

Workgroup Consultation Response Proforma**CMP434: Implementing Connections Reform**

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 usc.team@nationalgrideso.com by **5pm on 06 August 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 usc.team@nationalgrideso.com

| Respondent details | Please enter your details | |
|--|--|---|
| Respondent name: | Aled Moses | |
| Company name: | Shell UK Limited | |
| Email address: | Aled.Moses@shell.com | |
| Phone number: | 07928731880 | |
| Which best describes your organisation? | <input type="checkbox"/> Consumer body <input checked="" 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 checked="" 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 Workgroup, Panel or the industry for further consideration)

For reference the Applicable CUSC (non-charging) Objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- 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;
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
- 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 Workgroup Consultation questions | | | | |
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| 1 | Do you believe that the Original Proposal better facilitates the Applicable Objectives? | <p>Mark the Objectives which you believe the Original solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input type="checkbox"/>C <input checked="" type="checkbox"/>D</td> </tr> </table> <p>We support reforming the connections process in GB and view that it will enable the ESO to more efficiently achieve its objectives.</p> | Original | <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D |
| Original | <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> D | | | |
| 2 | Do you support the proposed implementation approach? (see pages 59-61) | <p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>We understand the view that reform needs to be done quickly. However, we have significant concerns over the proposal that most of the detail should sit outside of the CUSC. We view that it is necessary that the CNDM and other methodologies are codified. There are already several methodologies within the CUSC, eg. for transmission charging (TNUoS), and CUSC governance generally works well for them. The ESO has not provided evidence that it is necessary for the Connections Network Design Methodology (CNDM) and the other connections reform methodologies to sit outside of the CUSC.</p> | | |
| 3 | Do you have any other comments? | | | |
| | Click or tap here to enter text. | | | |
| 4 | Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider? | <p><input type="checkbox"/>Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/>No</p> | | |
| | Click or tap here to enter text. | | | |

| Specific Workgroup Consultation questions | |
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| 5 | <p>Do you agree with the elements of the proposed solution?</p> <p>Element 7 has been de-scoped and Element 10 is proposed to be codified within the STC through modification CM095.</p> <p>Please provide rationale for your answer and any suggestions for improvement to each element?</p> |

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| Element 1: Proposed Authority approved methodologies and ESO guidance (see pages 9-10, 55) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <p>As we have set out in our answer to question 2 we view there is no evidence over why these methodologies need to sit outside of code governance. Considering the importance of these methodologies we view it is essential they are subject to code governance, similar to other methodologies such as TNUoS, connection charging and user commitment.</p> | |
| Element 2: Introducing an annual application window and two formal gates, which are known as Gate 1 and Gate 2 (i.e. the Primary Process) (see pages 11, 35-36) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>We support moving from the current ad-hoc system to a 2-gate process. We view that an annual process is likely appropriate for transmission projects. We are concerned that an annual process is not appropriate for projects on shorter timescales, eg. distribution connected projects, as this could add significant time, and cost, to their projects.</p> | |
| Element 3: Clarifying which projects go through the Primary Process (see pages 11-12, 35-36) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>We agreed there needs to be clarification. We don't have a firm view but it seems broadly appropriate to us.</p> | |
| Element 4: Significant Modification Applications concept, including the proposed criteria and the proposed level of codification (see pages 12-13, 36-39) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <p>We support the Significant Modification Applications concept, but view that it needs to be codified as it is one of the most impactful parts of the CMP434 proposals.</p> <p>We view that is key to clarify how projects with staged capacity will have their capacity treated if it's moved between different phases but the overall envelope stays the same. Staged capacity is common and we expect reflects a large proportion of the transmission queue.</p> | |
| Element 5: Clarifying any Primary Process differences for customer groups (see pages 13-14, 35-36) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>In principle we can see the benefit of the DFTC process. However we view there needs to be more detail, especially on the distribution connection process, before we can form a firm view.</p> | |
| Element 6: Setting out the process and criteria in relation to Application Windows and Gate 1, including introducing an offshore Letter of Authority equivalent as a Gate 1 application window entry requirement for offshore projects (see pages 15-16, 39-40) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>We have not reviewed this in detail but at a high level it seems reasonable to us.</p> | |

