ESO

CUSC Alternative and Workgroup Vote

CMP427:
Update to the Transmission Connection Application Process for Onshore Applicants

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.

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 (SSE Generation, Inclusion of Template C for exceptional circumstances)	Alternative 2 (BayWa r.e., Reasonable Minimum Acreage)	Alternative 3 (ESO, Permutation Alternative)
Joseph Henry	***Y***	***Y***	***Y***
Greg Stevenson	***Y***	***N***	***N***
Sam Aitchison	***Not present***	***Not present***	***Not present***
Garth Graham	***Y***	***Y***	***Y***
Helen Stack	***Not present***	***Not present***	***Not present***
Deborah MacPherson	***Y***	***Y***	***Y***

Claire Hynes	***Y***	***Y***	***Y***
Alex Ikonic	***Y***	***Y***	***Y***
Andrew Yates	***Not present***	***Not present***	***Not present***
Ed Birkett	***Y***	***Not present***	***Not present***
Richard Woodward	***Y***	***N***	***Y***
Charles Deacon	***Y***	***Not present***	***Not present***
Hooman Andami	***Y***	***Y***	***Y***
Dennis Gowland	***Not present***	***Y***	***Y***
Kyran Hanks	***Y***	***Y***	***Y***
Dhaval Parmar	***Not present***	***Not present***	***Not present***
Joe Colebrook	***Y***	***N***	***Y***
WACM?	***WACM1 (31/01/24)***	***WACM2 (06/02/24)***	***WACM3 (06/02/24)***

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)	Overall (Y/N)
	Joseph Henry – ESO				
Original	***Y***	***Y***	***-***	***Y***	***Y***
WACM 1	***Y***	***Y***	***-***	***Y***	***Y***
WACM 2	***Y***	***Y***	***-***	***Y***	***Y***
WACM 3	***Y***	***Y***	***-***	***Y***	***Y***
Voting Statement: We believe that the Original and all WACMs all better facilitate the objectives than the current CUSC baseline. All options would provide a robust LoA which would raise the standard required in the Connection Application Process. We believe that the best option would be WACM 1. Whilst we believe WACM2 is better than baseline, we do not believe that the 50% reduction threshold is necessary on the basis that the ESO would use the values in the energy density as a guideline as part of our checks to begin					

further discussion with the User making the application, as opposed to strict cut offs for any given project. We have raised WACM3 as we believe all options better facilitate the CUSC objectives than the baseline, and as such this should give the Authority a complete list of options to select from.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Greg Stevenson - SHET				
Original	***Y***	***Y***	***-***	***Y***	***Y***
WACM 1	***Y***	***Y***	***-***	***Y***	***Y***
WACM 2	***N***	***N***	***-***	***-***	***N***
WACM 3	***Y***	***-***	***-***	***-***	***Y***

Voting Statement:

We support the Original and WACM1. We feel that the Original and WACM1 are appropriate solutions because they: meet the objective set out in Ofgem and DESNZ's Connections Action Plan; and better facilitates the Applicable CUSC Objectives. This should raise entry requirements for transmission connections and reduce the number of spurious applications, which in turn, will benefit system planning and investment choices for Transmission Owners as there will be an increased level of confidence for each connection application.

We do not support WACM2. We feel that this proposal is too loosely defined and could be applied to situations where it is not necessary/appropriate (e.g. when there are only two landowners) and may negatively impact the potential benefits from the Original proposal.

We support WACM3 as it gives the Authority the option to choose the full suite of solutions.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Sam Aitchison – Island Green Power				
Original	***Y***	***Y***	***-***	***Y***	***Y***
WACM 1	***Y***	***Y***	***-***	***Y***	***Y***
WACM 2	***Y***	***Y***	***-***	***Y***	***Y***

WACM 3	***Y***	***Y***	***-***	***Y***	***Y***

Voting Statement:

IGP have assessed that all proposals better facilitate ACO's a, b and d. However, it is considered that the 50% of the landholding will not put a high enough barrier up to entry for new projects and will allow projects to get a grid connection without enough land to develop the project. Hence, the preferred option is WACM 1.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Garth Graham – SSE Generation				
Original	***Y***	***Y***	***-***	***Y***	***Y***
WACM 1	***Y***	***Y***	***-***	***Y***	***Y***
WACM 2	***Y***	***-***	***-***	***Y***	***Y***
WACM 3	***Y***	***-***	***-***	***Y***	***Y***

Voting Statement:

I concur with the Proposer's reasoning as to why CMP427 Original better facilitates Applicable Objectives (a), (b) and (d) whilst being neutral in terms of (c) when compared to the Baseline.

