

# Code Administrator Meeting Summary

## Meeting name: Application of Gate 2 Criteria to existing contracted background (Workgroup 7)

Date: 19/06/2024

### Contact Details

**Chair:** Elana Byrne, ESO Code Administrator

**Proposer:** Alice Taylor, ESO (CMP435), Steve Baker, ESO (CM096)

## Key areas of discussion

### Action review

The Chair reviewed the Action log and the Workgroup agreed to close actions 19, 21, 31, 37, 41.

### Topics covered as part of Workgroup discussion:

- Dispute process
- SME Update: NESO Designation, Connection Network Design Methodology (CNDM) & Connection point and Capacity Reservation.
- I/DNO Impacts relevant to CMP435.
- Gate 2 criteria updates.
- Gate 2 criteria – Planning.
- Gate 2 Evidence and Assessment.

### Overview

The Chair initiated the meeting, highlighting key areas to be discussed which include the timeline, topics, Action log review and Terms of Reference.

### Dispute Process

- The SME explained how the dispute process fits within the current framework. The focus was on whether it should remain an internal process or involve external parties for certain parts of the process.
- Workgroup requested that ESO set out how the new fast track process fits within the existing disputes/escalation processes of the CUSC and Transmission Licence. This was taken as an action by the ESO SME
- The SME explained the dispute types and advised that due to the nature of this process and the broader approach to codification of new concepts, the fast-track dispute process is not going to be fully codified.
- The SME highlighted the potential costs of using external consultants and discussed the need to balance these costs with the benefits of keeping the process internal to save resources.

- The SME emphasised the importance of effective communication between customer facing teams and customers. The goal is to ensure all steps are taken to resolve disputes efficiently and clearly.
- A Workgroup member asked if the disputes could be handled entirely within the existing internal framework or if some issues should involve external parties.
- The SME advised it is crucial to consider both internal handling and the potential need for an external party, depending on the context and specifics of the dispute.
- A Workgroup member raised a concern on increased costs associated with hiring external consultants and whether these costs are justified by the benefits.
- A Workgroup member asked if there was an expectation for the distribution side to adopt a similar methodology. SME advised that a new Workgroup is being set up to investigate DNOs and IDNOs impacts on their customers and a meeting is happening next week, advising that this topic can be addressed there and fed back to the Workgroup.
- A Workgroup member asked if a dispute is won, will the queue position be maintained and whether there is any process in the pipeline to ensure that requests for dispute are actioned quickly. The SME advised that yes, the queue position will be maintained and that it's in the ESO's best interest to resolve disputes quickly and that conversations are still happening on this topic.
- A Workgroup member pointed that it is a good idea to use Service Level Agreements (SLAs) but for the process to be done entirely inhouse by the ESO to ensure it fits with existing user rights.
- The SME clarified that the dispute process will be in place to help with more administrative or smaller queries, but it is up to the costumer if they want to use it or go straight to the process set out in CUSC.
- The Workgroup agreed that this process would work for the industry.

### **SME Update: NESO Designation & Connection Point and Capacity Reservation.**

#### NESO Designation

The SME provided a verbal update on NESO designation, explaining the criteria and its implications for the industry and advised:

- There has been significant feedback from industry stakeholders which is being reviewed to address concerns and suggestions.
- A detailed implementation plan is being developed and further consultation with stakeholders will be planned to review this.
- There is an estimated timeline for completion early next year.

#### Connection Point and Capacity Reservation:

- The SME discussed the different competition routes for connection points and reserving capacity.
- The request for a Connection Point and Capacity Reservation process is expected to require changes to the STC and STCP if approved.
- The SME emphasised the need for clear and consistent codification practices.
- The Workgroup discussed codification and how it impacts capacity reservation.

**I/DNO Impacts relevant to CMP435.**

- The SME addressed how the impacts of CMP435 align with current distribution and transmission network operations. Highlighting the need to fit seamlessly into existing frameworks to avoid disruptions.
- The SME clarified that the ESO doesn't have a direct contractual relationship with distribution customers, explaining that the ESO will have a direct contractual relationship with the DNOs and IDNOs.
- The SME identified specific areas within the DNO and IDNO where CMP435 will have significant impacts. Focusing on cost allocation, operational procedures and regulatory compliance.
- The SME advised the Workgroup to contact them directly with any concerns surrounding impacts to the DNO/IDNO and the implementation process.
- A Workgroup member commented that awareness is needed of IDNOs involved as they might not necessarily have a balance sheet to absorb the costs which could have competition implications. The Workgroup member also advised that DNOs need to have a mechanism to reorder their queues and that needs to be the same across all DNOs.
- A Workgroup member commented that if there is a change to charging or the application of charges, a new modification will need to be raised to address the issue.

