

Code Administrator Consultation Response Proforma

CMP428: User Commitment liabilities for Onshore Transmission (reinforcement) in the Holistic Network Design

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 by **5pm on 18 April 2024**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Claire Goult Claire.goult@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Ryan Ward	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input checked="" type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:
 (Please mark the relevant box)

Non-Confidential (*this will be shared with industry and the Panel for further consideration*)

Confidential (*this will be disclosed to the Authority in full but, unless specified, will not be shared with the Panel or the industry for further consideration*)

For reference the Applicable CUSC (non-charging) 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.*

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Please provide your assessment for the proposed solution against the Applicable Objectives?	<p>Mark the Objectives which you believe the proposed solution better facilitates:</p> <p>Original <input type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input checked="" type="checkbox"/>D</p> <p>Objective A&C – Neutral</p> <p>Objective B – Positive</p> <p>Including the new term ‘excepted works’ in Section 11 of the Connection and Use of System Code (CUSC) ensures that the definition of ‘attributable works’ aligns with Ofgem’s determination from October 2022 regarding asset classification.</p> <p>This proposal prevents the misallocation of onshore transmission (reinforcement) costs within the Holistic Network Design (HND). By doing so, it avoids imposing significant user commitment obligations on projects where reinforcement works contribute to broader system benefits. Ultimately, this change promotes competition among users by making liabilities more reflective of costs.</p> <p>Objective D – Positive</p> <p>CMP428 provides enhanced clarity and transparency regarding asset classification. Clear guidance supports efficiency in the implementation and administration of the CUSC, preventing any unnecessary disputes or misunderstanding.</p>
2	Do you have a preferred proposed solution?	<p><input checked="" type="checkbox"/>Original <input type="checkbox"/>Baseline <input type="checkbox"/>No preference</p> <p>The implementation of CMP428 will help provide more cost reflective user commitments and prevent the misallocation of onshore transmission reinforcement costs, associated with the HND.</p>
3	Do you support the proposed	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p>

	<p>implementation approach?</p>	<p>The implementation date of June 2024 is required in line with the decision on urgency. This will also help limit any further impact on generators.</p>
<p>4</p>	<p>Do you have any other comments?</p>	<p>The importance of reviewing this code modification considering the aim of the HND, which facilitates a coordinated strategy for expanding offshore wind connections. This approach will support achieving the target of 50GW of offshore wind in GB by 2030. Currently, there is a risk of discouraging developers from advancing critical projects due to the potential of unforeseen substantial financial liabilities associated with their connection offers.</p> <p>It's crucial to distinguish between CMP426 and CMP428:</p> <ul style="list-style-type: none"> • CMP426 - Focuses on addressing the cost recovery (TNUoS) related to onshore transmission (reinforcement) within the HND. • CMP428 – Addresses the associated User Commitments (liabilities). <p>These two code modifications are separate and distinct from each other.</p> <p>During the workgroup discussion, concerns were raised about risk being transferred to consumers as a result of the implementation. The cost allocation has already been determined in accordance with Ofgem’s decision from October 2022. The proposal aims to update the code to align with the regulator’s decision.</p>