

# Code Administrator Meeting Summary

## Meeting name: CMP434 & CM095 Workgroup 6

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Date: 05/06/2024

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### Contact Details

Chair: **Claire Goult** [Claire.Goult@nationalgrideso.com](mailto:Claire.Goult@nationalgrideso.com)

Proposer: **Joe Henry** [Joseph.Henry2@nationalgrideso.com](mailto:Joseph.Henry2@nationalgrideso.com)

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## Key areas of discussion

The key areas for discussion in Workgroup 6 are:

- Gate 1 Holding Charge
- Scope Clarification
- NESO designation (criteria and process)
- Gate 2 queries
- Offshore aspects

### Opening remarks

The Chair noted quoracy and began the Workgroup.

A Workgroup Member asked how the query log and papers will be addressed in the consultation. The Proposer stated that a session will be planned to address these elements.

A Workgroup Member asked when the workgroup can see the consultation, the Chair stated there would be more information on w/c 10<sup>th</sup> June

### Actions

A Workgroup Member asked what the purpose of action 1 was, the Proposer stated the types of data requested were not just volume of applicants in the queue, but also technology type.

A Workgroup Member asked when action 12 would be updated, the Proposer stated this would be discussed in workgroup 7.

The Chair and Proposer stated actions 16 & 17 would be discussed in later workgroups.

A potential action on impact assessments was discussed, but it was noted that this subject was mentioned in the terms of reference, so the action was not added. An Authority Representative noted that any impact assessments would fall to the ESO.

A Workgroup Member asked for clarity in novation, an ESO SME stated this would be allowed. A previous workgroup summary that this was not allowed, and this summary would be changed.

### Gate 1 Capacity Holding Security

The ESO outlined that the Gate 1 Capacity Holding Security payment is intended to help incentivise timely progression between Gate 1 and Gate 2, however the ESO also believe it will help discourage multiple speculative applications and encourage viable projects.

Several Workgroup members raised concerns with the Capacity Holding Security payment, with some noting that the flat rate cost would be disproportionate to different projects and could be prohibitive for some projects, particularly as the payment is based on DFTC rather than actual projects. The ESO agreed to provide worked examples to help understanding of the payment. Several Workgroup members noted that they thought this should be included in a separate modification to allow time to develop the detail of the change and to assess the impacts.

### **NESO Designation**

The ESO outlined that NESO designation will prioritise connections for viable projects that:

- Are critical to Security of Supply
- Are critical to system operation
- Materially reduce system/network constraints

They clarified that Network Services Procurement, Competitively Appointed Transmission Owners and coordinated offshore network design arrangements will be dealt with in a separate 'bay / capacity reservation' policy rather than being incorporated under NESO designation.

Several Workgroup members raised concerns around the ESO having the power to prioritise certain connections; one Workgroup member also noted the existing process for ensuring security of supply. The ESO clarified that the methodology for determining a NESO designation would be locational, and that this would likely be used on large Demand projects or long duration storage located in a beneficial location. One Workgroup member highlighted the need for a dispute process in relation to NESO designation.

### **Connection Point and Capacity Reservation**

The ESO outlined that the STC currently has a provision for substation bay reservation under STCP 16-1 4.3.4. They noted that they plan to continue to use this right under RMPO4+, separate to Gate 2 criteria, and in limited circumstances. However the ESO noted that they planned to extend the bay reservation approach to become a broader connection point and capacity reservation approach within TMO4+.

Several Workgroup members highlighted that the change to STCP 16-1 to include 4.3.4 under PM0121 was not intended for this purpose and noted that a change to how this is used should be done under the appropriate Governance route, with approval from the STC Panel. One Workgroup member noted that this approach should come under a separate modification, rather than being within CM095, and another Workgroup member noted that the ESO should be transparent as to the reasoning on the purpose for which bays are reserved.

### **Scope follow up conversation**

The ESO advised that they had updated their original scope slide for clarification. They highlighted that they intend to codify the concept of a significant change and noted that significant modification applications would only be permitted within the application windows for the relevant gate.

In response to a question, the ESO advised that the CEC reduction payment would be non-significant, subject to the capacity holding security. They highlighted that the reason for this was to prevent applicants overstating their original entry capacity at application.

The ESO noted that reasonable changes to the project site location due to normal project development would not be considered to be significant changes, but that fundamental changes to location relative to the initial requested connection point would be significant changes requiring a significant modification application. One Workgroup member asked the ESO to clarify how much location change would be allowed outside of a significant modification application. Another Workgroup member noted that changes to project site location may need to be clarified in respect to how England and Wales differ from Scotland.

**Offshore - General**

The ESO outlined challenges associated with offshore assets in TMO4+, highlighting that they plan to extend the [CMP427](#) Letter of Authority requirements to offshore wind, Interconnectors and Offshore Hybrid Assets in respect of entry into Gate 1, on an equivalent basis to onshore projects. The ESO noted that they have been engaging with TCE and CES regarding what an offshore equivalent could look like in relation to a generation site and have considered a possible onshore equivalent associated with onshore convertor stations. The ESO also advised that interconnectors will only need to prove land rights within GB.

The ESO confirmed that they are proposing that for interconnectors and OHAs, the Gate 2 criteria should be applied in respect of the onshore convertor substation, with the developer needing to demonstrate they have secured the rights to lease or own the land on which the site is planned to be located. The ESO also noted that they are considering making the indicative connection point and connection date at Gate 1 a confirmed date for interconnectors and OHAs, subject to them achieving the Gate 2 criteria within a certain timeframe from Gate 1 contract acceptance, to allow appropriate land rights to be obtained. The ESO also advised that interconnectors will only need to prove land rights within GB.