**Gate 2 criteria update.**

- The SME mentioned the importance of aligning milestones with the new Gate 2 criteria. Highlighting that adjustments are needed to ensure the milestones align with the distribution queue management and best practice guidelines.
- The SME advised that changes to the queue management are to be reflected in the Gate 2 criteria.
- The SME advised that the timeline for the new Gate 2 criteria is being reviewed to ensure that the milestones accurately reflect the new criteria within the set timeline.
- The SME advised for CMP435, for Secured Land to meet Gate 2, it is not proposed to retrospectively apply the option requirements to those who have achieved a land option but there will be an ongoing requirement for the developer to keep the land under option by seeking further agreements with the landowner until the Completion Date.
- The SME asked the Workgroup if any allowances should be made for existing contracted parties under CMP435 who will have already negotiated options.
- A Workgroup member commented that the easier option is to do it by the implementation date and the more difficult option will be to do it from when the CMP435 proposal was raised.
- A Workgroup member advised that in terms of not retrospectively applying a minimum period it might cause problems due to parties just signing a one-month option or three-month options, just so it gives them the requirements to go to the next stage because that will be an easy measure.
- A Workgroup member asked when there is a pre-existing contract, whether this can be used only once or multiple times (suggesting that maybe this can only be used in the first 12 months). Another Workgroup member commented that if the project misses Gate 2 at the end of this year, it shouldn't have any further pre-existing rights and it should be considered as a new application per CMP434.

- The SME advised that red line boundary checks are being proposed and advised that there is a percentage to where it can be built outside the boundary, stating that for CMP434, 33% is being suggested, and asked the Workgroup if this should be different for CMP435.
- A Workgroup member commented that the ENA guidance accepts 50% change in boundaries, is there going to be an alignment? Another Workgroup member advised that this is something ENA is keeping a close review of and ultimately there is the ENA best practice guidance that would have to be reviewed and updated.

**Gate 2 criteria – Planning.**

The SME shared a slide on planning ongoing compliance, and asked the Workgroup is there is anything different for CMP435?

- A Workgroup member advised that it needs to consider parties not involved in CMP435 who will not have knowledge of the timelines at this stage.

**Gate 2 Evidence and Assessment.**

- The SME advised that self-certification is being proposed and stated that the ESO is proposing that a template is created to facilitate this process and it will be mirrored across Transmission and Distribution and there will be accompanying guidance. The SME explained the preferred option on Gate 2 checks undertaken by the ESO and the DNOs, and it is the self-certification with a percentage check. The SME asked the Workgroup if there should be a lighter touch approach to the percentage check?
- A Workgroup member advised that the Authority should set the percentage, to avoid the modification being rejected on that basis, suggesting it should be asked in the Workgroup Consultation for industry to consider what the percentage level should be.
- A Workgroup member advised that the percentage shouldn't be different between modifications just because the sample size is different.
- A Workgroup member suggested that it should be the same for both, but for CMP435 it can be said that the check will only start from the point of the offer being issued, and that will give a few months extra for the checks to be processed.

**Next Steps**

- Share update on timeline and topics when available.

**Actions**

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
2	WG1	AT	Document that charging and user commitments will be out of scope for CMP435		N/A	Open
6	WG1	EB	Workgroup to discuss the consequences of the SO:DNO contract changes on DNO/IDNO contracts with other parties	<del>Not for the CMP435 solution but WG Report</del> WG time to be allocated to discuss this specifically	Ongoing	Open

7	WG1	Code Admin	Collaboration space – access queries to be explored with IT	Members can also explore this with their IT teams	Ongoing	Open
12	WG2 (amended post WG4)	LH/AC	<del>Discuss possibility of further impact assessment (RFI data).</del> Discuss impact assessments of solution options in terms of effects on the current and future queue.	ESO have confirmed that they will not pursue the use of consultants at this time	Ongoing	Open
14	WG2	AT/PM	Update WG topics	Further updates to be made post WG4	WG5	Open
15	WG2	AT/RW	Clarify process (WG2 slide 2 particularly the yellow box)	Superseded by Process slide that PM presented to 29 May 2024 and 4 June 2024 WG	WG4	Closed
16	WG2	LH	Look into securities for offers	To be referenced in WG6	June 2024	Open
19	WG3	PM, MO	Clarification on mod apps where CMP435/CM096 are applicable	To be referenced in WG6		Open
20	WG3	RW, AT	TOs and ESO meeting needed to discuss data available to review capital contributions for 2024	Information to be brought back to the WG and discussed in context of transitional arrangements	Ongoing	Open
21	WG3	ESO Connections Team	When considering transitional arrangements, include guidance for staged projects		WG6	Open
23	WG3	MO	ESO to check the process to avoid both DNO and ESO assessing evidence for Gate progression	There will be no duplication of effort between ESO and I/DNO in relation to checking of evidence in relation to Gate 2 - subsequently action 41 raised re: process.	WG4	Closed
25	WG4	Propose rs, SME, Code Gov	Topics slide – add dates to WG, consider best placement for discussion of impacts on DNO/IDNO, the WG consultation review & timings for DCUSA changes/guidance	Check with KS for DCUSA discussion (agreed with KS to be post WG consultation)	WG5	Closed
26	WG4	LC	Authority to consider licence obligations and possible penalties for DNOs/IDNOs performing checks on projects	Addressed by LC in WG5 and query 62 on query log	WG5	Closed

