

Workgroup Consultation Response Proforma**CMP330: Allowing new Transmission Connected Parties to build Connection Assets greater than 2km in length**

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 16 February 2021. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact Ren Walker Lurrentia.Walker@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
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For reference the Applicable CUSC (charging) Objectives are:

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and*
- e. *Promoting efficiency in the implementation and administration of the system charging methodology.*

**Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

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

Standard Workgroup Consultation questions		
1	Do you believe that the CMP330 Original Proposal better facilitates the Applicable Objectives?	<p>Yes, we believe that the original proposal impacts the following Applicable charging objectives:</p> <p>a) Positive impact</p> <p>By removing the 2 km rule, this modification will enable projects to connect in a more efficient and economical manner, thus facilitating better competition in the market</p> <p>b) Neutral</p> <p>Overall cost-reflectivity and transparency of the charging methodology will remain the same, and transmission licensees will be able to reflect relevant costs in accordance with their SLCs.</p> <p>c) Positive</p> <p>This modification will allow transmission licensees to respond efficiently to the increasing need in new transmission assets in order to accommodate transition to net zero and to meet renewable targets, and to properly reflect this in their charging methodologies.</p> <p>d) None</p> <p>No impact on compliance with EU legislation</p> <p>e) None</p> <p>No impact on administration of the system charging methodology</p>
2	Do you support the proposed implementation approach?	Yes, we support the proposed implementation data and approach

3	Do you have any other comments?	No
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No
Modification Specific Workgroup Consultation questions		
5	What, if any role should Ofgem have in this proposed new process?	Ofgem could provide a view on the second comer arrangements, as well as a general outlook for shared or sharable assets that fall into the 'infrastructure' asset classification. This could be specifically relevant in the context of the OTNR review and discussions around streamlining connection processes and designs for new renewable assets.
6	Should there be a clearer limit on the length of a Connection Asset construction?	<p>No, the length of the connection should be set by the TO design and methodology, and the developer should have the option to contestably build this connection, regardless of its length.</p> <p>Introducing a limit on the length of a connection asset construction will limit the benefits of the solution by reducing access to it by projects that require longer connections due to technical, locational or grid topology reasons.</p>
7	Can you identify/list scenarios in which this agreement shouldn't be given?	No
8	<p>The Workgroup is considering what the length beyond 2km might be appropriate and would welcome views as to whether it should be prescribed as</p> <ul style="list-style-type: none"> i) as a set length; or ii) to the nearest economic point of connection to the NETS; or iii) be unlimited; or iv) another option (if so please explain). <p>Which of these four options do you believe is appropriate and in respect of option 1 do you have a</p>	Our preferred approach would be option 3. As per our response to Q6 above, it should be the responsibility of the TO to model and establish the required length of the connection. This modification will introduce the ability to build the required assets as per the TO design.

	view as to what the set length should be?	
9	Should there be a clearer limit on the length of a Connection Asset construction?	Please see our response to Q6 and Q8 above
10	Should the 2km cap be removed or a new cap be put in place. Please justify a new cap and to what level?	<p>The 2 km rule should remain in its current context of a charging boundary for the purposes of connection vs UoS charging methodologies. However, it should not be applied as an instrument of limiting developers' ability to contestably build assets:</p> <ul style="list-style-type: none"> • Where a develop does not wish to contestably build the overhead line or cable, the 2 km cap will still apply. • Where the developer wishes to contestably build the overhead lines or cables, the cap should not apply.
11	Should the commercial charging boundary limitation of 2km vary from one connection to another dependent on basis of construction choices of a User?	This is likely to add complexities to the connection process, individual project assessments and wider charging methodologies.
12	Should the cap on length of Connection Assets be removed or revised?	Please see our response to Q10.
13	Should approval be required from the Transmission Owner and NGESO for connections in excess of 2km? Please provide rationale as to on what basis the approval would be denied?	<p>If this modification is integrated into CUSC, approval from the TO on the right to contestably build assets should not be required, unless there are exceptional considerations or valid reasons for objection.</p> <p>Design for the construction of the assets should be approved by the TO.</p>
14	Should additional costs incurred over and above the cost the TO would have incurred be fully paid for by the User concerned? Are	Any additional costs incurred by the connecting party that are over and above the cost the TO would have incurred should be borne by that party. However,

	there any circumstances where the TO should fund some/all of these costs?	there should be a comparable, transparent and efficient model for comparison of like-for-like costs and any additional financial or resource implications between the two options.
15	Where a Transmission Connection Asset has been capially contributed and a second Party wishes to connect to those Assets, it is proposed to re-classify those assets as infrastructure assets. It is proposed to implement arrangements similar to the second comer rule for the capially contributed element. Do you agree with this suggestion?	Yes, we would support these arrangements. The Electricity Connection Charges Regulations 2002 (ECCR) could be used as a baseline for introducing a similar clause in relation to Transmission assets. Enabling second comers to connect by paying a proportionate contribution to infrastructure paid for by an earlier party, will increase competition and allow affordable and timely connections. This contribution should be made regardless of who provided the initial connection or the type of connection agreement used.
16	Do you foresee any legal or regulatory barriers or introducing a second comer rule equivalent into the CUSC for this purpose?	<p>As with ECCR, there will need to be a route for dispute resolution' (can be Ofgem) to make final decisions if customers are unhappy with the price charged for a connection.</p> <p>A Regulatory triage assessment may be required to consider rule changes and implications on OFTOs, as well as any new developments under the current OTNR review.</p>