**Gate 2 Queries Playback**

A Workgroup Member stated there may not be enough experts to complete the relevant surveys required by this modification.

A Workgroup Member asked for nuclear to be treated as a separate category as it can depend heavily upon government policy.

**Next Steps**

The action log will be circulated

**Actions**

For the full action log, [click here](#).

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	PM	To share further data is shared in relation to the transmission queue	Joe C ENA link - does this answer this - ask WG next session	TBC	Open
8	WG2	AP	Consider the definition of Relevant Embedded Small/Medium Power Station and whether the codified definition needs to be changed or if the ESO is to provide guidance to		TBC	Open

			DNO's outside of the energy codes on what is considered as relevant to the transmission network			
9	WG2	AP	Slide on Large Embedded for clarification		WG4	Open
11	WG2	JH/DD	Response to the paper provided by Simon Lord	Ongoing	WG4	Open
12	WG2	JH	ESO to speak to the policy team and consider how the 'Allowable Changes' policy being drafted would interact with CMP434, would all of the policy need to be codified or does the concept of the policy need to be codified?	Answer on 11/06/24 Workgroup meeting 7 LH/SG	WG4	Open
13	WG2	ALL	Workgroup to continue to add thoughts in relation to discussion of significant and minor changes		TBC	Open
15	WG4	JH	Consider alignment of crown estate invitation to tender and auction timing		TBC	Open
17	WG5	FP	Are the duplication checks at Gate 2 against projects who are within the gate 2 applicants pool of that period, gate 2 applicants that are yet to accept their offer, or/and applicants who have accepted their Gate 2 offer	Will be picked up in a later Workgroup	TBC	Open
18	WG6	RE/MO	Share table and/or visual outlining the difference between the ESO/TO costs covered by an application fee and the TO costs covered by the proposed capacity holding security.		TBC	Open
19	WG6	RE/MO	Share a worked example of how the capacity holding security would (in theory) be apportioned between directly connected and relevant small and medium embedded generation projects, using a hypothetical £1/MW value.		TBC	Open
20	WG6	JN/AQ	Consider legal perspective on NESO designation		TBC	Open
21	WG6	MO	Update/develop slides presented based on Workgroup feedback		TBC	Open
22	WG6	JH	Consider if an impact assessment by the ESO on the proposed solution is achievable within the current timescales		TBC	Open

**Attendees**

<b>Name</b>	<b>Initial</b>	<b>Company</b>	<b>Role</b>
Claire Goult	CG	Code Administrator, ESO	Chair
Lizzie Timmins	LT	Code Administrator, ESO	Chair
Andrew Hemus	AH	Code Administrator, ESO	Tech Sec
Stuart McLarnon	SM	Code Administrator, ESO	Tech Sec
Joe Henry	JH	ESO	Proposer
Angela Quinn	AQ	ESO	ESO SME
Michael Oxenham	MO	ESO	ESO SME
Paul Mullen	PM	ESO	ESO SME
Rachael Eynon	RE	ESO	ESO SME
Ruth Matthew	RM	ESO	ESO SME
Lee Wilkinson	LW	Ofgem	Authority Representative
Alex Ikonic	AI	Orsted	Workgroup Member
Allan Love	AL	Scottish Power Transmission	Workgroup Member
Andy Dekany	AD	NGV	Workgroup Member
Anthony Cotton	AC	Green Generation Energy Networks Cymru Ltd	Workgroup Member
Bill Scott	BC	Eclipse Power Networks	Workgroup Member
Bradley Price	BP	NGED	Workgroup Member
Brian Hoy	BH	Electricity North West Limited (ENWL)	Workgroup Member
Callum Dell	CD	Invenergy	Workgroup Member
Claire Hynes	CH	RWE Renewables	Workgroup Member
Claire Witty	CW	Scottish Power Energy Networks	Workgroup Member
Deborah MacPherson	DM	Scottish Power Renewables	Workgroup Member
Ed Birkett	EB	Low Carbon	Workgroup Member
Garth Graham	GG	SSE Generation	Workgroup Member
Grant Rogers	GR	Qualitas Energy	Workgroup Member
Greg Stevenson	GS	SSEN Transmisson (SHET)	Workgroup Member
Gregory Hunt	GH	SSEN	Workgroup Member
Helen Snodin	HS	Fred Olsen Seawind	Workgroup Member
Helen Stack	HES	Centrica	Workgroup Member

Hooman Andami	HA	Elmya Energy	Workgroup Member
Joe Colebrook	JC	Innova Renewables	Workgroup Member
Kyran Hanks	KH	CUSC Panel member	Workgroup Member
Luke Scott	LS	Northern Powergrid	Workgroup Member
Mark Field	MF	Sembcorp Energy (UK) Limited	Workgroup Member
Paul Jones	PJ	Uniper	Workgroup Member
Pedro Javier Rodriguez	PR	Lightsourcebp	Workgroup Member
Phillip Addison	PA	EDF Renewables	Workgroup Member
Ravinder Shan	RS	FRV TH Powertek Limited	Workgroup Member
Richard Woodward	RW	NGET	Workgroup Member
Rob Smith	RS	Enso Energy	Workgroup Member
Simon Lord	SL	ENGIE	Workgroup Member
Zivanayi Musanhi	ZM	UK Power Networks	Workgroup Member