27	WG4	MO	Updates to the WG4 slides on Scope	For the avoidance of doubt...line, reference to Pt 1 & Pt 2, synch comps in embedded generation, wording around New Grid Supply Point/substation, reference to interconnectors - in the slide pack for WG6 for reference	WG5	Closed
28	WG4	PM	Work through different scenarios for progressing/not progressing through the Gates (accept, reject, refer) considering conditions such as restrictions on availability		Ongoing	Open
29	WG4	RP & KS	Map out the timings for implementation plan (ESO to liaise with ENA)		Ongoing	Closed
30	WG4	PM	Review process slides – ongoing compliance pulled out to apply to all scenarios on example slide, consider simplification to manage queue position based on clock start date	Queue position line added to process slide in WG6 slides; ongoing compliance was already added to process slide presented at WG5	WG5	Closed
31	WG4	RP	Call to be arranged between RP and JD about the consequences of customers not progressing if part of multi-customer applications (to then progress understanding of this via the ENA SCG groups)	Meeting Thursday 06/06. Keep open for outcomes to be shared with WG.	Ongoing	Open
32	WG4	MO	ESO to confirm rationale for 3 month waiting period for refunds	Update shared in WG5 by MO that rationale was to allow security in place to lapse vs actively cancel/return it before natural expiration	WG5	Closed
33	WG4	RE	ESO to consider the analysis available/possible to support the proposal for the Gate 1 Capacity Holding Security	CMP434/CM095 to discuss first	Ongoing	Closed
34	WG5	Code Gov, Propose rs, SME	Assess the agenda for 16 July (considering time needed to review consultation responses)		Ongoing	Open
35	WG5	RP	Updates shared to the 435/96 WG from the SCG group exploring implementation		Ongoing	Open

36	WG5	Angie	Statement from ESO as to the CAP150 powers and how they are applied /can be applied re: ongoing compliance (include link to CAP150 info on ESO website)		Ongoing	Open
37	WG5	Angie	Consequences for a false declaration on a self-certification letter outlined for CMP435/CM096 (i.e. any other than termination of agreement)		WG7	Open
38	WG5	PM	Amend to the Planning: ongoing compliance slide to remove Gate 2, amend to Process slide to adjust in relation to reordering	Added to process slide in WG6 pack	WG6	Closed
39	WG5	PM	Date for the Gate 2 qualification dispute process could start		Ongoing	Open
40	WG5	RM/LH	RFI recipient to be confirmed for Drax	RFI sent out to customers via a distribution list of customers from Salesforce and also published it on the website	WG6	Closed
41	WG6	PM/AP	The process & evidence requirements confirmed for DNO/IDNO evidence checking & if there will be a specific template for the self-certificate process for DNOs/IDNOs.		WG7	Open
42	WG6	LH	Check with legal as to the clock start dates for new applications considering the point of implementation after an Authority decision (is 15th of November date is legally acceptable as the Gate 1 process only comes to existence 10 Working days after Authority decision?)		Ongoing	Open
43	WG6	RM	Clarify the resources available to industry if they disagree with a specific NESO designation or NESO designation as a process and the basis of (link to query 50 from GG – on what legal basis the ESO can designate projects to not meet CMP435 criteria)		Ongoing	Open

44	WG6	RM	Confirmation about whether NESO designation applications, decisions and decision rationales would be published.	Ongoing	Open
45	WG6	RM	Confirm when NESO designation guidance is likely to be finalised (NESO Designation Methodology, CND Methodology and Gate 2 Criteria Methodologies)	Ongoing	Open
46	WG6	RM	Check if the three competition routes for reserving bays will be codified and stipulate the specific routes applicable.	WG7	Open
47	WG6	RM	ESO to reflect on the NESO designation vs Ofgem derogation question and respond to the Workgroup with a confirmed position.	Ongoing	Open
48	WG6	PM/MO/AD	Call arranged to discuss interconnections and OHA in relation to CMP435 impacts	Ongoing	Open
49	WG7	RP	To provide feedback gathered from Friday 21 June meeting with DNOs on distribution mirroring the low level dispute process proposed in CMP435/CM096	Ongoing	Open
50	WG7	RP	To check with ENA/INA regarding involvement of IDNOs in a SCG working group	WG7	Open
51	WG7	ESO Connections Team	To update on guidance on transitional arrangements for staged projects	Ongoing	Open
52	WG7	KP/LH	To share any experience shared of minimum sample checking (e.g. CMP376) and revisions of sample %	Ongoing	Open
53	WG7	Code Governance	To update slide 57 from WG7 for wording relating to alternatives and the need for a defect	Ongoing	Open