As the three WACMs are all variations upon the Original I also believe that, likewise, they better facilitate Applicable Objectives (a) and (d), whilst being neutral in terms of (c) when compared to the Baseline. WACM1 also better facilitates (b) whereas WACM2 and WACM3 are neutral in terms of (b) when compared to the Baseline.

In terms of (a), this is because this change will enable to ESO to more efficiently discharge their Licence obligations in respect of the connection of Users to the NETS.

Furthermore, in terms of (b), it will also facilitate effective competition in the generation of electricity as it will ensure (via the LoA it introduces) a robust approach to future connection applications by requiring; as the joint DESNZ/Ofgem Connections Action Plan sets out (at page 35); a more robust entry requirement in terms of a User seeking to connect providing "…*confirmation that the project developer has formally engaged in discussions with the landowner(s) in respect of the rights needed to enable the construction of the project on their land*".

However, I am very mindful of the word 'needed' in the above quote from the CAP; which, in my view, is a key aspect of the confirmation (according to DESNZ/Ofgem) that is required and as WACM2 (upon which WACM3 is also, in part, based) would

result in the LoA being for less land (i.e. 50%) than is 'needed' I therefore believe that WACM2 (and thus WACM3) is neutral in terms of (b).

In terms of (d), I believe that all four options (Original and the three WACMs) will promote an efficient implementation and administration of the CUSC as it pertains to the connection application process.

Overall, the Original, WACM1, WACM2 and WACM3 are all better.

Of the four options WACM1 is 'Best' as it allows for projects seeking to connect; that are unable to obtain an LoA based on either the Template 'A' or Template 'B'; a route for obtaining, in exceptional circumstances, an equivalent LoA via the Template 'C' mechanism (subject first to the Authority designating an appropriate party, such as the Secretary of State, i.e. the Department, and then secondly, that party agreeing with the User that Template 'C' is appropriate).

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	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***

Voting Statement:

We believe the Original and all the three WACMs better facilitate Applicable Objectives (a), (b) and (d) whilst being neutral in terms of (c) when compared to the Baseline. We believe by raising the entry requirements for transmission applications, they allow the ESO to more efficiently discharge its obligations to provide connections services to non-speculative applicants, and for the same reason promote more efficient implementation of the CUSC arrangements. Through the improvement the Original and all three WACMs deliver to the connections regime it also facilitates effective competition in the generation and supply of electricity. At the time of voting we consider WACM1 as the best option for a 'minimum viable product'.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Deborah MacPherson - Scottish Power Renewables				
Original	***Y***	***Y***	**-**	***Y***	***Y***

WACM 1	***Y***	***Y***	***-***	***Y***	***Y***
WACM 2	***Y***	***Y***	***-***	***Y***	***Y***
WACM 3	***Y***	***Y***	***-***	***Y***	***Y***

Voting Statement:

We agree that Original and WACMs of CMP427 all better facilitate the Applicable Objectives (a), (b) and (d), and neutral in terms of (c) when assessed against the baseline.

All options provide a means to delivering a more efficient and robust connections application process, complimenting on the now implemented Queue Management arrangements and help facilitate more effective competition via the introduction of the LoA by aligning arrangements with Distribution and delivering on a key ask from Ofgem/DESNZ and the joint Connections Action Plan.

Workgroup Member	**Better facilitates ACO (a)**	**Better facilitates ACO (b)**	**Better facilitates ACO (c)**	**Better facilitates ACO (d)**	**Overall (Y/N)**
	Alex Ikonic - Orsted				
Original	***Y***	***Y***	***-***	***Y***	***Y***
WACM 1	***Y***	***Y***	***-***	***Y***	***Y***
WACM 2	***Y***	***Y***	***-***	***Y***	***Y***
WACM 3	***Y***	***Y***	***-***	***Y***	***Y***

Voting Statement:

In our view, all proposed solutions facilitate the ACOs better than the baseline and are aligned with the actions set out by Ofgem in the Connections Action Plan.

We believe the introduction of a LOA requirement will reduce the number of speculative transmission connection applications entering the queue and see this modification as a positive first step in a wider suite of actions. We support further modification(s) being raised, as soon as practically possible, to address other aspects which were deemed out of scope for this modification. While it is our view that the Original and WACM1 do better facilitate CUSC AO(b) compared to the baseline, we believe this could be improved (and better facilitate CUSC AO(b)) via WACM2 / 3.

Our reservations with the Original, and WACM 1, lie with applying the values proposed in the energy density table to the full project capacity. Although we strongly support the

principle of a “sense check” between capacity being applied for, and land for the project to increase the robustness of the LOA, we believe it is important to strike a balance between this and realities and challenges of project development, particularly for projects of a large scale. Our concern is that with the Original and WACM1, competition between different scales of projects could be distorted and that larger projects, which are in fact viable, may be disadvantaged as it may not be feasible to secure LoAs from all relevant landowners within the timeframes required for application – this is particularly a risk in the light of the new gated / windowed application process proposed under Connections Reform where the time to submit an application is fairly limited.