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| Element 7: Fast Track Disagreement Resolution Process (de scoped from this modification – see pages 16, 58) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| We have no comments on this element. | |
| Element 8: Longstop Date for Gate 1 Agreements (see pages 16, 40-41) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If the Gate 2 requirement for an offshore wind project is a signed seabed lease (instead of an option agreement) then we view that a 3 year longstop won't be sufficient and practical. Offshore wind projects will either naturally fail their longstop date or only apply for Gate 1 long after they're able to meet it. | |
| Element 9: Project Designation (see pages 17-18, 48-49) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| We disagree with the Project Designation process and view there needs to be evidence to support it. We expect that if there becomes a clear need or project that requires Project Designation than a future modification could be raised to address it. There is a risk with Project Designation that it enables the ESO to avoid taking long-term actions and decisions as it'll have the ability to queue jump. | |
| Element 10: Connection Point and Capacity Reservation (proposed to not be codified within the CUSC, but is intended to be codified within the STC through modification CM095 – see pages 18-20 and the CM095 Workgroup Consultation , pages 6-10 https://www.nationalgrideso.com/document/322801/download) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| We have no comments on this element. | |
| Element 11: Setting out the criteria for demonstrating Gate 2 has been achieved and setting out the obligations imposed once Gate 2 has been achieved (see pages 20-24, 42-46) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <p>We would like clarity over the statement “Any Option Agreement is accompanied by a lease or purchase agreement” and how it would apply to offshore wind. Our understanding is that offshore wind projects can satisfy this through a signed option agreement, which is usually accompanied by a pro-forma lease agreement (the lease follows from the option). Could this please be confirmed?</p> <p>We would also like to understand how the Appendix J Construction Milestones will operate under CMP434. We have experienced the Transmission Owners attempting to use them in various ways as a compliance tool on connection dates. Will this be removed? In our view it if the 2-gate process and Appendix Q is intended to handle complying with connection dates than it needs to be made explicit that Appendix J can not be used to enforce compliance with connection dates.</p> | |
| Element 12: Setting out the general arrangements in relation to Gate 2 (see pages 25-26, 47) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| We have no comments on this element. | |

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| | Element 13: Gate 2 Criteria Evidence Assessment (see pages 26-27, 47-48) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | We have no comments on this element. | |
| | Element 14: Gate 2 Offer and Project Site Location Change (see pages 28, 46) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | We have no comments on this element. | |
| | Element 15: Changing the offer and acceptance timescales to align with the Primary Process timescales (e.g. a move away from three months for making licenced offers) (see pages 29, 42-46) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | We have no comments on this element. | |
| | Element 16: Introducing the proposed Connections Network Design Methodology (CNDM) (see pages 29, 53-55) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| | As set out in other answers we view that a CNDM needs to be codified. Otherwise we view it is reasonable that much of the detail sits in methodologies. | |
| | Element 17: Introducing the concept of a Distribution Forecasted Transmission Capacity (DFTC) submission process for Distribution Network Operators (DNOs) and transmission connected Independent Distribution Network Operators (iDNOs) to forecast capacity on an anticipatory basis for Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations aligned to the Gate 1 Application Window (see pages 30-33, 51-53) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | We have set out our views on DFTC in Element 5. | |
| 6 | Element 18: Set out the process for how DNOs and transmission connected iDNOs notify the ESO of Relevant Embedded Small Power Stations or Relevant Embedded Medium Power Stations which meet Gate 2 criteria (see pages 33-34, 51-53) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| | We have no comments on this element. | |
| | Are there any elements of the proposal which you believe should not be included as part of this proposed solution, which the Proposer believes represents the 'Minimum Viable Product' reforms required to the connections process? If not, why not? (Please note the element number in each of your responses if applicable) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| As set out in other answers, we view that Element 9, Project Designation, should be removed. If it is necessary it can form part of a separate modification. In addition Element 1 should be amended so that the methodologies are codified. | | |

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| 7 | As per question 6, are there any additional features which you believe should be included as part of Minimum Viable Product reform to the connections process? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| We are concerned that CMP434 (and associated mods) will not be sufficient to address the issues and backlog in the GB queue. However we also view that this modification will require time to “bed-in” and clear the backlog and that if there are further changes they should be based on evidence to avoid an overcorrection. | | |
| 8 | Do you agree that the Gate 1 process should be a mandatory process step, or do you think Gate 1 should be an optional process step with projects being able to apply straight into the Gate 2 process if the project meets both the relevant Gate 2 and Gate 1 criteria? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| We don't have a current view, it would be good to understand if there is a reason that projects can't proceed directly to Gate 2. | | |
| 9 | Do you believe that the proposed Gate 1 and Gate 2 process could duly or unduly discriminate against any types of projects? If so, do you believe this is justified? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| We have no comments on this question. | | |
| 10 | Please provide your views on the proposed options ((a) to (e) on page 45) to mitigate the risk of requiring a developer to submit their application for planning consent earlier than they would in their development cycle (with the risk this consent could expire and any extension from the Planning Authority is not automatic). | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| We have no comments on this question. | | |
| 11 | Do you agree that DFTC should be included as part of CMP434? If not, do you believe that the reformed connections process can function without DFTC? Please justify your answer. (see pages 30-34, 51-53) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| We are not sure. Theoretically we think it might be possible to have CMP434 without DFTC, but that would mean there is a risk that small projects connecting to the distribution network are treated very differently to other projects. | | |
| 12 | The Proposer intends to set out supporting arrangements for TMO4+ via a combination of guidance and methodologies (e.g. DFTC, CNDM, Project Designation, Gate 2 Criteria). Do you anticipate any issues with having these outside of Code Governance? (see Pages 9-10, 55) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Yes, as set out in our answer to Element 1. We view there needs to be proper governance and codifying the methodologies is the appropriate route. | | |