**Attendees (excluding Observers)**

Name	Initial	Company	Role
Elana Byrne	EB	Code Administrator, ESO	Chair

Catia Gomes	CG	Code Administrator, ESO	Technical Secretary
Prisca Evans	PE	Code Administrator, ESO	Technical Secretary
Tammy Meek	TM	Code Administrator, ESO	Technical Secretary
Alice Taylor	AT	ESO	Proposer CMP435
Steve Baker	SB	ESO	Proposer CM096
Anca Ustea	AU	ESO	Subject Matter Expert
Holli Moon	HM	ESO	Subject Matter Expert
Paul Mullen	PM	ESO	Subject Matter Expert
Richard Paterson	RP	ESO	Subject Matter Expert
Angela Quinn	AQ	ESO	Subject Matter Expert
Mike Oxenham	MO	ESO	Subject Matter Expert
Salvatore Zingale	SZ	OFGEM	Authority Representative
Andrew Colley	AC	SSE Generation	Workgroup Member Alternate CMP435
Andy Dekany	AD	National Grid	Workgroup Member CMP435
Barney Cowin	BC	Statkraft	Workgroup Member CMP435
Callum Dell	CD	INV Energy	Workgroup Member CMP435
Claire Hynes	CH	RWE Renewables	Workgroup Member CMP435 &CM096
Clare Evans	CE	Scottish Power Renewables	Workgroup Member Alternate CMP435
Ciaran Fitzgerald	CF	Scottish Power Energy Networks	Workgroup Member Alternate CMP435
Ed Birkett	EB	Low Carbon	Workgroup Member CMP435
Gareth Williams	GW	Scottish Power Transmission	Workgroup Member CMP435 &CM096
Garth Graham	GG	SSE Generation	Workgroup Member CMP435
Greg Stevenson	GS	SSEN Transmission	Workgroup Member CMP435 &CM096
Helen Snodin	HS	Fred Olsen Seawind	Workgroup Member CMP435
Hooman Andami	HA	Elmya Energy	Workgroup Member CMP435
Hugh Morgan	HM	Green Gen Cymru	Workgroup member Alternate CMP435
Jack Purchase	JP	NGED	Workgroup Member CMP435
James Devriendt	JD	UK Power Networks	Workgroup Member CMP435
Joe Colebrook	JC	Innova Renewables	Workgroup Member CMP435 & CM096

Jonathan Hoggarth	JH	EDF Renewables	Workgroup Member CMP435
Jonathan Whitaker	JW	SSEN Transmission	Workgroup Member Alternate CMP435
Kyran Hanks	KH	WWA ltd	Workgroup Member CMP435
Luke Scott	LS	Northern Powergrid	Workgroup Member Alternate CMP435
Mark Field	MF	Sembcorp Energy	Workgroup Member CMP435
Michelle MacDonald Sandison	MS	SSE Distribution	Workgroup Member CMP435
Mireia Barenys	MB	Lightsourcebp	Workgroup Member Alternate CMP435
Mpumelelo Hlophe	MH	Fred Olsen	Workgroup Member Alternate CMP435
Muhammad Madni	MM	National Grid	Workgroup Member Alternate CMP435
Niall Stuart	NS	Buchan Offshore Wind	Workgroup Member CMP435
Nina Sharma	NSh	Drax	Workgroup Member Alternate CMP435
Nirmalya Biswas	NB	Northern Powergrid	Workgroup Member CMP435
Paul Jones	PJ	Uniper	Workgroup Member CMP435 &CM096
Ravinder Shan	RS	FRV TH Powertek Limited	Workgroup Member CMP435
Richard Woodward	RW	NGET	Workgroup Member CMP435 &CM096
Rob Smith	RS	ENSO Energy	Workgroup Member CMP435
Samuel Railton	SR	Centrica	Workgroup Member CMP435
Steffan Jones	SJ	Electricity North West Limited	Workgroup Member CMP435
Tim Ellingham	TB	RWE Renewables	Workgroup Member Alternate CMP435
Tony Cotton	TC	Energy Technical & Renewable Services	Workgroup Member CMP435