We therefore have a strong preference for WACM 2 or 3, which we believe are more proportionate, while still being robust enough to reduce the number of highly speculative applications as required by the CAP. We acknowledge that this 50% figure may be subject to change at a later date if another figure is proved to be more reasonable.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Andrew Yates - Statkraft				
Original	***Y***	***Y***	**-**	***Y***	***Y***
WACM 1	***Y***	***Y***	**-**	***Y***	***Y***
WACM 2	***Y***	***Y***	**-**	***Y***	***Y***
WACM 3	***Y***	***Y***	**-**	***Y***	***Y***

Voting Statement:

The original and proposed WACMs are better than the baseline increasing the hurdle to future applications but providing flexibility to the reality of project development and land collation. I had concerns about the energy density table for wind as turbine sizes rise to 7mw +. The 50% of allows some flexibility to the ESO assessment of land area to be submitted. The format of the letter has been thoroughly reviewed by us within the industry but may be subject to minor changes by active land representatives and so a route for an alternative letter of authority is needed. Further tweaks and tightening of the requirements can be applied at stage 2.

ESO

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Alex Howison - Low Carbon				
Original	***Y***	***Y***	**-**	***Y***	***Y***
WACM 1	***Y***	***Y***	**-**	***Y***	***Y***
WACM 2	***Y***	***Y***	**-**	***Y***	***Y***
WACM 3	***Y***	***Y***	**-**	***Y***	***Y***
Voting Statement: -					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Richard Woodward - NGET				
Original	***Y***	***Y***	**-**	**-**	***Y***
WACM 1	***Y***	***Y***	**-**	**-**	***Y***
WACM 2	**-**	**-**	**-**	**-**	***N***
WACM 3	***Y***	***Y***	**-**	**-**	***Y***

Voting Statement:

We support the proposed changes as per the Original and WACM1. These would help raise the entry requirements for transmission applications compared to the baseline – ensuring developers take active steps at an earlier stage to signal the viability of their projects.

In doing so, they could provide a better level of confidence to enable Transmission Owners to make more strategic investment choices to deliver connections more economically and efficiently (better facilitating objective A) - supporting better facilitation of market competition overall (objective B). We assess objectives C&D as neutral.

We are keen though that more substantive concepts related to making the LoA process more robust (e.g. enduring applicability/expiration and land exclusivity) are addressed at the earliest opportunity by the ESO.

WACM1 provides a slight variation for dealing with exceptions, so we assess similarly to the Original.

WACM2 appears at odds with the direction of the CAP, and consequently we cannot support it. The CAP clearly seeks through the LoA approach to 'raise entry requirements'. Had the proposal tied the 50% threshold to instances of projects requiring the consent of two or more landowners – which we appreciate can be challenging logistically - we would have seen potential merit in this option. However as proposed, the WACM2 solution could undermine the benefits of the Original from which the WACM2 proposal derives.

We do support the inclusion of WACM3 though, which provides Ofgem the broadest choice of solutions which could be implemented if CMP427 is approved.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Bill Scott - Eclipse Power Network				
Original	***Y***	***Y***	**-**	***Y***	***Y***
WACM 1	***Y***	***Y***	**-**	***Y***	***Y***
WACM 2	***Y***	***Y***	**-**	***Y***	***Y***
WACM 3	***Y***	***Y***	**-**	***Y***	***Y***
Voting Statement: Eclipse Power gives full support given to the Original Proposal and 3 WACMs. Collectively we believe these offer an appropriate minimum level response reflecting the urgency of the initial request and provide the Authority with the maximum flexibility and discretion to take this forward.					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Hooman Andami - Elmya Energy				
Original	***Y***	***Y***	**-**	***Y***	***Y***
WACM 1	***Y***	***Y***	**-**	***Y***	***Y***
WACM 2	***Y***	***Y***	**-**	***Y***	***Y***
WACM 3	***Y***	***Y***	**-**	***Y***	***Y***
Voting Statement: We believe that the Original and all WACMs can successfully facilitates the objectives (comparing to the current baseline). However, we consider WACM1 as the best option as it has the benefit of the Original plus Template C (which gives the required flexibility					

for very exceptional cases). This WACM provides a robust LoA which could raise the bar to a reasonable level for making a connection application without overcomplicating it by introduction of a further reduction threshold as the ESO would always have the discretion of implanting the required threshold in the energy density values.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Dennis Gowland - Research Relay Ltd				
Original	***Y***	***Y***	**-**	***Y***	***Y***
WACM 1	***Y***	***Y***	**-**	***Y***	***Y***
WACM 2	***Y***	***Y***	**-**	***Y***	***Y***
WACM 3	***Y***	***Y***	**-**	***Y***	***Y***

