principles of CMP427 that formal discussions have been entered into, by the developer, with a bona fide body that is of sufficient nature as to be able to make a Connection Application.

**Proposer:** Garth Graham SSE Generation

☒ I/We confirm that this Alternative Request proposes to modify the non - charging section of the CUSC only

**Guidance for Alternative Proposers**

## What is the proposed alternative solution?

During the course of the Workgroup deliberations, I noted that there may be merit in considering development of an exemption option to deal with exceptional circumstances (i.e., where it may not be possible for a User to seek a template 'A' LoA<sup>1</sup> from the landowner for a particular project).

For example, there may be circumstances where the User needs to undertake compulsory purchase of the land required for the project itself (and not just for the connection route<sup>2</sup>). This scenario could particularly apply to future nuclear projects. In such a situation it may not be possible, practically, for the User(s) to obtain an LoA in the form of either template A or template B.

Taking this into account, along with the consultation responses, and wishing to ensure that all connection applications are treated in a broadly consistent manner by the ESO, it is proposed that an alternative form of the LoA (to be known as template 'C') be included as part of CMP427 to cover this scenario.

With this alternative form a template 'C' LoA could either be signed by the Authority, or by a separate party that was so designated by the Authority to issue such a template 'C' based document to a User.

This template 'C' LoA would be treated by the ESO as equivalent to either template A or template B LoA, and therefore sufficient to meet the LoA requirement introduced by CMP427.

This solution would be based around the similar designation process that already exists within the CUSC in terms of the Authority being able to designate a party (or parties) as a "Materially Affected Party" which is defined as "any person or class of persons designated by the Authority as such, in relation to the Charging Methodologies".

Thus, with this alternative, the Authority would be able to designate a party as a 'CMP427 Template C Party'<sup>3</sup> if the Authority, taking into account those matters it considered relevant, believes that to be appropriate in the circumstances.

For the avoidance of doubt, it is not expected that a User would be able to be a 'CMP427 Template C Party'.

It was noted that the type of party that might be so designated by the Authority to issue such a template 'C' LoA (covering the exceptional circumstances where either template A or template B could not reasonably be obtained by the User) could include the Secretary of State for DESNZ.

The rationale for designating the Secretary of State is that the exceptional circumstances; in terms of the project(s) that cannot reasonably obtain a template 'A' LoA; foreseen are likely to include ones pertaining to wider Government policy issues that are the purview of the Secretary of State.

Therefore, this alternative proposal would be based on the Original proposal but include a third template ('template C') to deal with exceptional circumstances issue.

The possible wording is still subject to legal review; however, by way of illustration, it might look something like:

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<sup>1</sup> Of course where the User is the landowner of the land for the project in question then a template 'B' would be obtainable, and thus a there would be no need for a template 'C' situation to arise for that project.

<sup>2</sup> For the avoidance of doubt, a template 'C' should not be obtainable where a User could reasonable obtain – in the view of the designating party – a template 'A' LoA (and it would not be expected that the Authority would designate a party to be able to issue a template 'C' LoA where template 'A' LoAs are obtainable by the User).

<sup>3</sup> Or 'LoA Template C Party'? Or 'CMP427 LoA Party'? Workgroup views on this would be welcomed.

We/I, [NAME] of [XYZ – Authority designated party] hereby confirm we have had formal discussions with [User] about a project of size [MW] involving [technology] to be located in the region of [Ordnance Survey map location].

Please take this letter as confirmation that we authorise [User] (or their authorised representatives or representatives whomsoever) to apply for a grid connection to the ESO on and in relation to the Property.

I confirm that I am happy for the ESO to contact me to verify that this letter is genuine.

The Workgroup included this potential alternative within its recent consultation and there was broad support for it.

## What is the difference between this and the Original Proposal?

It adds a further template ('C') to the two templates already included within the Original along with a designation ability to the Authority.

## What is the impact of this change?

The impact is minimal as it only arises if (1) the Authority designated a party to issue template 'C' LoA, and then (2) that that the designated party then believes that a User has made the case as to why the specific project should be provided with a template 'C' LoA.

Absent (1) or (2) arising then there is no impact as no template 'C' LoA could be issued to a User for a particular project.

### Proposer's Assessment against CUSC Non-Charging Objectives

Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	<b>Positive/Negative/None:</b> Improves on Original by introducing a third template for exceptional circumstances. Otherwise as per Original.
(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;	<b>Positive/Negative/None:</b> Improves on Original by introducing a third template for exceptional circumstances. Otherwise as per Original.

(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>Positive/Negative/None:</b> As per Original.
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	<b>Positive/Negative/None:</b> As per Original.
*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.	

### When will this change take place?

#### Implementation date:

As Original.

#### Implementation approach:

As Original.

### Acronyms, key terms and reference material

Acronym / key term	Meaning

#### Reference material:

1.