Voting Statement:

The Original and all WACMs are better than the baseline in that all address the Connection Action Plan (CAP) – absent in the baseline. I support the 3 template solution for the LoA – present in WACM1 (Original plus Template C). I consider WACM3 as best as it includes all the options including WACM2 which serves to give some degree of freedom when considering the Energy Land Density table, which will be part of the guidelines used by ESO when assessing the validity of a submitted LoA. Some of the values in the table could be seen to be subjective or a figure may be used, within a range, which may in some respects be considered as arbitrary. It could be seen as a barrier to entry if non-speculative projects had begun formal talks with (a) Landowner(s) but had not reached the stage of obtaining the necessary Land Options – which would be part of later milestones under CMP376.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Kyran Hanks – CUSC Panel Member				
Original	***Y***	***Y***	**-**	***Y***	***Y***
WACM 1	***Y***	***Y***	**-**	***Y***	***Y***
WACM 2	***Y***	***Y***	**-**	***Y***	***Y***
WACM 3	***Y***	***Y***	**-**	***Y***	***Y***

Voting Statement:

The LoA should bring greater rigour to the connection application process. As such, it should enable the ESO to have a more efficient connection process. This in itself will facilitate effective competition in generation of electricity. It is not sensible to have a connection application process that allows such a long connection queue. Finally, curbing the length of the connection queue – although it is probably a couple of years late – will promote efficiency in the CUSC arrangements.

Of the variants, I would support WACM1. This delivers improvements in objectives a b and d.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	John Brereton - Innova Renewables				
Original	***Y***	***Y***	***-***	***Y***	***Y***
WACM 1	***Y***	***Y***	***-***	***Y***	***Y***
WACM 2	***Y***	***N***	***-***	***N***	***N***
WACM 3	***Y***	***N***	***-***	***N***	***N***

Voting Statement:

Innova supports the changes proposed under the Original Proposal and WACM1.

The Original Proposal and WACM1 better facilitates the applicable objectives (a), (b), and (d).

In terms of (a), this change could reasonably be considered to reduce the total number of applications that the ESO receives to connect to the transmission network. The reduction in workload will allow the ESO to better discharge its license obligations. The improved understanding of where users will build projects will allow for better network design and planning.

Furthermore, in terms of (b), the use of a Letter of Authority (LoA) increases the confidence of a specific project being developed and eventually participating in the market. The use of an LoA increases the likelihood that viable projects will not be stuck behind unviable or slow-to-develop projects, therefore increasing the number of projects being energised.

Finally, with regards to (d), the implementation of LoAs helps to ensure that only viable projects are progressed. This prevents the need for the ESO to manage and allocate resources during the offer process. However, it is noted that the introduction of such

measures increases the administrative burden on the ESO to implement, check and enforce such measures.

Innova cannot support WACM2 as it does not raise the entry requirements sufficiently, potentially conflicting with the requirements set out in the Connections Action Plan to raise the entry requirements via an LoA process. Consequently, Innova cannot support WACM3 as it is derived from WACM2, however, we understand the need for Ofgem to be given a broad choice of solutions to be considered for a swift implementation of CMP427, if approved.

Of the 15 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	**15**
WACM1	**15**
WACM2	**12**
WACM 3	**14**

Stage 2b – Workgroup Vote

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

Workgroup Member	Company	Industry Sector	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Joseph Henry	ESO	System Operator	WACM1	a), b) and d)
Greg Stevenson	SHET	Generator	WACM1	a), b) and d)
Sam Aitchison	Island Green Power	Generator	WACM1	a), b) and d)
Garth Graham	SSE Generation	Generator	WACM1	a), b) and d)
Helen Stack	Centrica	Generator	WACM1	a), b) and d)
Deborah MacPherson	Scottish Power Renewables	Generator	WACM3	a), b) and d)

Alex Ikonic	Orsted	Generator	WACM3	a), b) and d)
Andrew Yates	Statkraft	Generator	WACM3	a), b) and d)
Alex Howison	Low Carbon	Generator	WACM1	a), b) and d)
Richard Woodward	NGET	TO	WACM1	a), b)
Bill Scott	Eclipse Power Network	Network Operator	WACM1	a), b) and d)
Hooman Andami	Elmya Energy	Generator	WACM1	a), b) and d)
Dennis Gowland	Research Relay Ltd	Consultant	WACM3	a), b) and d)
Kyran Hanks	CUSC Panel Member	CUSC Panel Member	WACM1	a), b) and d)
John Brereton	Innova Renewables	Generator	WACM1	a), b) and d)